One Hundred Sixth Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 2008

GENERAL REPORT

Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 2008*

To the Honorable Timothy M. Kaine

Governor of Virginia

Sir:

We have the honor to transmit herewith the one hundred sixth Annual Report of the State Corporation Commission for the year 2008.

Respectfully submitted,

Judith Williams Jagdmann, Chairman

Mark C. Christie, Commissioner

James C. Dimitri, Commissioner

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State Corporation Commission

COMMISSIONERS

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

Joel H. Peck

Clerk of the Commission

**Elected Chairman effective for term expiring January 31, 2008, followed immediately by term of one year, January 2, 2008

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
Mark C. Christie	February 1, 2004 to	
Judith Williams Jagdmann	February 1, 2006 to	
James C. Dimitri	September 3, 2008 to	

From 1903 through 2008 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	5	Dimitri	

Jagdmann	3

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 the rules, except 5 VAC 5-20-220, under terms and conditions and to the extent it deems appropriate. These rules do not apply to the internal administration or organization of the commission in matters such as the procurement of goods and services, personnel actions, and similar issues, nor to matters that are being handled administratively by a division or bureau of the commission.

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

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 a qualified officer or agent. The pleadings 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, it is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; and (iii) it is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation. A pleading, written motion, or other document will not be accepted for filing by the Clerk of the Commission if not signed.

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

5 VAC 5-20-30. Counsel.

Except as otherwise provided in 5 VAC 50-20-20, 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 or legal arguments likely to influence a pending formal proceeding and not of record in that proceeding shall be furnished ex parte to any commissioner or hearing examiner by any member of the commission staff.

5 VAC 5-20-70. Informal complaints.

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

PART II.

COMMENCEMENT OF FORMAL PROCEEDINGS.

5 VAC 5-20-80. Regulatory proceedings.

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

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

C. Public witnesses. Any person or entity not participating in a matter pursuant to 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 is the proper initial responsive pleading to a rule to show cause. An answer shall be filed within 21 days of service of the rule to show cause, unless the commission shall order otherwise. The answer shall state, in narrative form, each defendant's responses to the allegations in the rule to show cause and any affirmative defenses asserted by the defendant. Failure to file a timely answer may result in the entry of judgment by default against the party failing to respond.

5 VAC 5-20-100. Other proceedings.

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

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

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

C. Declaratory judgments. Persons having no other adequate remedy may petition the commission for a declaratory judgment. The petition shall meet the requirements of 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.

PART III.

PROCEDURE 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 10 days of the filing of the response.

5 VAC 5-20-120. Procedure before hearing examiners.

A. Assignment. The commission may, by order, assign a matter pending before it to a hearing examiner. Unless otherwise ordered, the hearing examiner shall conduct all further proceedings in the matter on behalf of the commission in accordance with the rules. In the discharge of his 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 shall be stated with the reasons therefor at the time of the ruling, and the objection may be argued to the commission as part of a response to the hearing examiner's report. A ruling by the hearing examiner that denies further participation by a party in interest or the commission staff in a proceeding that has not been concluded may be immediately appealed to the commission by filing a written motion with the commission for review. Upon the motion of any party or the staff, or upon the hearing examiner's own initiative, the hearing examiner may certify any other material issue to the commission for its consideration and resolution. Pending resolution by the commission of a ruling appealed or certified, the hearing examiner shall retain procedural control of the proceeding.

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

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

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

5 VAC 5-20-140. Filing and service.

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

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 is 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, the filing will be timely if made on the next regular business day when the office is open to the public. When a period of 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 formal pleading, brief, or other document filed with the commission required to be served on the parties to a proceeding or upon the commission staff, shall be effected by delivery of a true copy to the party or staff, or by deposit of a true copy into the United States mail properly addressed and stamped, on or before the date of filing. Service on a party may be made by service on the party's counsel. 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 and served in compliance with § 12.1-19.1 or 12.1-29 of the Code of Virginia.

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

Applications, petitions, responsive pleadings, briefs, and other documents must be filed in an original and 15 copies. 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, and must be capable of being reproduced in copies of archival quality. Submissions filed electronically shall be made in portable document format (PDF).

Pleadings 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.

Pleadings containing more than one exhibit should have dividers separating each exhibit and should contain an index. Exhibits such as maps, plats, and photographs not easily reduced to standard size may be filed in a different size, as necessary. 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 10 days of the filing of the application stating whether all necessary requirements imposed by statute or rule for filing the application have been met and all required information has been filed. If the requirements have not been met, the memorandum shall state with specificity the remaining items to be filed. The Clerk of the Commission immediately shall serve a copy of the memorandum on the filing party. The first day of the period within which action on the application must be concluded shall be set forth in the memorandum and shall be the initial date of filing of applications that are found to be complete upon filing. Applications found to require supplementation shall be complete upon the date of filing of the last item identified in the staff memorandum. Applications shall be deemed complete upon filing if the memorandum of completeness is not timely filed.

5 VAC 5-20-170. Confidential information.

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

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

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

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

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

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

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

In proceedings under 5 VAC 5-20-90, and all other proceedings in which the commission shall be called upon to decide or render judgment only in its capacity as a court of record, the common law and statutory rules of evidence shall be as observed and administered by the courts of record of the Commonwealth. In other proceedings, evidentiary rules shall not be unreasonably used to prevent the receipt of evidence having substantial probative effect.

5 VAC 5-20-200. Briefs.

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

5 VAC 5-20-210. Oral argument.

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

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

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

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

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

PART IV.

DISCOVERY AND HEARING PREPARATION PROCEDURES.

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

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

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

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

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

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

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

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

Commission to issue a subpoena and to have the subpoena duly served, together with an attested copy of the commission's order compelling production at a reasonable place and time as described in the commission's order.

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

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

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

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

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

Where the response to an interrogatory or document request may only be derived or ascertained from the business records of the party questioned, from an examination, audit, or inspection of business records, or from a compilation, abstract, or summary of business records, and the burden of deriving or ascertaining the response is substantially the same for one entity as for the other, a response is sufficient if it (i) identifies by name and location all records from which the response may be derived or ascertained; and (ii) tenders to the inquiring party reasonable opportunity to examine, audit, or inspect the records subject to objection as to their proprietary or confidential nature. The inquiring party bears the expense of making copies, compilations, abstracts, or summaries.

5 VAC 5-20-270. Hearing preparation.

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

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

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

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 any relevant written or recorded statements, the existence of which is known, after reasonable inquiry, by the commission staff counsel assigned to the matter to be within the custody, possession, or control of commission staff, made by the defendant, or representatives, or agents of the defendant if the defendant is other than an individual, to a commission staff member or law enforcement officer.

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

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

2. Depositions. After commencement of an action to which this rule applies, the commission staff or a party may take the testimony of a party or another person or entity, other than a member of the commission staff, by deposition on oral examination or by written questions. Depositions may be used for any purpose for which they may be used in the courts of record of the Commonwealth. Except where the commission or hearing examiner finds that an emergency exists, no deposition may be taken later than 10 days in advance of the formal hearing. The attendance of witnesses at depositions may be compelled by subpoena. Examination and cross-examination of the witness shall be as at hearing. Depositions may be taken in the City of Richmond or in the town, city, or county in which the deposed party resides, is employed, or does business. The parties and the commission staff, by agreement, may designate another place for the taking of the deposition. Reasonable notice of the intent to take a deposition must be given in writing to the commission staff counsel and to each party to the action, stating the time and place where the deposition is to be taken. A deposition may be taken before any person (the "officer") authorized to administer oaths by the laws of the jurisdiction in which the deposition is to be taken. The officer shall certify his 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 matter.

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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
*****This version of the Rules of Practice and Procedure was in effect as of December 31, 2008. Additional revisions, not reflected here, go into effect March 11, 2009, and are encompassed in the revised Rules approved by Commission Order dated February 24, 2009, in Case No. CLK-2008-00002.

LEADING MATTERS DISPOSED OF BY FORMAL ORDERS

BUREAU OF FINANCIAL INSTITUTIONS

CASE NO. BAN20061406
APRIL 15, 2008

APPLICATION OF
EASTERN SPECIALTY FINANCE, INC. D/B/A CHECK 'N GO

For a license to engage in business as a payday lender

CORRECTING AND LICENSE REISSUANCE ORDER

On June 20, 2006, the State Corporation Commission ("Commission") entered an Order granting Eastern Specialty Finance, Inc. d/b/a Check 'n Go ("Company") a license to engage in business as a payday lender under Chapter 18 of Title 6.1 of the Code of Virginia. Thereafter, the Bureau of Financial Institutions ("Bureau") reported to the Commission that an office address contained in the Order is incorrect as a result of information supplied by the Company and that the Company subsequently paid the fee required by Commission regulation for reissuance of its license certificate.

THEREFORE, IT IS ORDERED THAT:

(1) The thirty-fourth location listed in the Order Granting a License entered on June 20, 2006, is hereby corrected, nunc pro tunc to that date, to read "5900 East Virginia Beach Boulevard, Suite 256, Norfolk, Virginia 23502" rather than "256 Janaf Shopping Center, Norfolk, Virginia 23502";

(2) All other provisions of the Order Granting a License entered on June 20, 2006, shall remain in full force and effect; and

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

CASE NO. BAN20061406
JULY 22, 2008

APPLICATION OF
EASTERN SPECIALTY FINANCE, INC. D/B/A CHECK 'N GO

For a license to engage in business as a payday lender

CORRECTING AND LICENSE REISSUANCE ORDER

On June 20, 2006, the State Corporation Commission ("Commission") entered an Order granting Eastern Specialty Finance, Inc. d/b/a Check 'N Go ("Company") a license to engage in business as a payday lender under Chapter 18 of Title 6.1 of the Code of Virginia. Thereafter, the Bureau of Financial Institutions ("Bureau") reported to the Commission that an office address contained in the Order is incorrect as a result of information supplied by the Company and that the Company subsequently paid the fee required by Commission regulation for reissuance of the license.

THEREFORE, IT IS ORDERED THAT:

(1) The sixty-second office location listed in the Order Granting a License entered on June 20, 2006, is hereby corrected, nunc pro tunc to that date, to read "5461 Wesleyan Drive, Suite 105, Virginia Beach, Virginia 23455" rather than "5461 Weslayan Drive, Suite 105, Virginia Beach, Virginia 23455";

(2) All other provisions of the Order Granting a License entered on June 20, 2006, shall remain in full force and effect; and

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

CASE NO. BAN20070064
JANUARY 23, 2008

APPLICATION OF
E-Z FINANCIAL SERVICES, INC. D/B/A E-Z CHECK CASHING

For a license to engage in business as a payday lender

ORDER GRANTING A LICENSE

E-Z Financial Services, Inc. d/b/a E-Z Check Cashing, a Virginia corporation, has applied to the State Corporation Commission ("Commission") for a license to engage in the business of payday lending at 2546 South Crater Road, Petersburg, Virginia 23805. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of the Bureau, the Commission finds that the application meets the criteria in Chapter 18 of Title 6.1 of the Code of Virginia.

THEREFORE, the application is APPROVED provided that the applicant begins business within one (1) year from this date and the applicant gives written notice to the Bureau stating the date business was begun within ten (10) days thereafter.

CASE NO. BAN20072294
MAY 30, 2008

APPLICATION OF
CHECK INTO CASH OF VIRGINIA, LLC D/B/A CHECK INTO CASH

For authority to conduct business as an agent of a money transmitter in its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Check into Cash of Virginia, LLC d/b/a Check into Cash ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct business as an agent of a money transmitter in the Company's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable the borrower to purchase or pay a fee related to money transmission services available at the Company's payday lending offices.

2. The Company shall comply with all federal and state laws and regulations applicable to its money transmission business.

3. The Company shall be and remain a party to a written agreement to act as an agent for a person licensed or exempt from licensing as a money transmitter under Chapter 12 of Title 6.1 of the Code of Virginia ("licensed or exempt money transmitter"). The Company shall not engage in money transmission services on its own behalf or on behalf of any person other than a licensed or exempt money transmitter with whom it has a written agency agreement.

4. The Company shall maintain books and records for its money transmission business separate and apart from its payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

5. The Company should maintain a copy of this Order at each location where it conducts business as an agent of an exempt money transmitter.

6. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20072296
JANUARY 14, 2008

APPLICATION OF
CHECK INTO CASH OF VIRGINIA, LLC, D/B/A CHECK INTO CASH

For authority to conduct the business of facilitating third party tax preparation and electronic tax filing services in its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Check into Cash of Virginia, LLC d/b/a Check into Cash ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct the business of facilitating third party tax preparation and electronic tax filing services in its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable the borrower to pay a fee related to tax preparation or electronic filing services offered at, or facilitated by, the Company in its payday lending offices.

2. The Company shall not make, arrange, or broker a payday loan that is secured in part by an interest in a borrower's tax refund, or in whole or in part by (i) any other assignment of income payable to a borrower, or (ii) any assignment of an interest in a borrower's account at a depository institution. This condition shall not be construed to prohibit the Company from making a payday loan that is secured solely by a check payable to the Company drawn on a borrower's account at a depository institution.

3. The Company shall not engage in the business of (i) accepting funds for transmission to the Internal Revenue Service or other governmental instrumentalities, or (ii) receiving tax refunds for delivery to individuals, unless licensed as a money transmitter or exempt from licensing under Chapter 12 of Title 6.1 of the Code of Virginia.

4. The Company 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 business of facilitating tax preparation and electronic tax filing services. The Company shall not make or cause to be made any misrepresentation as to its being licensed by the Commission or Bureau to conduct the business of facilitating tax preparation and electronic tax filing services, or as to the extent to which it is subject to supervision or regulation.

5. The Company shall not make a payday loan or vary the terms of a payday loan on the condition or requirement that a person also obtain tax preparation or electronic tax filing services. The Company shall not offer or facilitate tax preparation or electronic tax filing services on the condition or requirement that a person also obtain a payday loan.

6. The Company shall comply with all federal and state laws and regulations applicable to the business of facilitating tax preparation and electronic tax filing services.

7. The Company shall maintain books and records for its business of facilitating tax preparation and electronic tax filing services separate and apart from the Company's payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

8. The Company should maintain a copy of this Order at each location where it conducts the business of facilitating tax preparation and electronic tax filing services.

9. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20072315
JULY 11, 2008

APPLICATION OF
FAST PAYDAY LOANS, INC.

For authority to allow a third party to conduct a consumer finance business from the licensee's payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Fast Payday Loans, Inc. ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to allow a third party to conduct a consumer finance business from the Company's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a person if (i) the person has an outstanding loan from the Company, the third party, or any other lender doing business in the Company's payday lending offices; or (ii) on the same day the person repaid or satisfied in full a loan from the Company, the third party, or any other lender doing business in the Company's payday lending offices. As used in this Order, the term "loan" includes a payday loan, a consumer finance loan, or any amount borrowed by a person pursuant to an open-end credit agreement.

2. The third party shall not make a consumer finance loan to a person if (i) the person has an outstanding loan from the third party, the Company, or any other lender doing business in the Company's payday lending offices; or (ii) on the same day the person repaid or satisfied in full a loan from the third party, the Company, or any other lender doing business in the Company's payday lending offices.

3. The Company and third party shall not make a payday loan and a consumer finance loan contemporaneously or in response to a single request for a loan.

4. The Company and third party shall provide each applicant for a payday loan or consumer finance loan with a separate disclosure, signed by the applicant, that clearly identifies all of the loan products available in the Company's payday lending offices (whether provided by the Company, the third party, or any other lender doing business in the Company's payday lending offices) along with the corresponding APR, interest rate, and other costs associated with each loan product.

5. The third party shall not make a consumer finance loan that is secured in a manner that causes it to be subject to the Payday Loan Act.

6. The third party 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 consumer finance business, including the rates, terms or conditions of its loans.

7. The third party shall not sell insurance or enroll borrowers under group insurance policies.

8. The third party shall comply with the Consumer Finance Act, § 6.1-244 et seq. of the Code of Virginia, as well as all other state and federal laws and regulations applicable to the conduct of its consumer finance business.

9. The third party shall maintain books and records for its consumer finance business separate and apart from the Company's payday lending business and in a different location within the payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

10. The Company should maintain a copy of this Order at each location where a third party conducts consumer finance business.

11. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NOS. BAN20072442 and BAN20072443
MARCH 18, 2008

APPLICATIONS OF
WASHINGTONFIRST CO.

For a certificate of authority to begin business as a bank at 11636 Plaza America Drive, Reston, Fairfax County, Virginia following a merger with WashingtonFirst Bank and for authority to operate the authorized offices of the merging bank

ORDER GRANTING AUTHORITY

WashingtonFirst Co., a Virginia corporation, has applied to the State Corporation Commission ("Commission"), pursuant to Chapter 2 of Title 6.1 of the Code of Virginia, for a certificate of authority to begin business as a bank at 11636 Plaza America Drive, Reston, Fairfax County, Virginia, following a merger with WashingtonFirst Bank, a Washington DC chartered bank. WashingtonFirst Co. proposes to be the surviving bank in the merger and seeks authority to operate all of the currently authorized offices of WashingtonFirst Bank (see attached Exhibit A for a list of the branches of WashingtonFirst Bank). WashingtonFirst Co. was incorporated to facilitate the conversion of WashingtonFirst Bank from a Washington DC chartered bank to a Virginia state-chartered bank. The applications were investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the applications and the report of the Bureau, the Commission finds that: (1) all provisions of law have been complied with; (2) the stock of WashingtonFirst Co. has been subscribed, and the capital of the resulting bank will be sufficient to warrant successful operation; (3) the oaths of all directors have been taken and filed in accordance with the provisions of § 6.1-418 of the Code of Virginia; (4) WashingtonFirst Co. will conduct a legitimate banking business; (5) the moral fitness financial responsibility, and business qualifications of those named as officers and directors of WashingtonFirst Co. are such as to command the confidence of the community; (6) the public interest will be served by banking facilities in the communities where the offices will be located; and (7) the deposits of WashingtonFirst Co. will be insured by the Federal Deposit Insurance Corporation.

THEREFORE, IT IS ORDERED that a certificate of authority to do a banking business is granted to WashingtonFirst Co., effective immediately prior to the issuance by the Commission of a certificate merging WashingtonFirst Bank into WashingtonFirst Co., and that the resulting bank, which will change its name to WashingtonFirst Bank and have its main office at 11636 Plaza America Drive, Reston, Fairfax County, Virginia, is authorized to maintain and operate branches at all of the office locations currently operated by WashingtonFirst Bank contingent upon the following conditions:

(1) There is not materially adverse change in the capital of WashingtonFirst Bank prior to the new bank's opening;

(2) The applicant obtains insurance of its accounts by the Federal Deposit Insurance corporation; and

(3) The applicant shall notify the Bureau of the date on which it will commence business as a Virginia state-chartered bank. In the event the applicant does not fulfill the foregoing conditions, the authority granted herein shall expire six (6) months from this date, unless it is extended by the Commission.

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

CASE NO. BAN20072555
JANUARY 14, 2008

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

For authority to conduct the business of facilitating third party tax refund anticipation loans and tax refund payments in its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct the business of facilitating third party tax refund anticipation loans and tax refund payments in its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable the borrower to pay any fee, finance charge, or other amount the borrower owes in connection with a tax refund anticipation loan or tax refund payment offered at, or facilitated by, the Company in its payday lending offices.

2. The Company shall not make, arrange, or broker a payday loan that is secured in part by an interest in a borrower's tax refund, or in whole or in part by (i) any other assignment of income payable to a borrower, or (ii) any assignment of an interest in a borrower's account at a depository institution. This condition shall not be construed to prohibit the Company from making a payday loan that is secured solely by a check payable to the Company drawn on a borrower's account at a depository institution.

3. The Company shall not facilitate a tax refund anticipation loan or tax refund payment to enable a person to pay any amount owed to the Company as a result of a payday loan transaction.

4. The Company shall not engage in the business of receiving tax refunds or tax refund payments for delivery to individuals unless licensed as a money transmitter or exempt from licensing under Chapter 12 of Title 6.1 of the Code of Virginia.

5. The Company shall not facilitate a tax refund anticipation loan or tax refund payment and make a payday loan contemporaneously or in response to a single request for a loan.

6. The Company shall not make a payday loan or vary the terms of a payday loan on the condition or requirement that a person also obtain a tax refund anticipation loan or tax refund payment. The Company shall not facilitate a tax refund anticipation loan or tax refund payment on the condition or requirement that a person also obtain a payday loan.

7. The Company 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 business of facilitating tax refund anticipation loans and tax refund payments. The Company shall not make or cause to be made any misrepresentation as to its being licensed by the Commission or Bureau to conduct the business of facilitating tax refund anticipation loans and tax refund payments, or as to the extent to which it is subject to supervision or regulation.

8. The Company shall comply with all federal and state laws and regulations applicable to the business of facilitating tax refund anticipation loans and tax refund payments.

9. The Company shall maintain books and records for its business of facilitating tax refund anticipation loans and tax refund payments separate and apart from the Company's payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

10. The Company should maintain a copy of this Order at each location where it conducts the business of facilitating tax refund anticipation loans and tax refund payments.

11. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NOS. BAN20072834, BAN200800170, and BAN200800171
MARCH 18, 2008

APPLICATIONS OF
VIRGINIA PARTNERS BANK

For a certificate of authority to begin business as a bank at 421-425 William Street, City of Fredericksburg, Virginia and for authority to establish branches at 317-319 William Street, City of Fredericksburg, Virginia and 2101 Plank Road, City of Fredericksburg, Virginia

ORDER GRANTING AUTHORITY

Virginia Partners Bank, a Virginia corporation, has applied to the State Corporation Commission ("Commission"), pursuant to Chapter 2 of Title 6.1 of the Code of Virginia, for a certificate of authority to begin business as a bank at 421-425 William Street, City of Fredericksburg, Virginia. The applicant also applied for authority to establish branches at 317-319 William Street, City of Fredericksburg, Virginia and 2101 Plank road, City of Fredericksburg, Virginia. The applications were investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the applications and the investigation report of the Bureau, the Commission finds that the public interest will be served by additional banking facilities in the City of Fredericksburg, where the applicant proposes to conduct business. The Commission also finds that: (1) all applicable provisions of law have been complied with; (2) financially responsible individuals have subscribed for capital stock and surplus in an amount deemed by the Commission to be sufficient to warrant successful operation; (3) the oaths of all directors have been taken and filed in accordance with § 6.1-48 of the Code of Virginia; (4) the applicant was formed in order to conduct a legitimate banking business; (5) the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed bank are such as to command the confidence of the community; and (6) the deposits of the bank are to be insured by the Federal Deposit Insurance Corporation. The Commission further finds that the applications to establish branch offices comply with § 6.1-39.3 of the Code of Virginia.

IT IS THEREFORE ORDERED that a certificate of authority for Virginia Partners Bank to engage in banking business at the specified location is GRANTED, provided the following conditions are met before the bank opens for business:

(1) Capital funds totaling $21,054,000 are paid in to the bank and allocated as follows: $10,527,000 to capital stock and $10,527.000 to surplus;

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

(3) The bank receives the approval of the Commissioner of Financial Institutions of its appointment of a chief executive officer and gives the Bureau written notice of the date the bank will open for business. If the bank does not open for business within one (1) year from the date of this Order, the authority granted herein shall expire unless it is extended by the Commission.

IT IS FURTHER ORDERED that the applications for branch offices are APPROVED, provided the bank opens the branches within one (1) year from the date of this Order and gives written notice to the Bureau stating the date business was begun within five (5) business days thereafter.

CASE NO. BAN20072893
JANUARY 30, 2008

APPLICATION OF
E-Z FINANCIAL SERVICES, INC. D/B/A E-Z CHECK CASHING

For authority to conduct business as an agent of a money order seller/money transmitter in its payday lending office(s)

ORDER GRANTING OTHER BUSINESS AUTHORITY

E-Z Financial Services, Inc. d/b/a E-Z Check Cashing ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct business as an agent of a money order seller/money transmitter in the Company's payday lending office(s). The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable the borrower to purchase or pay a fee related to money orders or money transmission services available at the Company's payday lending office(s).

2. The Company shall comply with all federal and state laws and regulations applicable to its money order sales and money transmission business.

3. The Company shall be and remain a party to a written agreement to act as an agent for a person licensed to sell money orders and engage in the money transmission business under Chapter 12 of Title 6.1 of the Code of Virginia ("money order seller/money transmitter licensee"). The Company shall not engage in money order sales or money transmission services on its own behalf or on behalf of any person other than a money order seller/money transmitter licensee with whom it has a written agency agreement.

4. The Company shall maintain books and records for its money order sales and money transmission business separate and apart from its payday lending business and in a different location within its payday lending office(s). The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

5. The Company should maintain a copy of this Order at each location where it conducts business as an agent of a money order seller/money transmitter licensee.

6. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN200800020
MARCH 7, 2008

APPLICATION OF
PATRICIA G. JOHNSON

To acquire 98.8 percent of the voting stock of Industrial Loan Company

ORDER OF APPROVAL

Patricia G. Johnson, of Covington, Virginia, has filed with the State Corporation Commission ("Commission") the application required by § 6.1-383.1 of the Code of Virginia to acquire 98.8 percent of the voting stock of Industrial Loan Company, a Virginia industrial loan association. The Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition.

Having considered the application and the report of the Bureau, the Commission finds that the application meets the criteria in § 6.1-383.2 of the Code of Virginia.

THEREFORE, the proposed acquisition of 98.8 percent of the voting stock of Industrial Loan Company by Patricia G. Johnson is APPROVED, provided the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date of the transaction within ten (10) days thereof.

CASE NOS. BAN20080123 and BAN20080145
APRIL 7, 2008

APPLICATIONS OF
COMMUNITY BANKERS ACQUISITION CORP.

To acquire TransCommunity Financial Corporation and BOE Financial Services of Virginia, Inc.

ORDER OF APPROVAL

Community Bankers Acquisition Corp., a Delaware corporation, has filed with the State Corporation Commission ("Commission") the applications required by § 6.1-383.1 of the Code of Virginia to acquire all of the voting shares of (1) TransCommunity Financial Corporation and (2) BOE Financial Services of Virginia, Inc., which are both Virginia bank holding companies. The Bureau of Financial Institutions ("Bureau") investigated the proposed acquisitions.

Having considered the applications and the report of the Bureau, the Commission finds that the applications meet the criteria in § 6.1-383.2 of the Code of Virginia.

THEREFORE, the proposed acquisitions of all of the voting shares of TransCommunity Financial Corporation and BOE Financial Services of Virginia, Inc. by Community Bankers Acquisition Corp. are APPROVED, provided the acquisitions take place within one (1) year from this date and the applicant notifies the Bureau of the effective date of the transactions within ten (10) days thereof.

CASE NO. BAN20080288
APRIL 24, 2008

APPLICATION OF
CASH ADVANCE CENTERS OF VA, INC.

For a license to engage in business as a payday lender

ORDER GRANTING A LICENSE

Cash Advance Centers of VA, Inc., a Virginia corporation, has applied to the State Corporation Commission ("Commission") for a license to engage in the business of payday lending at 18 locations (see attachment). The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of the Bureau, the Commission finds that the application meets the criteria in Chapter 18 of Title 6.1 of the Code of Virginia.

THEREFORE, the application is APPROVED provided that the applicant begins business within one (1) year from this date and the applicant gives written notice to the Bureau stating the date business was begun within ten (10) days thereafter.

CASE NO. BAN20080289
SEPTEMBER 9, 2008

APPLICATION OF
IPAYDEBT FINANCIAL SERVICES, INC.

For a license to engage in business as a credit counseling agency

ORDER GRANTING A LICENSE

iPayDebt Financial Services, Inc., a Florida corporation, has applied to the State Corporation Commission ("Commission") for a license to engage in business as a credit counseling agency at 9433 Bee Cave Road, Building 3, Suite 101 A, Austin, Texas 78733. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of the Bureau, the Commission finds that the application meets the criteria in Chapter 10.2 of Title 6.1 of the Code of Virginia.

THEREFORE, the license requested in the application is GRANTED effective this date.

CASE NO. BAN20080311
JUNE 25, 2008

APPLICATION OF
CHECK INTO CASH OF VIRGINIA, LLC D/B/A CHECK INTO CASH

For authority to operate an automated teller machine in its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Check into Cash of Virginia, LLC d/b/a Check into Cash ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to operate an automated teller machine ("ATM") in its payday lending offices. The Company will also be engaged in the check cashing business, as permitted by statute. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable the borrower to purchase or pay a fee for ATM services available at the Company's payday lending offices.

2. The Company shall not charge a fee or receive other compensation in connection with the use of its ATM by a borrower when the borrower is withdrawing funds in order to make a payment on a payday loan that was made by the Company.

3. The Company shall comply with all federal and state laws and regulations applicable to the conduct of its ATM and check cashing businesses.

4. The Company shall maintain books and records for its ATM and check cashing businesses separate and apart from its payday lending business and in a different location within the payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

5. The Company should maintain a copy of this Order at each location where it operates an ATM.

6. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20080313
APRIL 15, 2008

APPLICATION OF
BOBBY R. HALL, JR.

To acquire 25 percent or more of the ownership of NFC-Check Cashing Service, Inc. d/b/a NFC-Payday Advance

ORDER OF APPROVAL

Bobby R. Hall, Jr., of Little River, South Carolina, has applied to the State Corporation Commission ("Commission") to acquire 25 percent or more of the ownership of NFC-Check Cashing Service, Inc. d/b/a NFC-Payday Advance, a licensed payday lender under Chapter 18 of Title 6.1 of the Code of Virginia. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of the Bureau, the Commission finds that the application meets the criteria in § 6.1-452 of the Code of Virginia.

THEREFORE, the acquisition of 25 percent or more of NFC-Check Cashing Service, Inc. d/b/a NFC-Payday Advance by Bobby R. Hall, Jr. is APPROVED.

CASE NO. BAN20080314
APRIL 15, 2008

APPLICATION OF
GLENN H. HALL

To acquire 25 percent or more of the ownership of NFC-Check Cashing Service, Inc. d/b/a NFC-Payday Advance

ORDER OF APPROVAL

Glenn H. Hall, of North Myrtle Beach, South Carolina, has applied to the State Corporation Commission ("Commission") to acquire 25 percent or more of the ownership of NFC-Check Cashing Service, Inc. d/b/a NFC-Payday Advance, a licensed payday lender under Chapter 18 of Title 6.1 of the Code of Virginia. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of the Bureau, the Commission finds that the application meets the criteria in § 6.1-452 of the Code of Virginia.

THEREFORE, the acquisition of 25 percent or more of NFC-Check Cashing Service, Inc. d/b/a NFC-Payday Advance by Glenn H. Hall is APPROVED.

CASE NO. BAN20080426
MAY 23, 2008

APPLICATION OF
JOHN R. MAXWELL, JEAN M. EDELMAN, MICHAEL T. FOSTER, SUBHASH K. GARG,
JONATHAN C. KINNEY, O. LELAND MAHAN, LIM NGUONLY, PAUL W. BICE,
SONIA N. JOHNSTON, AND WILLIAM J. RIDENOUR

To acquire control of Security One Bank

ORDER OF APPROVAL

John R. Maxwell, Jean M. Edelman, Michael T. Foster, Subhash K. Garg, Jonathan C. Kinney, O. Leland Mahan, Lim Nguonly, Paul W. Bice, Sonia N. Johnston, and William J. Ridenour, acting as a group have filed with the State Corporation Commission ("Commission") the application required by § 6.1-383.1 of the Code of Virginia to acquire control of Security One Bank, a Virginia state-chartered bank. The Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition.

Having considered the application and the report of the Bureau, the Commission finds that the application meets the criteria in § 6.1-383.2 of the Code of Virginia.

THEREFORE, the proposed acquisition of control of Security One Bank by John R. Maxwell, Jean M. Edelman, Michael T. Foster, Subhash K. Garg, Jonathan C. Kinney, O. Leland Mahan, Lim Nguonly, Paul W. Bice, Sonia N. Johnston, and William J. Ridenour is APPROVED, provided the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date of the transaction within ten (10) days thereof.

CASE NO. BAN20080524
MAY 9, 2008

APPLICATION OF
SECOND BANK & TRUST

For a certificate of authority to do a banking and trust business following a merger with Planters Bank & Trust Company of Virginia and First National Bank and for authority to operate the authorized offices of the merging banks

ORDER GRANTING AUTHORITY

Second Bank & Trust, a Virginia state-chartered bank, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.1-44 of the Code of Virginia, for a certificate of authority to do a banking and trust business following a merger with Planters Bank & Trust Company of Virginia, a Virginia state-chartered bank and First National Bank, a national bank headquartered in Virginia. All of the foregoing banks are subsidiaries of StellarOne Corporation, a multi-bank holding company based in Charlottesville, Virginia. Second Bank & Trust proposes to be the surviving bank in the merger and seeks authority to operate all of the currently authorized offices of the merging banks. It further intends to change its name to "StellarOne Bank." The application was investigated by the Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of the Bureau, the Commission finds that: (1) the provisions of law have been complied with; (2) the capital stock of the resulting bank will be $3,755,880, and its surplus will be not less than $351,601,355; (3) the public interest will be served by the banking facilities of the resulting bank in the communities where its offices will be located; (4) the oaths of all directors have been taken and filed in accordance with the provisions of § 6.1-48 of the Code of Virginia; (5) the resulting bank will conduct a legitimate banking business; (6) the moral fitness, financial responsibility, and business qualifications of those names as officers and directors of the resulting bank are such as to command the confidence of the community; and (7) the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

THEREFORE, a certificate of authority to do a banking and trust business is GRANTED to Second Bank & Trust, effective upon the issuance by the Clerk of the Commission of a certificate of merger in the proposed transaction. The resulting bank is authorized to operate a main office at 105 Arbor Drive, Christiansburg, Montgomery County, Virginia, and is authorized to maintain and operate as branches, in addition to its current offices and facilities, all the other previously authorized office locations of Planters Bank & Trust Company of Virginia and First National Bank, as listed in Attachment A. (Before the merger, Second Bank & Trust had its main office at 4805 Lessen Lane, Spotsylvania County, Virginia.) Unless the merger is consummated within one (1) year of the date of this order, the authority granted herein shall expire unless extended by Commission order prior to that date.

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

CASE NO. BAN20080531
MAY 23, 2008

APPLICATION OF
VIRGINIA COMMONWEALTH BANK

For a certificate of authority to engage in business as a state-chartered bank upon its conversion from a federal savings institution

ORDER GRANTING A CERTIFICATE OF AUTHORITY UPON THE CONVERSION

Virginia Commonwealth Bank, a Virginia corporation, has applied, pursuant to § 6.1-194.35 of the Code of Virginia for a certificate of authority to begin business as a state-chartered bank. The applicant seeks authority to operate as the successor institution to First Federal Savings Bank of Virginia upon the conversion of that federal institution to a state bank. First Federal Savings Bank of Virginia currently operates a main office at 1965 Wakefield Street, City of Petersburg, Virginia, and eight branch offices (listed below). It has total assets of some $318,214,000. The Bureau of Financial Institutions ("Bureau") investigated the proposed conversion.

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

Accordingly, IT IS ORDERED THAT a certificate of authority to do a banking business as a state bank be issued, and such a certificate hereby is issued, to Virginia Commonwealth Bank, subject to the following conditions: (1) that the applicant receive any other necessary regulatory approval; (2) that insurance of its deposit accounts by the Federal Deposit Insurance Corporation is obtained; (3) that the federal savings institution take such action as will terminate its existence as a federal savings institution when the conversion is effective; (4) that the resulting bank have initial capital and surplus of at least $36,448,000; and (5) that the organizing Virginia Commonwealth Bank notify the Bureau of the date on which it commences business as a state bank.

The authority to begin business as a state bank shall be effective when these conditions have been fulfilled. At that time, Virginia Commonwealth Bank, as a state bank, will have its main office at 1965 Wakefield Street, City of Petersburg, Virginia, and will be authorized to operate branch offices at the following locations: (1) 3209 Boulevard, City of Colonial Heights, Virginia; (20 4600 West Hundred Road, Chester, Chesterfield County, Virginia; (3) 4422 Bonniebank Road, Chesterfield County, Virginia; (4) 1703 North Main Street, City of Suffolk, Virginia; (5) 405 North Ridge Road, Henrico County, Virginia; (6) 1118 Courthouse Road, Chesterfield County, Virginia; (7) 1955 South Sycamore Street, City of Petersburg, Virginia;

and (8) 1421 City Point Road, City of Hopewell, Virginia. The bank will have one (1) year from the date of conversion to conform its assets and operations to the laws regulating the operation of banks. If this grant of authority is not exercised in twelve (12) months from this date, it will expire, unless extended by order of the Commission.

CASE NO. BAN20080549
MAY 23, 2008

APPLICATION OF
VIRGINIA BANCORP INC.

To acquire Virginia Commonwealth Bank

ORDER OF APPROVAL

Virginia BanCorp Inc., a Virginia corporation, has filed with the State Corporation Commission ("Commission") the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of Virginia Commonwealth Bank, a Virginia state-chartered bank. The Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition.

Having considered the application and the report of the Bureau, the Commission finds that the application meets the criteria in § 6.1-383.2 of the Code of Virginia.

THEREFORE, the proposed acquisition of all the voting shares of Virginia Commonwealth Bank by Virginia BanCorp Inc. is APPROVED, provided the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date within ten (10) days thereof.

CASE NO. BAN20080550
MAY 16, 2008

APPLICATION OF
HAMPTON ROADS BANKSHARES, INC.

To acquire Shore Financial Corporation

ORDER OF APPROVAL

Hampton Roads Bankshares, Inc., a Virginia bank holding company, has filed with the State Corporation Commission ("Commission") the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of Shore Financial Corporation, a Virginia bank holding company. The Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition.

Having considered the application and the report of the Bureau, the Commission finds that the application meets the criteria in § 6.1-383.2 of the Code of Virginia.

THEREFORE, the proposed acquisition of all the voting shares of Shore Financial Corporation by Hampton Roads Bankshares, Inc. is APPROVED, provided the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date of the transaction within ten (10) days thereof.

CASE NO. BAN20080653
JULY 11, 2008

APPLICATION OF
APPROVED CASH ADVANCE CENTERS (VIRGINIA), LLC D/B/A APPROVED CASH ADVANCE

For authority to conduct open-end credit business from its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Approved Cash Advance Centers (Virginia), LLC d/b/a Approved Cash Advance ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct open-end credit business from its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the Company in connection with an open-end credit transaction.

2. The Company shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan.

4. The Company shall not enter into an open-end credit transaction that is secured by an interest in one-to-four-family residential property located in the Commonwealth unless the Company is licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The Company 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 open-end credit business, including the rates, terms or conditions of its loans. The Company shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The Company shall not sell insurance or enroll borrowers under group insurance policies.

7. The Company shall comply with all federal and state laws and regulations applicable to the conduct of its open-end credit business.

8. The Company shall maintain books and records for its open-end credit business separate and apart from its payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where it conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20080799
JULY 21, 2008

APPLICATION OF
LOHIT TECHNOLOGIES INC.

For a license to engage in business as a payday lender

ORDER GRANTING A LICENSE

Lohit Technologies Inc., a Virginia corporation, has applied to the State Corporation Commission ("Commission") for a license to engage in the business of payday lending at the following locations: (1) 711 W. Broad Street, Falls Church, Virginia 22046; (2) 9970 Main Street, Fairfax, Virginia 22031; and (3) 2929 Gallows Road, Falls Church, Virginia 22042. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of the Bureau, the Commission finds that the application meets the criteria in Chapter 18 of Title 6.1 of the Code of Virginia.

THEREFORE, the application is APPROVED provided that the applicant begins business within one (1) year from this date and the applicant gives written notice to the Bureau stating the date business was begun within ten (10) days thereafter.

CASE NO. BAN20080821
JUNE 25, 2008

APPLICATION OF
CHECK INTO CASH OF VIRGINIA, LLC D/B/A CHECK INTO CASH

For authority to allow a third party to conduct open-end credit business from the licensee's payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Check into Cash of Virginia, LLC d/b/a Check into Cash ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to allow a third party to conduct an open-end credit business from the Company's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the third party in connection with an open-end credit transaction.

2. The third party shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company and third party shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or credit.

4. The third party shall not enter into an open-end credit transaction that is secured by an interest in one-to-four-family residential property located in the Commonwealth unless such third party is licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The third party 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 open-end credit business, including the rates, terms or conditions of its loans. The third party shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The third party shall not sell insurance or enroll borrowers under group insurance policies.

7. The third party shall comply with all federal and state laws and regulations applicable to the conduct of its open-end credit business.

8. The third party shall maintain books and records for its open-end credit business separate and apart from the Company's payday lending business and in a different location within payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where a third party conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20080866
JULY 31, 2008

APPLICATION OF
VIRGINIA BEACH INVESTMENT SERVICES, INCORPORATED D/B/A KING$ CA$H ADVANCE$

For authority to conduct business as an agent of a money transmitter in its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Virginia Beach Investment Services, Incorporated d/b/a/ King$ Ca$h Advance$ ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct business as an agent of a money transmitter in the Company's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable the borrower to purchase or pay a fee related to money transmission services available at the Company's payday lending offices.

2. The Company shall comply with all federal and state laws and regulations applicable to its money transmission business.

3. The Company shall be and remain a party to a written agreement to act as an agent for a person licensed or exempt from licensing as a money transmitter under Chapter 12 of Title 6.1 of the Code of Virginia ("licensed or exempt money transmitter"). The Company shall not engage in money transmission services on its own behalf or on behalf of any person other than a licensed or exempt money transmitter with whom it has a written agency agreement.

4. The Company shall maintain books and records for its money transmission business separate and apart from its payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

5. The Company should maintain a copy of this Order at each location where it conducts business as an agent of an exempt money transmitter.

6. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20080869
SEPTEMBER 3, 2008

APPLICATION OF
F & L MARKETING ENTERPRISES LLC D/B/A CASH-2-U PAYDAY LOANS

For authority to conduct business as an agent of a money transmitter in its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

F & L Marketing Enterprises LLC d/b/a Cash-2-U Payday Loans ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct business as an agent of a money transmitter in the Company's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable the borrower to purchase or pay a fee related to money transmission services available at the Company's payday lending offices.

2. The Company shall comply with all federal and state laws and regulations applicable to its money transmission business.

3. The Company shall be and remain a party to a written agreement to act as an agent for a person licensed or exempt from licensing as a money transmitter under Chapter 12 of Title 6.1 of the Code of Virginia ("licensed or exempt money transmitter"). The Company shall not engage in money transmission services on its own behalf or on behalf of any person other than a licensed or exempt money transmitter with whom it has a written agency agreement.

4. The Company shall maintain books and records for its money transmission business separate and apart from its payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

5. The Company should maintain a copy of this Order at each location where it conducts business as an agent of an exempt money transmitter.

6. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20080977
JULY 28, 2008

APPLICATION OF
CASH NOW, LLC

For authority to conduct open-end credit business from its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Cash Now, LLC ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct open-end credit business from its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the Company in connection with an open-end credit transaction.

2. The Company shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan.

4. The Company shall not enter into an open-end credit transaction that is secured by an interest in one-to-four-family residential property located in the Commonwealth unless the Company is licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The Company 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 open-end credit business, including the rates, terms or conditions of its loans. The Company shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The Company shall not sell insurance or enroll borrowers under group insurance policies.

7. The Company shall comply with all federal and state laws and regulations applicable to the conduct of its open-end credit business.

8. The Company shall maintain books and records for its open-end credit business separate and apart from its payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where it conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081029
DECEMBER 4, 2008

APPLICATION OF
FIRST FINANCIAL BANK

For a certificate of authority to begin business as a bank at 10777 Main Street, City of Fairfax, Virginia

ORDER GRANTING AUTHORITY

First Financial Bank, a Virginia corporation, has applied to the State Corporation Commission ("Commission"), pursuant to Chapter 2 of Title 6.1 of the Code of Virginia, for a certificate of authority to begin business as a bank at 10777 Main Street, City of Fairfax, Virginia. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the investigation report of the Bureau, the Commission finds that the public interest will be served by additional banking facilities in the City of Fairfax, where the applicant proposes to conduct business. The Commission also finds that: (1) all applicable provisions of law have been complied with; (2) financially responsible individuals have subscribed for capital stock and surplus in an amount deemed by the Commission to be sufficient to warrant successful operation; (3) the oaths of all directors have been taken and filed in accordance with § 6.1-48 of the Code of Virginia; (4) the applicant was formed in order to conduct a legitimate banking business; (5) the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed bank are such as to command the confidence of the community; and (6) the deposits of the bank are to be insured by the Federal Deposit Insurance Corporation.

IT IS THEREFORE ORDERED that a certificate of authority for First Financial Bank to engage in banking business at the specified location is GRANTED, provided the following conditions are met before the bank opens for business:

(1) Capital funds totaling $18,079,950 are paid in to the bank and allocated as follows: $9,039,975 to capital stock and $9,039,975 to surplus;

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

(3) The bank receives the approval of the Commissioner of Financial Institutions of its appointment of a chief executive officer and gives the Bureau written notice of the date the bank will open for business. If the bank does not open for business within one (1) year from the date of this Order, the authority granted herein shall expire unless it is extended by the Commission.

CASE NO. BAN20081048
OCTOBER 29, 2008

APPLICATION OF
CHECK FIRST, INC.

For authority to conduct open-end credit business from its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Check First, Inc. ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct open-end credit business from its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the Company in connection with an open-end credit transaction.

2. The Company shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or extension of credit.

4. The Company shall not enter into an open-end credit transaction that is secured by an interest in one-to-four-family residential property located in the Commonwealth unless the Company is licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The Company 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 open-end credit business, including the rates, terms or conditions of its loans. The Company shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The Company shall not sell insurance or enroll borrowers under group insurance policies.

7. The Company shall comply with all federal and state laws and regulations applicable to the conduct o its open-end credit business.

8. The Company shall maintain books and records for its open-end credit business separate and apart from its payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where it conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081052
AUGUST 11, 2008

APPLICATION OF
UNION BANK AND TRUST COMPANY

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

ORDER GRANTING AUTHORITY

Union Bank and Trust Company, a Virginia state-chartered bank, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.1-44 of the Code of Virginia, for a certificate of authority to do a banking business following a merger with Bay Community Bank, a Virginia state-chartered bank. Union Bank and Trust Company proposes to be the surviving bank in the merger and seeks authority to operate all of the currently authorized offices of the merging banks. The application was investigated by the Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of the Bureau, the Commission finds that: (1) the provisions of law have been complied with; (2) the capital stock of the resulting bank will be $11,139,000, and its surplus will be not less than $201,104,000; (3) the public interest will be served by the banking facilities of the resulting bank in the communities where its offices will be located; (4) the oaths of all directors have been taken and filed in accordance with the provisions of § 6.1-48 of the Code of Virginia; (5) the bank will conduct a legitimate banking business; (6) the moral fitness, financial

responsibility, and business qualifications of those named as officers and directors of the bank are such as to command the confidence of the community; and (7) the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

THEREFORE, a certificate of authority to do a banking business is GRANTED to Union Bank and Trust Company, effective upon the issuance by the Clerk of the Commission of a certificate of merger in the proposed transaction. The resulting bank is authorized to maintain and operate a main office at 211 North Main Street, Bowling Green, Caroline County, Virginia, and is authorized to maintain and operate, in addition to its current offices and facilities, the offices listed in Attachment A that have been operated by Bay Community Bank. Unless the merger is consummated within one (1) year of the date of this order, the authority granted herein shall expire unless extended by Commission order prior to the expiration date.

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

CASE NO. BAN20081053
JULY 25, 2008

APPLICATION OF
BANK OF ESSEX

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

ORDER GRANTING AUTHORITY

Bank of Essex, a Virginia state-chartered bank with its main office at 1325 Tappahannock Boulevard, Tappahannock, Essex County, Virginia, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.1-44 of the Code of Virginia, for a certificate of authority to do a banking business following a merger with TransCommunity Bank, National Association. Bank of Essex proposes to be the surviving bank in the merger and seeks authority to operate all of the currently authorized offices of the merging banks. The application was investigated by the Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of the Bureau, the Commission finds that: (1) the provisions of law have been complied with; (2) the capital stock of the resulting bank will be $5,839,000, and its surplus will be not less than $53,888,000; (3) the public interest will be served by the banking facilities of the resulting bank in the communities where its offices will be located; (4) the oaths of all directors have been taken and filed in accordance with the provisions of § 6.1-48 of the Code of Virginia; (5) the resulting bank will conduct a legitimate banking business; (6) the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the resulting bank are such as to command the confidence of the community; and (7) the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

THEREFORE, a certificate of authority to do a banking business is GRANTED to Bank of Essex, effective upon the issuance by the Clerk of the Commission of a certificate of merger in the proposed transaction. The resulting bank is authorized to maintain and operate a main office at 1325 Tappahannock Boulevard, Tappahannock, Essex County, Virginia, and is authorized to maintain and operate, in addition to its current offices and facilities, the offices listed in Attachment A that have been operated by TransCommunity Bank, National Association. Unless the merger is consummated within one (1) year of the date of this order, the authority granted herein shall expire unless extended by Commission order prior to that date.

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

CASE NO. BAN20081057
SEPTEMBER 11, 2008

APPLICATION OF
UL CASH, INC.

For authority to conduct business as an agent of a money order seller/money transmitter in its payday lending office(s)

ORDER GRANTING OTHER BUSINESS AUTHORITY

UL Cash, Inc. ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct business as an agent of a money order seller/money transmitter in the Company's payday lending office(s). The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable the borrower to purchase or pay a fee related to money orders or money transmission services available at the Company's payday lending office(s).

2. The Company shall comply with all federal and state laws and regulations applicable to its money order sales and money transmission agency business.

3. The Company shall be and remain a party to a written agreement to act as an agent for a person licensed or exempt from licensing to sell money orders or engage in the money transmission business under Chapter 12 of Title 6.1 of the Code of Virginia ("licensed or exempt money order seller/money transmitter"). The Company 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/money transmitter with whom it has a written agency agreement.

4. The Company shall maintain books and records for its money order sales and money transmission agency business separate and apart from its payday lending business and in a different location within its payday lending office(s). The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

5. The Company should maintain a copy of this Order at each location where it conducts business as an agent of a licensed or exempt money order seller/money transmitter.

6. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081087
SEPTEMBER 26, 2008

APPLICATION OF
EASTERN SPECIALTY FINANCE, INC., D/B/A CHECK 'N GO

For authority to allow a third party to conduct open-end credit business from the licensee's payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Eastern Specialty Finance, Inc. d/b/a Check 'N Go ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to allow a third party to conduct open-end credit business from the Company's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the third party in connection with an open-end credit transaction.

2. The third party shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company and third party shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or credit.

4. The third party shall not enter into an open-end credit transaction that is secured by an interest in one-to-four family residential property located in the Commonwealth unless such third party is licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The third party 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 open-end credit business, including the rates, terms or conditions of its loans. The third party shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The third party shall not sell insurance or enroll borrowers under group insurance policies.

7. The third party shall comply with all federal and state laws and regulations applicable to the conduct of its open-end credit business.

8. The third party shall maintain books and records for its open-end credit business separate and apart from the Company's payday lending business and in a different location within payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where a third party conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE N0. BAN20081090
SEPTEMBER 26, 2008

APPLICATION O F
EASTERN SPECIALTY FINANCE, INC. D/B/A CHECK 'N GO

For authority to allow a third party to conduct business as an agent of a money transmitter from the licensee's payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Eastern Specialty Finance, Inc. d/b/a Check 'N Go ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to allow a third party to conduct business as an agent of a money transmitter in the Company's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable the borrower to purchase or pay a fee related to the third party's money transmission services available at the Company's payday lending offices.

2. The third party shall comply with all federal and state laws and regulations applicable to its money transmission business.

3. The third party shall be and remain a party to a written agreement to act as an agent for a person licensed or exempt from licensing as a money transmitter under Chapter 12 of Title 6.1 of the Code of Virginia ("licensed or exempt money transmitter"). The third party shall not engage in money transmission services on its own behalf or on behalf of any person other than a licensed or exempt money transmitter with whom it has a written agency agreement.

4. The third party shall maintain books and records for its money transmission business separate and apart from the Company's payday lending business and in a different location within the payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

5. The Company should maintain a copy of this Order at each location where a third party conducts business as an agent of a licensed or exempt money transmitter.

6. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081106
SEPTEMBER 3, 2008

APPLICATION OF
UL CASH, INC.

For authority to conduct open-end credit business from its payday lending office(s)

ORDER GRANTING OTHER BUSINESS AUTHORITY

UL Cash, Inc. ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct open-end credit business from its payday lending office(s). The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the Company in connection with an open-end credit transaction.

2. The Company shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or extension of credit.

4. The Company shall not enter into an open-end credit transaction that is secured by an interest in one-to-four-family residential property located in the Commonwealth unless the Company is licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The Company 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 open-end credit business, including the rates, terms or conditions of its loans. The Company shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The Company shall not sell insurance or enroll borrowers under group insurance policies.

7. The Company shall comply with all federal and state laws and regulations applicable to the conduct of its open-end credit business.

8. The Company shall maintain books and records for its open-end credit business separate and apart from its payday lending business and in a different location within its payday lending office(s). The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where it conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081112
SEPTEMBER 17, 2008

APPLICATION OF
QC FINANCIAL SERVICES, INC. D/B/A QUIK CASH

For authority to conduct open-end credit business from its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

QC Financial Services, Inc. d/b/a Quik Cash ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct open-end credit business from its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the Company in connection with an open-end credit transaction.

2. The Company shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or extension of credit.

4. The Company shall not enter into an open-end credit transaction that is secured by an interest in one-to-four-family residential property located in the Commonwealth unless the Company is licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The Company 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 open-end credit business, including the rates, terms or conditions of its loans. The Company shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The Company shall not sell insurance or enroll borrowers under group insurance policies.

7. The Company shall comply with all federal and state laws and regulations applicable to the conduct of its open-end credit business.

8. The Company shall maintain books and records for its open-end credit business separate and apart from its payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where it conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081139
SEPTEMBER 26, 2008

APPLICATION OF
VILLAGE BANK AND TRUST FINANCIAL CORP.

To acquire River City Bank

ORDER OF APPROVAL

Village Bank and Trust Financial Corp., a Virginia bank holding company, has filed with the State Corporation Commission ("Commission") the application required by § 6.1-383.1 of the Code of Virginia to acquire all of the voting shares of River City Bank, a Virginia bank. The Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition.

Having considered the application and the report of the Bureau, the Commission finds that the application meets the criteria in § 6.1-383.2 of the Code of Virginia.

THEREFORE, the proposed acquisition of all of the voting shares of River City Bank by Village Bank and Trust Financial Corp. is APPROVED, provided the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date of the transaction within ten (10) days thereof.

Commissioner Dimitri did not participate in this matter.

CASE NO. BAN20081140
SEPTEMBER 26, 2008

APPLICATION OF
VILLAGE BANK

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

ORDER GRANTING AUTHORITY

Village Bank, a Virginia state-chartered bank with its main office at 15521 Midlothian Turnpike, Midlothian, Chesterfield County, Virginia, has applied for a certificate of authority to do a banking business following a merger with River City Bank, a Virginia state-chartered bank. Village Bank proposes to be the surviving bank in the merger and seeks authority to operate all of the currently authorized offices of the merging banks. The application was investigated by the Bureau of Financial Institutions ("Bureau").

Commissioner Dimitri did not participate in this matter.

Having considered the application and the report of the Bureau, the Commission finds that: (1) the provisions of law have been complied with; (2) the capital stock of the resulting bank will be $6,849,000, and its surplus will be not less than $40,503,000; (3) the public interest will be served by the banking facilities of the resulting bank in the communities where its offices will be located; (4) the oaths of all directors have been taken and filed in accordance with the provisions of § 6.1-48 of the Code of Virginia; (5) the resulting bank will conduct a legitimate banking business; (6) the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the resulting bank are such ass to command the confidence of the community; and (7) the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

THEREFORE, a certificate of authority to do a banking business is GRANTED to Village Bank, effective upon the issuance by the Clerk of the Commission of a certificate of merger in the proposed transaction. The resulting bank is authorized to maintain and operate a main office at 15521 Midlothian Turnpike, Midlothian, Chesterfield County, Virginia, and is authorized to maintain and operate, in addition to its current offices and facilities all of the previously authorized office locations of River City Bank, as listed in Attachment A. The authority granted herein shall expire one (1) year from this date, if the aforesaid certificate of merger is not issued within that time, unless the time is extended by the Commission prior to the expiration date.

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

CASE NO. BAN20081152
NOVEMBER 14, 2008

APPLICATION OF
CASH SERVICES INC D/B/A CASH N GO

For a license to engage in business as a payday lender

ORDER GRANTING A LICENSE

Cash Services Inc, d/b/a Cash N Go, a Virginia corporation, has applied to the State Corporation Commission ("Commission") for a license to engage in the business of payday lending at the following locations: (1) 4624 King Street, Alexandria, Virginia 22302; and (2) 4707 North Chambliss Street, Alexandria, Virginia 22312. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of the Bureau, the Commission finds that the application meets the criteria in Chapter 18 of Title 6.1 of the Code of Virginia.

THEREFORE, the application is APPROVED provided that the applicant begins business within one (1) year of 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. BAN20081153
NOVEMBER 14, 2008

APPLICATION OF
CASH SERVICES INC D/B/A CASH N GO

For authority to allow a third party to conduct open-end business from the licensee's payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Cash Services Inc d/b/a Cash N Go ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to allow a third party to conduct open-end credit business from the Company's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the third party in connection with an open-end credit transaction.

2. The third party shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company and third party shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or credit.

4. The third party shall not enter into an open-end credit transaction that is secured by an interest in one-to-four family residential property located in the Commonwealth unless such third party is licensed or exempt from the licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The third party 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 open-end credit business, including the rates, terms or conditions of its loans. The third party shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The third party shall not sell insurance or enroll borrowers under group insurance policies.

7. The third party shall comply with all federal and state laws and regulations applicable to the conduct of its open-end business.

8. The third party shall maintain books and records for its open-end credit business separate and apart from the Company's payday lending business and in a different location within payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where a third party conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081184
AUGUST 6, 2008

APPLICATION OF
CW FINANCIAL OF VA LLC D/B/A PAYDAY USA

For authority to allow a third party to conduct open-end credit business from the licensee's payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

CW Financial of VA LLC d/b/a Payday USA ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to allow a third party to conduct an open-end credit business from the Company's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the third party in connection with an open-end credit transaction.

2. The third party shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company and third party shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or credit.

4. The third party shall not enter into an open-end credit transaction that is secured by an interest in one-to-four-family residential property located in the Commonwealth unless such third party is licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The third party 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 open-end credit business, including the rates, terms or conditions of its loans. The third party shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The third party shall not sell insurance or enroll borrowers under group insurance policies.

7. The third party shall comply with all federal and state laws and regulations applicable to the conduct of its open-end credit business.

8. The third party shall maintain books and records for its open-end credit business separate and apart from the Company's payday lending business and in a different location within payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where a third party conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081271
SEPTEMBER 17, 2008

APPLICATION OF
FIRST COMMUNITY BANCSHARES, INC.

To acquire Coddle Creek Financial Corp.

ORDER OF APPROVAL

First Community Bancshares, Inc., a Virginia bank holding company, has filed with the State Corporation Commission ("Commission") the notice required by § 6.1-194.105 of the Code of Virginia of its proposed acquisition of Coddle Creek Financial Corp., a North Carolina savings institution holding company, and its savings institution subsidiary, Mooresville Savings Bank, Inc. The Bureau of Financial Institutions ("Bureau") investigated the proposed transaction.

Having considered the notice and the report of the Bureau, the Commission finds that the proposed acquisition will not have a detrimental effect on the safety or soundness of the Virginia bank subsidiary of First Community Bancshares, Inc.

THEREFORE, the proposed acquisition of Coddle Creek Financial Corp., and its savings institution subsidiary, Mooresville Savings Bank, Inc., by First Community Bancshares, Inc. is APPROVED, provided the acquisition takes place within one (1) year from this date and First Community Bancshares, Inc. notifies the Bureau of the effective date of the transaction within ten (10) days thereof.

CASE NO. BAN20081369
DECEMBER 22, 2008

APPLICATION OF
AMERICAN CASH EXCHANGE ENTERPRISE OF VIRGINIA, L.L.C. D/B/A 1ST CHOICE CASH ADVANCE

For authority to conduct open-end credit business from its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

American Cash Exchange Enterprise of Virginia, L.L.C., d/b/a 1st Choice Cash Advance ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct open-end credit business from its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the Company in connection with an open-end credit transaction.

2. The Company shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or credit.

4. The Company shall not enter into an open-end credit transaction that is secured by an interest in one-to-four-family residential property located in the Commonwealth unless the Company is licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The Company 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 open-end credit business, including the rates, terms or conditions of its loans. The Company shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The Company shall not sell insurance or enroll borrowers under group insurance policies.

7. The Company shall comply with all federal and state laws and regulations applicable to the conduct of its open-end credit business.

8. The Company shall maintain books and records for its open-end credit business separate and apart from its payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where it conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081401
NOVEMBER 4, 2008

APPLICATION OF
PAYDAY ADVANCE, L.L.C.

For authority to allow a third party to conduct a consumer finance business from the licensee's payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Payday Advance, L.L.C. ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to allow a third party to conduct a consumer finance business from the Company's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a person (i) if the person has an outstanding loan from the Company, the third party, or any other lender doing business in the Company's payday lending offices; or (ii) on the same day the person repaid or satisfied in full a loan from the Company, the third party, or any other lending doing business in the Company's payday lending offices. As used in this Order, the term "loan" includes a payday loan, a consumer finance loan, or any amount borrowed by a person pursuant to an open-end credit agreement.

2. The third party shall not make a consumer finance loan to a person (1) if the person has an outstanding loan from the third party, the Company, or any other lender doing business in the Company's payday lending offices; or (ii) on the same day the person repaid or satisfied in full a loan from the third party, the Company, or any other lender doing business in the Company's payday lending offices.

3. The Company and third party shall not make a payday loan and a consumer finance loan contemporaneously or in response to a single request for a loan.

4. The Company and third party shall provide each applicant for a payday loan or consumer finance loan with a separate disclosure, signed by the applicant, that clearly identifies all of the loan products available in the Company's payday lending offices (whether provided by the Company, the third party, or any other lender doing business in the Company's payday lending offices) along with the corresponding APR, interest rate, and other costs associated with each loan product.

5. The third party shall not make a consumer finance loan that is secured in a manner that causes it to be subject to the Payday Loan Act.

6. The third party 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 consumer finance business, including the rates, terms or conditions of its loans.

7. The third party shall not sell insurance or enroll borrowers under group insurance policies.

8. The third party shall comply with the Consumer Finance Act, § 6.1-244 et seq. of the Code of Virginia, as well as all other state and federal laws and regulations applicable to the conduct of its consumer finance business.

9. The third party shall maintain books and records for its consumer finance business separate and apart from the Company's payday lending business and in a different location within payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

10. The Company should maintain a copy of this Order at each location where a third party conducts consumer finance business.

11. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081408
NOVEMBER 19, 2008

APPLICATION OF
CW FINANCIAL OF VA LLC D/B/A PAYDAY USA

For authority to allow a third party to conduct the business of arranging tax refund anticipation loans in its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

CW Financial of VA LLC, d/b/a Payday USA ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to allow a third party to conduct the business of arranging tax refund anticipation loans in its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable the borrower to pay any fee, finance charge, or other amount the borrower owes in connection with a tax refund anticipation loan arranged by a third party at the Company's payday lending offices.

3. The third party shall not arrange a tax refund anticipation loan to enable a person to pay any amount owed to the Company as a result of a payday loan transaction.

4. The third party and the Company shall not arrange a tax refund anticipation loan and make a payday loan contemporaneously or in response to a single request for a loan.

5. The Company shall not make a payday loan or vary the terms of a payday loan on the condition or requirement that a person also obtain a tax refund anticipation loan offered by the third party. The third party shall not arrange a tax refund anticipation loan or vary the terms of a tax refund anticipation loan on the condition or requirement that a person also obtain a payday loan offered by the Company.

6. The third party 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 business of arranging tax refund anticipation loans. The third party shall not make or cause to be made any misrepresentation as to its being licensed by the Commission or Bureau to conduct the business or arranging tax refund anticipation loans, or as to the extent to which it is subject to supervision or regulation.

7. The third party shall comply with all federal and state laws and regulations applicable to the of arranging tax refund anticipation loans.

8. The third party shall maintain books and records for its business of arranging tax refund anticipation loans separate and apart from the Company's payday lending business and in a different location within payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where a third party conducts the business of arranging tax refund anticipation loans.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081409
NOVEMBER 19, 2008

APPLICATION OF
CW FINANCIAL OF VA LLC D/B/A PAYDAY USA

For authority to allow a third party to conduct the business of tax preparation and electronic tax filing services in the licensee's payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

CW Financial of VA LLC, d/b/a Payday USA ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to allow a third party to conduct the business of tax preparation and electronic tax filing services in the Company's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be granted subject to the following conditions:

1. The Company shall not make a payday loan to a borrower to enable the borrower to pay a fee related to tax preparation or electronic tax filing services provided by the third party at the Company's payday lending offices.

2. The Company shall not make, arrange, or broker a payday loan that is secured in part by an interest in a borrower's tax refund, or in whole or in part by (i) any other assignment of income payable to a borrower, or (ii) any assignment of an interest in a borrower's account at a depository institution. This condition shall not be construed to prohibit the Company from making a payday loan that is secured solely by a check payable to the Company drawn on a borrower's account at a depository institution.

3. Neither the Company nor the third party shall engage in the business of (i) accepting funds for transmission to the Internal Revenue Service or other governmental instrumentalities, or (ii) receiving tax refunds for delivery to individuals, unless licensed as a money transmitter or exempt from licensing under Chapter 12 of Title 6.1 of the Code of Virginia.

4. The Company shall not make a payday loan or vary the terms of a payday loan on the condition or requirement that a person also obtain tax preparation or electronic tax filing services offered by the third party. The third party shall not offer tax preparation or electronic tax filing services on the condition or requirement that a person obtain a payday loan offered by the Company.

5. The third party 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 business of tax preparation and electronic tax filing services. The third party shall not make or cause to be made any misrepresentation as to its being licensed by the Commission or Bureau to conduct the business or tax preparation and electronic tax filing services, or as to the extent to which it is subject to supervision or regulation.

6. The third party shall comply with all federal and state laws and regulations applicable to the business of tax preparation and electronic tax filing services.

7. The third party shall maintain books and records for its business of tax preparation and electronic tax filing services separate and apart from the Company's payday lending business and in a different location within payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

8. The Company should maintain a copy of this Order at each location where a third party conducts the business of tax preparation and electronic tax filing services.

9. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081412
DECEMBER 19, 2008

APPLICATION OF
FINANCIAL EXCHANGE COMPANY OF VIRGINIA, INC. D/B/A MONEY MART

For authority to conduct open-end credit business from its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Financial Exchange Company of Virginia, Inc., d/b/a Money Mart ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct open-end credit business from its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the Company in connection with an open-end credit transaction.

2. The Company shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or extension of credit.

4. The Company shall not enter into an open-end credit transaction that is secured by an interest in one-to-four-family residential property located in the Commonwealth unless the Company is licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The Company 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 open-end credit business, including the rates, terms or conditions of its loans. The Company shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The Company shall not sell insurance or enroll borrowers under group insurance policies.

7. The Company shall comply with all federal and state laws and regulations applicable to the conduct of its open-end credit business.

8. The Company shall maintain books and records for its open-end credit business separate and apart from its payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where it conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081526
NOVEMBER 17, 2008

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

For authority to conduct open-end credit business from its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Advance America, Cash Advance Centers of Virginia, Inc., d/b/a Advance America, Cash Advance Centers ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for

authority to conduct open-end credit business from its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the Company in connection with an open-end transaction.

2. The Company shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or extension of credit.

4. The Company shall not enter into an open-end credit transaction that is secured by an interest in one-to-four family residential property located in the Commonwealth unless the Company is licensed or exempt from the licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The Company 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 open-end credit business, including the rates, terms or conditions of its loans. The Company shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The Company shall not sell insurance or enroll borrowers under group insurance policies.

7. The Company shall comply with all federal and state laws and regulations applicable to the conduct of its open-end business.

8. The Company shall maintain books and records for its open-end credit business separate and apart from the Company's payday lending business and in a different location within payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where it conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081534
DECEMBER 19, 2008

APPLICATION OF
CHECKS MATE, INC., D/B/A CHECKS MATE

For authority to conduct open-end credit business from its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Checks Mate, Inc., d/b/a Checks Mate ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct open-end credit business from its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the Company in connection with an open-end credit transaction.

2. The Company shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or extension of credit.

4. The Company shall not enter into an open-end credit transaction that is secured by an interest in one-to-four-family residential property located in the Commonwealth unless the Company is licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The Company 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 open-end credit business, including the rates, terms or conditions of its loans. The Company shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The Company shall not sell insurance or enroll borrowers under group insurance policies.

7. The Company shall comply with all federal and state laws and regulations applicable to the conduct of its open-end credit business.

8. The Company shall maintain books and records for its open-end credit business separate and apart from its payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where it conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081576
NOVEMBER 14, 2008

APPLICATION OF
CASH ADVANCE CENTERS OF VA, INC.

For authority to conduct open-end credit business from its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Cash Advance Centers of VA, Inc. ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct open-end credit business from its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the Company in connection with an open-end credit transaction.

2. The Company shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or extension of credit.

4. The Company shall not enter into an open-end credit transaction that is secured by an interest in one-to-four family residential property located in the Commonwealth unless the Company is licensed or exempt from the licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The Company 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 open-end credit business, including the rates, terms or conditions of its loans. The Company shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The Company shall not sell insurance or enroll borrowers under group insurance policies.

7. The Company shall comply with all federal and state laws and regulations applicable to the conduct of its open-end business.

8. The Company shall maintain books and records for its open-end credit business separate and apart from the Company's payday lending business and in a different location within payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where it conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BAN20081630
DECEMBER 9, 2008

APPLICATION OF
HAMPTON ROADS BANKSHARES, INC.

To acquire Gateway Financial Holdings, Inc.

ORDER OF APPROVAL

Hampton Roads Bankshares, Inc., a Virginia bank holding company that controls two Virginia banks, filed with the State Corporation Commission ("Commission") the notice required by § 6.1-406 of the Code of Virginia of its proposed acquisition of Gateway Financial Holdings, Inc., a North Carolina bank holding company. The Bureau of Financial Institutions ("Bureau") investigated the proposed transaction.

Having considered the notice and the report of the Bureau, the Commission finds that the proposed acquisition will not have a detrimental effect on the safety or soundness of the Virginia bank subsidiaries of Hampton Roads Bankshares, Inc.

THEREFORE, the proposed acquisition of Gateway Financial Holdings, Inc. by Hampton Roads Bankshares, Inc. is APPROVED, provided the acquisition takes place within one (1) year from the date of this Order and the applicant notifies the Bureau of the effective date of the transaction within ten (10) days thereof.

CASE NO. BAN20081675
DECEMBER 22, 2008

APPLICATION OF
SONABANK

For a certificate of authority to engage in business as a state-chartered bank upon the conversion of Sonabank, N. A.

ORDER GRANTING AUTHORITY

Sonabank, a Virginia corporation, has applied to the State Corporation Commission ("Commission"), pursuant to Chapter 2 of Title 6.1 of the Code of Virginia, for a certificate of authority to engage in business as a Virginia state-chartered bank with its main office redesignated at 6830 Old Dominion Drive, McLean, Fairfax County, Virginia. §§ 6.1-33 and 6.1-38 of the Code of Virginia provide for the conversion of a national banking association into a state-chartered bank. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

The Bureau reports that Sonabank has been incorporated as a Virginia corporation empowered by its certificate of incorporation to conduct a banking business. The corporation was formed to be the successor to Sonabank, N. A., which has its main office at 1770 Timberwood Boulevard, Albemarle County, Virginia. The bank has assets of approximately $444 million and operates seven branches (see attached Exhibit A for branch locations).

Having considered the application and the investigation report of the Bureau, the Commission finds that the requirements of §§ 6.1-13, 6.1-33 and 6.1-38 of the Code of Virginia have been met, and that a certificate of authority should be granted.

IT IS THEREFORE ORDERED that a certificate of authority for Sonabank to engage in a banking business at the specified locations is GRANTED, provided the following conditions are met before the bank commences business as a state-chartered bank:

(1) The capital stock of the bank shall be $1 and its surplus shall be at least $65,227,000;

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

(3) The bank shall notify the Bureau of the date on which it will commence business as a state-chartered bank.

If the bank does not fulfill the foregoing conditions within six (6) months from the date of this Order, the authority granted herein shall expire unless it is extended by the Commission.

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

CASE NO. BAN20081701
DECEMBER 16, 2008

APPLICATION OF
GULFPORT FINANCIAL, L.L.C., D/B/A VIRGINIA CASH ADVANCE

For authority to conduct open-end credit business from its payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Gulfport Financial, L.L.C., d/b/a Virginia Cash Advance ("Company"), a licensed payday lender, has applied to the State Corporation Commission ("Commission"), pursuant to 10 VAC 5-200-100 and § 6.1-463 of the Code of Virginia, for authority to conduct open-end credit business from its payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

Having considered the application and the Bureau's report, the Commission finds that the proposed other business is financial in nature and the application should be approved.

THEREFORE, the authority requested in the application is GRANTED subject to the following conditions:

1. The Company shall not make a payday loan to enable a borrower to pay any fee, finance charge, or other amount the borrower owes to the Company in connection with an open-end credit transaction.

2. The Company shall not permit a person to take a cash advance under an open-end credit account to enable such person to pay any amount owed to the Company as a result of a payday loan transaction.

3. The Company shall not enter into an open-end credit transaction and make a payday loan contemporaneously or in response to a single request for a loan or extension of credit.

4. The Company shall not enter into an open-end credit transaction that is secured by an interest in one-to-four-family residential property located in the Commonwealth unless the Company is licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia.

5. The Company 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 open-end credit business, including the rates, terms or conditions of its loans. The Company shall not make or cause to be made any misrepresentation as to its being licensed to conduct open-end credit business, or as to the extent to which it is subject to supervision or regulation.

6. The Company shall not sell insurance or enroll borrowers under group insurance policies.

7. The Company shall comply with all federal and state laws and regulations applicable to the conduct of its open-end credit business.

8. The Company shall maintain books and records for its open-end credit business separate and apart from its payday lending business and in a different location within its payday lending offices. The Bureau shall be given access to all such books and records and be furnished with such information and records as it may require in order to assure compliance with these conditions as well as all applicable laws and regulations.

9. The Company should maintain a copy of this Order at each location where it conducts open-end credit business.

10. Violation of any condition contained in this Order may result in revocation of the authority hereby conferred.

CASE NO. BFI-2003-00007
SEPTEMBER 25, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN HOME FINANCE, INC.,
Defendant

DISMISSAL ORDER

On October 16, 2003, the State Corporation Commission ("Commission") entered a Settlement Order in this case which, among other things, continued the case generally on the Commission's docket. Thereafter, the Staff reported to the Commission that the Defendant surrendered its license to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia on November 12, 2007.

Accordingly, IT IS ORDERED THAT:

(1) This case is dismissed as moot.

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

CASE NO. BFI-2007-00021
JANUARY 10, 2008

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

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("Commission") that Allstate Mortgage, Inc. ("Defendant"), is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that on August 2, 2005, the Commission's Bureau of Financial Institutions examined the Defendant and found that it had violated various laws applicable to the conduct of its licensed business; that the Defendant offered to settle this case by paying, in accordance with the attached schedule, a fine in the sum of twenty thousand dollars ($20,000), and waived its right to a hearing in the case; and the Commissioner of Financial Institutions recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

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

(2) The Defendant shall pay, in accordance with the attached schedule, a fine in the sum of twenty thousand dollars ($20,000).

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

CASE NO. BFI-2007-00021
MARCH 25, 2008

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

DISMISSAL ORDER

On January 10, 2008, the State Corporation Commission ("Commission") entered a Settlement Order requiring Allstate Mortgage, Inc. ("Defendant"), a licensed mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia, to pay a fine of twenty thousand dollars ($20,000) in accordance with a schedule to settle violations of law found by the Bureau of Financial Institutions ("Bureau") during its August 2, 2005, examination of the Defendant. Thereafter, the Bureau reported to the Commission that the Defendant has made all of the payments required by the Settlement Order. Accordingly, the Bureau has recommended that the Commission dismiss this case.

THEREFORE, IT IS ORDERED THAT:

(1) This case is dismissed.

(2) This case is stricken from the Commission's docket of active cases.

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

CASE NO. BFI-2007-00059
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
OSWALD REDMAN d/b/a GREATER CAPITAL MORTGAGE,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to timely file his 2006 and 2007 annual reports in accordance with § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 6, 2008, (1) of his intention to recommend revocation of his license unless the Defendant paid an eight hundred dollar ($800) fine and filed his 2007 annual report by June 9, 2008, and (2) that a written request for hearing was

required to be filed in the office of the Clerk on or before May 27, 2008; and that the Defendant failed to pay the fine, file the 2007 annual report, or file a written request for hearing.

Accordingly, the Commission finds that the Defendant has failed to timely file his 2006 and 2007 annual reports as required by law, and

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

CASE NO. BFI-2007-00161
APRIL 18, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: credit union service organizations

ORDER TO TAKE NOTICE

On October 5, 2007, the State Corporation Commission ("Commission") entered an Order To Take Notice of regulations proposed by the Bureau of Financial Institutions ("Bureau") that would authorize state-chartered credit unions to invest in or make loans to credit union service organizations on similar terms and conditions as federal credit unions. The Order and proposed regulations were published in the Virginia Register on October 29, 2007, posted on the Commission's website, and mailed to all state-chartered credit unions and other interested persons. Credit unions and other interested persons were given until December 14, 2007, to file written comments or request a hearing.

The Commission received comment letters from various credit unions and organizations as well as several requests for a hearing. On December 21, 2007, the Commission entered an Order scheduling a hearing for February 26, 2008, in order to consider the adoption of the proposed regulations. The Commission also directed the Bureau to meet with representatives from those entities that submitted comments in an attempt to narrow the issues for the Commission's consideration at the hearing. The Commission's Order also required the Bureau to make a filing in this case in which it (i) identified any issues that had been resolved as a result of the Bureau's meeting, and (ii) responded to the comments filed in this case that pertained to issues that remained unresolved after the Bureau's meeting.

On February 15, 2008, the Bureau filed its Response to Comments. In its Response, the Bureau informed the Commission that as a result of its meeting with representatives from those entities that submitted comments, the credit unions and organizations that initially requested a hearing no longer desired a hearing and had withdrawn their requests. The Bureau also informed the Commission that it had drafted certain changes to the proposed regulations in order to address the commenters' issues and concerns. The Bureau attached to its Response the draft regulations that were agreed to by the Bureau and the commenters.

NOW THE COMMISSION, having considered the record, the proposed regulations, the comments filed, and the Bureau's Response, finds that the proposed regulations should be modified to reflect the changes agreed to by the Bureau and the commenters, and that all state-chartered credit unions and other interested parties should be afforded an opportunity to file written comments or request a hearing on the modified proposed regulations.

IT IS THEREFORE ORDERED THAT:

(1) The modified proposed regulations are appended hereto and made a part of the record herein.

(2) Comments or requests for a hearing on the modified proposed regulations must be submitted in writing to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before May 23, 2008. Comments should be limited to the modifications made to the proposed regulations and not reiterate comments that were previously filed in this case. Requests for hearing shall state why a hearing is necessary and why the issues cannot be adequately addressed in written comments. All correspondence shall contain a reference to Case No. BFI-2007-00161. Interested persons desiring to submit comments or request a hearing electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

(3) The modified proposed regulations shall be posted on the Commission's website at http://www.scc.virginia.gov/case.

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

NOTE: A copy of Attachment A entitled "10 VAC 5-40 Credit Unions" 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-2007-00161
JUNE 13, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: credit union service organizations

ORDER ADOPTING REGULATIONS

On October 5, 2007, the State Corporation Commission ("Commission") entered an Order To Take Notice of regulations proposed by the Bureau of Financial Institutions ("Bureau") that would authorize state-chartered credit unions to invest in or make loans to credit union service organizations on similar terms and conditions as federal credit unions. The Order and proposed regulations were published in the Virginia Register on October 29, 2007, posted on the Commission's website, and mailed to all state-chartered credit unions and other interested persons. The Commission received comment letters from various credit unions and organizations as well as several requests for a hearing.

On December 21, 2007, the Commission entered an Order scheduling a hearing for February 26, 2008, in order to consider the adoption of the proposed regulations. The Commission also directed the Bureau to meet with representatives from those entities that submitted comments in an attempt to narrow the issues for the Commission's consideration at the hearing. The Commission's Order also required the Bureau to make a filing in this case in which it (i) identified any issues that had been resolved as a result of the Bureau's meeting, and (ii) responded to the comments filed in this case that pertained to issues that remained unresolved after the Bureau's meeting.

On February 15, 2008, the Bureau filed its Response to Comments. In its Response, the Bureau informed the Commission that as a result of its meeting with representatives from those entities that submitted comments, the credit unions and organizations that initially requested a hearing no longer desired a hearing and had withdrawn their requests. The Bureau also informed the Commission that it had drafted certain changes to the proposed regulations in order to address the commenters' issues and concerns. The Bureau attached to its Response the draft regulations that were agreed to by the Bureau and the commenters.

On April 18, 2008, the Commission found that the proposed regulations should be modified to reflect the changes agreed to by the Bureau and the commenters, and that all state-chartered credit unions and other interested persons should be afforded an opportunity to file written comments or request a hearing on the modified proposed regulations. The Order to Take Notice and modified proposed regulations were published in the Virginia Register on May 12, 2008, posted on the Commission's website, and mailed to all state-chartered credit unions and other interested persons. The Commission received a comment letter from Virginia Credit Union, Inc. and a combined comment letter from the Virginia Credit Union League and the Virginia Credit Union League Regulatory Response Committee. Both comment letters supported the modified proposed regulations.

NOW THE COMMISSION, having considered the record, the modified proposed regulations, and the comments filed, concludes that the modified proposed regulations are a proper exercise of the authority granted under §§ 6.1-225.3, 6.1-225.3:l, and 6.1-225.22 of the Code of Virginia, and should be adopted as proposed.

IT IS THEREFORE ORDERED THAT:

(1) The modified proposed regulations are appended hereto and adopted effective July 1, 2008.

(2) The regulations shall be posted on the Commission's website at http://www.scc.virginia.gov/case.

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

(4) This case is dismissed from the Commission's docket of active cases.

CASE NO. BFI-2007-00243
MARCH 31, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Global Mortgage, Inc. ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant violated various laws applicable to the conduct of its licensed business; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 7, 2008, (1) of his intention to recommend revocation of its 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 7, 2008; and that no written request for a hearing was received or filed.

Accordingly, the Commission finds that the Defendant has violated various laws applicable to the conduct of its licensed business, and

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

CASE NO. BFI-2007-00244
MARCH 18, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MONTGOMERY CAPITAL CORPORATION D/B/A MONTGOMERY CAPITAL MORTGAGE CORPORATION,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that during successive examinations of the Defendant by the Bureau of Financial Institutions it was found that the Defendant violated various laws and regulations applicable to the conduct of its licensed business; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 7, 2008, (1) of his intention to recommend revocation of its license, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before March 7, 2008; and that no written request for hearing was filed.

Accordingly, the Commission finds that the Defendant has persistently violated various laws and regulations applicable to the conduct of its licensed business, and

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

CASE NO. BFI-2007-00275
JANUARY 10, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Optima Mortgage Corporation ("Defendant") is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that the bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on September 26, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 22, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by November 22, 2007, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 13, 2007; and that no new bond or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00283
JANUARY 10, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SELECT MORTGAGE RESOURCE CENTER INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Select Mortgage Resource Center Inc. ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on October 22, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on November 7, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by December 7, 2007, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 30, 2007; and that no new bond or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00284
JANUARY 10, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITED FREEDOM FUNDING CORP.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that United Freedom Funding Corp. ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on October 28, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on November 7, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by December 7, 2007, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 30, 2007; and that no new bond or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00286
JANUARY 10, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Avantor Capital LLC ("Defendant") is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that the bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on October 31, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on November 7, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by December 7, 2007, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 30, 2007; and that no new bond or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00291
MAY 30, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Sound Mortgage Corp. ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00294
MAY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MFS/TA, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that MFS/TA, Inc. ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00295
MAY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BENJAMIN FINANCIAL CONSULTING FIRM, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Benjamin Financial Consulting Firm, Inc. ("Defendant"), is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00298
MAY 30, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that The Kimberlie Financial Group, Inc. ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00302
MAY 30, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Capital Mortgage LLC ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00302
JUNE 19, 2008

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

VACATING ORDER

On May 30, 2008, the State Corporation Commission ("Commission") entered an Order in this case revoking the license issued to the Defendant to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia. Thereafter, the Staff reported that said Order had been tendered erroneously to the Commission for entry inasmuch as the Defendant's license was revoked previously by Order of the Commission entered on May 5, 2008, in Case No. BFI-2008-00037.

Upon consideration whereof,

IT IS ORDERED THAT:

(1) The Order entered in this case on May 30, 2008, revoking the Defendant's license to engage in business as a mortgage broker is vacated effective as of that date.

(2) This case is dismissed as moot.

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

CASE NO. BFI-2007-00307
MAY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CREATIVE MORTGAGES LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Creative Mortgages LLC ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00312
JUNE 13, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AAPEX FINANCIAL SOLUTIONS LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless an annual fee was paid by April 11, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before April 11, 2008; and that no annual fee or written request for hearing was received.

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

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

CASE NO. BFI-2007-00314
MAY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
A-1 UNIQUE MORTGAGE, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that A-1 Unique Mortgage, Inc. ("Defendant"), is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00315
MAY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GLOBAL FINANCIAL MORTGAGE INC. (USED IN VIRGINIA BY: GLOBAL FINANCIAL SERVICES INC.),
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Global Financial Mortgage Inc. (Used in Virginia by: Global Financial Services Inc.) ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00316
MAY 30, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Berwyn Mortgage, Inc. ("Defendant"), is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00320
MAY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SERVICE 1 MORTGAGE CORPORATION,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Service 1 Mortgage Corporation ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00320
JUNE 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SERVICE 1 MORTGAGE CORPORATION,
Defendant

VACATING ORDER

On May 30, 2008, the State Corporation Commission ("Commission") entered an Order in this case revoking the license issued to the Defendant to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia. Thereafter, the Staff reported that said Order had been tendered erroneously to the Commission for entry inasmuch as the Defendant's license was revoked previously by Order of the Commission entered on May 7, 2008, in Case No. BFI-2008-00050.

Upon consideration whereof,

IT IS ORDERED THAT:

(1) The Order entered in this case on May 30, 2008, revoking the Defendant's license to engage in business as a mortgage broker is vacated effective as of that date.

(2) This case is dismissed as moot.

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

CASE NO. BFI-2007-00326
MAY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LEGACY FINANCIAL CORPORATION D/B/A WORLDWIDE FINANCIAL RESOURCES,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Legacy Financial Corporation d/b/a Worldwide Financial Resources ("Defendant") is licensed to engage in business as a mortgage lender and mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00326
JUNE 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
G O FINANCIAL GROUP, INC., f/k/a LEGACY FINANCIAL CORPORATION,
Defendant

AMENDING ORDER

On May 30, 2008, the State Corporation Commission ("Commission") entered an order in this case revoking the license issued to the Defendant to engage in business as a mortgage lender and mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia. Thereafter, the Staff became advised and reported to the Commission that the Defendant changed its name from Legacy Financial Corporation to G O Financial Group, Inc. effective February 26, 2008.

Upon consideration whereof,

IT IS ORDERED THAT:

(1) The style of this case shall be amended to conform to the style contained in this Order.

(2) The order entered in this case on May 30, 2008, revoking the Defendant's mortgage lender and broker license shall remain in full force and effect.

CASE NO. BFI-2007-00328
MAY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ACCESS MORTGAGE & FINANCIAL CORPORATION,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Access Mortgage & Financial Corporation ("Defendant") is licensed to engage in business as a mortgage lender and mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00328
JUNE 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ACCESS MORTGAGE & FINANCIAL CORPORATION,
Defendant

VACATING ORDER

On May 30, 2008, the State Corporation Commission ("Commission") entered an Order in this case revoking the license issued to the Defendant to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia. Thereafter, the Staff reported that said Order had been tendered erroneously to the Commission for entry inasmuch as the Defendant's license was revoked previously by Order of the Commission entered on May 7, 2008, in Case No. BFI-2008-00051.

Upon consideration whereof,

IT IS ORDERED THAT:

(1) The Order entered in this case on May 30, 2008, revoking the Defendant's license to engage in business as a mortgage lender and broker is vacated effective as of that date.

(2) This case is dismissed as moot.

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

CASE NO. BFI-2007-00329
MAY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LIGHTHOUSE MORTGAGE SERVICE CO., INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that Lighthouse Mortgage Service Co., Inc. ("Defendant") is licensed to engage in business as a mortgage lender and mortgage broker under Chapter 6 of Title .1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March , 2008, (1) f his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00330
JANUARY 30, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on November 22, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 12, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by January 12, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before January 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2007-00332
MAY 30, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that First Mortgage of America, Inc. ("Defendant"), is licensed to engage in business as a mortgage lender and mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay its annual fee due May 25, 2007, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 5, 2008, (1) of his intention to recommend revocation of its license unless its annual fee was received by April 11, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before April 11, 2008; and that no annual fee or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2007-00332
JUNE 19, 2008

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

VACATING ORDER

On May 30, 2008, the State Corporation Commission ("Commission") entered an order in this case revoking the license issued to the Defendant to engage in business as a mortgage lender and mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia. Thereafter, the Staff reported to the Commission that, due to a clerical error, the Commission was not advised that the Defendant had surrendered its license on April 18, 2008. Upon consideration whereof,

IT IS ORDERED THAT:

(1) The May 30, 2008 order revoking the Defendant's mortgage lender and mortgage broker license is vacated effective as of that date.

(2) This case is dismissed as moot.

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

CASE NO. BFI-2007-00334
JANUARY 10, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EASTERN SPECIALTY FINANCE, INC. D/B/A CHECK 'N GO,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("Commission") that Eastern Specialty Finance, Inc. d/b/a Check 'n Go ("Defendant") is licensed to engage in business as a payday lender under Chapter 18 of Title 6.1 of the Code of Virginia; that on June 29, 2007, the Commission's Bureau of Financial Institutions examined the Defendant and found that it had violated various laws and regulations applicable to the conduct of its licensed business; that the Defendant offered to settle this case by payment of a fine in the sum of one hundred thousand dollars ($100,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner of Financial Institutions recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

CASE NO. BFI-2007-00335
JANUARY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SUNRISE MORTGAGE GROUP LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on November 6, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 12, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by January 12, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before January 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2007-00337
JANUARY 30, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on November 18, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 12, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by January 12, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before January 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2007-00338
JANUARY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FREEDOM FUNDING GROUP, INC. d/b/a AMERI-FI MORTGAGE CORP.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on November 21, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 12, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by January 12, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before January 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2007-00339
JANUARY 30, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on November 22, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 12, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by January 12, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before January 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2007-00341
JANUARY 30, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on November 24, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 12, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by January 12, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before January 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2007-00341
FEBRUARY 20, 2008

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

ORDER VACATING LICENSE REVOCATION

On January 30, 2008, an Order was entered in this case revoking the license granted to the Defendant to engage in business as a mortgage lender and broker. Thereafter, the Staff reported that the Defendant had surrendered its license prior to the entry of the revocation Order but the license surrender had not been entered into the Bureau of Financial Institutions' record system. Upon consideration thereof,

IT IS ORDERED THAT:

(1) The January 30, 2008 Order revoking the Defendant's license is vacated effective on that date; and

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

CASE NO. BFI-2007-00342
JANUARY 30, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on November 25, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 12, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by January 12, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before January 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2007-00344
JANUARY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERIFUND FINANCIAL, INC. d/b/a ALL FUND MORTGAGE,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on December 6, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 12, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by January 12, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before January 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2007-00345
JANUARY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROGAL REAL ESTATE, LLC d/b/a DALSAN USA,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a money transmitter under Chapter 12 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-372 of the Code of Virginia was cancelled on November 30, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 12, 2007, (1) of his intention to recommend revocation of its license unless a new bond was filed by January 12, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before January 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2007-00346
APRIL 30, 2008

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

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("Commission") that the Defendant engaged in business as a mortgage lender without obtaining prior approval of the State Corporation Commission in violation of § 6.1-410 of the Code of Virginia, and also acquired one-hundred percent (100%) of Bradford Mortgage, LLC, a former licensee under the Mortgage Lender and Broker Act, without obtaining prior approval of the Commission in violation of § 6.1-416.1 of the Code of Virginia; that upon being informed that the Commissioner of Financial Institutions ("Commissioner") intended to recommend the imposition of a fine, the Defendant offered to settle this case by a payment of a fine of five thousand dollars ($5,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

CASE NO. BFI-2007-00348
APRIL 23, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
IPP OF AMERICA, INC.,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("Commission") that IPP of America, Inc. (the "Company"), recently applied for a license to engage in business as a money transmitter pursuant to Chapter 12 of Title 6.1 of the Code of Virginia; that during investigation of the application it was found that the Company conducted a money transmission business in Virginia without the required license in violation of § 6.1-371 of the Code of Virginia; that upon being informed that the Commissioner of Financial Institutions ("Commissioner") intended to recommend the imposition of a fine, the Defendant offered to settle this case by payment of a fine of fifteen thousand dollars ($15,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

CASE NO. BFI-2008-00001
MARCH 18, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PREMIER HOME LENDING, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on December 13, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on January 14, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by February 14, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before February 5, 2008; and that no new bond or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2008-00002
MARCH 18, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN COMMERCIAL LENDING, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on December 20, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on January 14, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by February 14, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before February 5, 2008; and that no new bond or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2008-00004
MARCH 18, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GET LOWER, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on December 24, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on January 14, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by February 14, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before February 5, 2008; and that no new bond or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2008-00005
MARCH 18, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that the bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on December 26, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on January 14, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by February 14, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before February 5, 2008; and that no new bond or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2008-00007
MARCH 21, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
OMNI HOME FINANCING, INC.,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Bureau of Financial Institutions ("Bureau") reported to the State Corporation Commission ("Commission") that Omni Home Financing, Inc. ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant's "Notice of 2007 Funding Increase for Seniors" solicitations violated various provisions of 10 VAC 5-160-60 and the Mortgage Lender and Broker Act; that the Defendant subsequently offered to settle this case by making a payment in the sum of five thousand dollars ($5,000) and abiding by the provisions of this Order, tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case. The Commissioner of Financial Institutions recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

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

(2) The Defendant shall cease and desist from sending its "Notice of 2007 Funding Increase for Seniors" solicitations or any other deceptive or misleading advertisements to Virginia consumers.

(3) The Defendant shall comply with all provisions of 10 VAC 5-160-60 and § 6.1-424 of the Code of Virginia.

(4) This case is dismissed.

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

CASE NO. BFI-2008-00009
FEBRUARY 28, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EZ CASH SERVICES, L.L.C.,
Defendant

CEASE AND DESIST ORDER

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that EZ Cash Services, L.L.C. ("Defendant"), was making payday loans to Virginia consumers without a payday lender license, in violation of § 6.1-445 A of the Code of Virginia; that the Commissioner, pursuant to § 6.1-465 of the Code of Virginia, gave written notice to the Defendant by certified mail on January 24, 2008, (1) of his intention to recommend that it be ordered to cease and desist from making payday loans to Virginia consumers, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before February 13, 2008; and that no written request for a hearing was received or filed.

Accordingly, the Commission finds that the Defendant has made payday loans to Virginia consumers without a payday lender license in violation of Chapter 18 of Title 6.1 of the Code of Virginia, and

IT IS ORDERED that the Defendant shall immediately cease and desist from making payday loans to Virginia consumers.

CASE NO. BFI-2008-00012
MARCH 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIRST AMERICAN REALTY CAPITAL CORP.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on February 1, 2008; that the Commissioner, pursuant to delegated authority, gave

written notice to the Defendant by certified mail on February 8, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by March 8, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before February 29, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00014
MARCH 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNIVERSAL MORTGAGES & FINANCIAL SERVICES, LLC,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on January 27, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 8, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by March 8, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before February 29, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00019
MARCH 19, 2008

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on January 15, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 8, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by March 8, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before February 29, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00022
MARCH 19, 2008

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on January 9, 2008; that the Commissioner, pursuant to delegated authority, gave written notice

to the Defendant by certified mail on February 8, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by March 8, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before February 29, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00024
MARCH 19, 2008

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on January 8, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 8, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by March 8, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before February 29, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00026
MARCH 18, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on January 26, 2007; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 8, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by March 8, 2008, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before February 29, 2008; and that no new bond or written request for a hearing was received or filed.

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

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

CASE NO. BFI-2008-00027
MARCH 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SEMIDEY & SEMIDEY MORTGAGE GROUP, LLC,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on February 1, 2008; that the Commissioner, pursuant to delegated authority, gave written notice

to the Defendant by certified mail on February 8, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by March 8, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before February 29, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00028
MARCH 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
STATEWIDE TRUST, INC. d/b/a STATEWIDE TRUST MORTGAGE COMPANY,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on January 20, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 8, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by March 8, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before February 29, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00029
MARCH 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN MORTGAGE SPECIALIST 1 INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on January 29, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 8, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by March 8, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before February 29, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00034
MAY 5, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MORTGAGE STRATEGIES GROUP, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on February 9, 2008; that the Commissioner, pursuant to delegated

authority, gave written notice to the Defendant by certified mail on March 3, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by April 1, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before March 24, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00035
MAY 5, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on February 14, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 3, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by April 1, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before March 24, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00037
MAY 5, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on February 18, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 3, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by April 1, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before March 24, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00038
MAY 5, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on February 10, 2008; that the Commissioner, pursuant to delegated

authority, gave written notice to the Defendant by certified mail on March 3, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by April 1, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before March 24, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00041
MAY 5, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on February 21, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 6, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by April 6, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before March 27, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00042
MAY 5, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on February 23, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 6, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by April 6, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before March 27, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00045
MAY 5, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AAPEX FINANCIAL SOLUTIONS LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on January 23, 2008; that the Commissioner, pursuant to delegated

authority, gave written notice to the Defendant by certified mail on March 6, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by April 6, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before March 27, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00045
JUNE 4, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AAPEX FINANCIAL SOLUTIONS LLC,
Defendant

ORDER REINSTATING A LICENSE

On May 5, 2008, the State Corporation Commission ("Commission") entered an Order in this case revoking the mortgage broker license issued to the Defendant for failure to maintain its bond in force, as required by § 6.1-413 of the Code of Virginia. Thereafter, the Staff reported to the Commission that its recommendation for license revocation was based upon a clerical error relating to the cancellation of the Defendant's bond by the surety thereon.

Upon consideration whereof, IT IS ORDERED THAT:

(1) The Order revoking the Defendant's license on May 5, 2008, is vacated effective as of that date.

(2) The Defendant's mortgage broker license is reinstated effective May 5, 2008.

(3) This case is dismissed.

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

CASE NO. BFI-2008-00046
JUNE 13, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to respond to written requests by the Bureau of Financial Institutions ("Bureau"), as required by 10 VAC 5-160-50 of the Virginia Administrative Code, and failed to notify the Bureau of the closing of its licensed office, as required by § 6.1-416 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 10, 2008, of his intention to recommend revocation of its license unless a written request for hearing was filed in the Office of the Clerk of the Commission on or before April 10, 2008; and that no request for hearing was filed.

Accordingly, the Commission finds that the Defendant has failed to respond to written requests and failed to give notice of the closing of its licensed office as required by law, and

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

CASE NO. BFI-2008-00047
JUNE 13, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MORTGAGE 180 LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to respond to written requests by the Bureau of Financial Institutions ("Bureau"), as required by 10 VAC 5-160-50 of the Virginia Administrative Code, and failed to notify the Bureau of the closing of its licensed office, as required by § 6.1-416 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 10, 2008, (1) of his intention to recommend revocation of its license unless a written request for hearing was filed in the Office of the Clerk of the Commission on or before April 10, 2008; and that no request for hearing was filed.

Accordingly, the Commission finds that the Defendant has failed to respond to written requests and failed to give notice of the closing of its licensed office as required by law, and

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

CASE NO. BFI-2008-00048
JUNE 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CREDIT SOLUTION AND FINANCIAL SERVICES, INC.
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to respond to written requests by the Bureau of Financial Institutions ("Bureau"), as required by 10 VAC 5-160-50 of the Virginia Administrative Code, and failed to notify the Bureau of the closing of its licensed office, as required by § 6.1-416 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 12, 2008, of his intention to recommend revocation of its license unless a written request for hearing was filed in the Office of the Clerk of the Commission on or before April 12, 2008; and that no request for hearing was filed.

Accordingly, the Commission finds that the Defendant has failed to respond to written requests and failed to give notice of the closing of its licensed office as required by law, and

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

CASE NO. BFI-2008-00050
MAY 7, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SERVICE 1 MORTGAGE CORPORATION,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on March 7, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 14, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by April 14, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before April 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00051
MAY 7, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ACCESS MORTGAGE & FINANCIAL CORPORATION,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on March 7, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 14, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by April 14, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before April 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00053
MAY 7, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EQUITY HOUSE, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on March 13, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 14, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by April 14, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before April 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00054
MAY 7, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
1ST DOMINION MORTGAGE, L.L.C.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on March 14, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 14, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by April 14, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before April 4, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00066
APRIL 4, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: annual fees paid by banks and savings institutions

ORDER TO TAKE NOTICE

WHEREAS, 10 VAC 5-20-30 of the Virginia Administrative Code sets forth a schedule for the assessment of annual fees to be paid by state-chartered banks and savings institutions to defray the costs of their supervision, regulation, and examination;

WHEREAS, due to changing market conditions and the conversion of Virginia's two largest state-chartered banks to federal institutions, additional revenue is needed in order to adequately supervise, regulate, and examine Virginia's existing state-chartered banks and savings institutions; and

WHEREAS, the Bureau of Financial Institutions has proposed amending 10 VAC 5-20-30 in order to generate additional revenue;

IT IS THEREFORE ORDERED THAT:

(1) The proposed regulation is appended hereto and made a part of the record herein.

(2) Comments or requests for hearing on the proposed regulation must be submitted in writing to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before May 9, 2008. Requests for hearing shall state why a hearing is necessary and why the issues cannot be adequately addressed in written comments. All correspondence shall contain a reference to Case No. BFI-2008-00066. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

(3) The proposed regulation shall be posted on the Commission's website at http://www.scc.virginia.gov/case.

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

NOTE: A copy of Attachment A entitled "10 VAC 5-20 Banking and Savings Institutions" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. BFI-2008-00066
JUNE 11, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: annual fees paid by banks and savings institutions

ORDER ADOPTING A REGULATION

On April 4, 2008, the State Corporation Commission ("Commission") entered an Order to Take Notice of the Bureau of Financial Institution's proposal to amend 10 VAC 5-20-30, which sets forth the schedule of annual fees to be paid by state-chartered banks and savings institutions to defray the costs of their supervision, regulation, and examination. The amendments are expected to generate additional revenue, which is needed due to changing market conditions and the conversion of Virginia's two largest state-chartered banks to federal institutions. The Order and proposed regulation were published in the Virginia Register on April 28, 2008, posted on the Commission's website, and mailed to all state-chartered banks, savings institutions, and other interested persons. Interested persons were afforded the opportunity to file written comments or request a hearing on or before May 9, 2008. No comments or requests for hearing were filed.

NOW THE COMMISSION, having considered the record, the proposed regulation, and Staff recommendations, concludes that the proposed regulation should be adopted as proposed.

IT IS THEREFORE ORDERED THAT:

(1) The proposed regulation, 10 VAC 5-20-30, attached hereto is adopted effective June 23, 2008.

(2) The regulation shall be posted on the Commission's website at http://www.scc.virginia.gov/case.

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

(4) This case is dismissed from the Commission's docket of active cases.

NOTE: A copy of Attachment A entitled "10 VAC 5 20 Banking and Savings Institutions" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. BFI-2008-00068
JUNE 25, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PAYDAY TODAY, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a payday lender under Chapter 18 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-448 of the Code of Virginia was cancelled on March 24, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 1, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by May 1, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before April 22, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00077
APRIL 15, 2008

IN THE MATTER OF
DANVILLE POSTAL CREDIT UNION, INCORPORATED,

Merger into

ROANOKE POSTAL EMPLOYEES FEDERAL CREDIT UNION

ORDER APPROVING THE MERGER

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

(1) Danville Postal Credit Union, Incorporated ("DPCUI"), a Virginia chartered credit union, has some $527 thousand in assets. The March 2008 financial statement of DPCUI discloses it is becoming insolvent with a marginal net worth.

(2) DPCUI has been experiencing ongoing financial difficulties, including numerous accounting and loan collection problems, as well as insufficient liquidity for making loans. These trends have reached a point where DPCUI is no longer viable as a separate entity. The trends are confirmed in a Bureau memorandum dated April 8, 2008, and attached exhibits.

(3) An emergency exists, and it is in the best interests of the members of DPCUI to have DPCUI merged into Roanoke Postal Employees Federal Credit Union ("RPEFCU"), a federally chartered credit union.

(4) In order for DPCUI to be merged into RPEFCU under § 6.1-225.11 of the Code of Virginia, the board of directors of both corporations must approve a plan of merger. The board of directors of the credit unions have approved a plan of merger that provides, among other things, that the remaining members of DPCUI will become members of RPEFCU.

(5) RPEFCU's member accounts are insured by the National Credit Union Share Insurance Fund.

Having considered the report and the above representations of the Bureau, the Commission finds that an emergency exists, the board of directors of the credit unions have approved the merger, and that the merger is in the best interests of the members of DPCUI.

Accordingly, IT IS ORDERED THAT:

(1) The merger of DPCUI into RPEFCU is hereby approved pursuant to § 6.1-225.11 of the Code of Virginia.

(2) This Order of Approval shall take the place of the usual approval of the merger by the members of both credit unions. DPCUI shall provide its members of record with notice of its merger into RPEFCU.

CASE NO. BFI-2008-00082
JUNE 25, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIRST DECISION MORTGAGE, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on April 16, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 21, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by May 21, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before May 12, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00100
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00102
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE ALTA COMPANIES, INC. d/b/a ALTA HOME FUNDING,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00103
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00104
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN EAGLE FUNDING, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00106
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN LENDING CORP.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00107
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN MORTGAGE AND FINANCIAL CONSULTANTS, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00113
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ANCHOR FINANCIAL MORTGAGE COMPANY, INC., d/b/a ANCHOR LENDING, INC.
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00114
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00114
AUGUST 11, 2008

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

ORDER REINSTATING A LICENSE

On July 8, 2008, the State Corporation Commission ("Commission") entered an Order in this case revoking the mortgage broker license issued to the Defendant for failure to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia. Thereafter, the Defendant filed the annual report and the Commissioner of Financial Institutions, after reviewing the Defendant's prior record of legal compliance, recommended that its mortgage broker license be reinstated.

Upon consideration whereof, IT IS ORDERED THAT:

(1) The Order revoking the Defendant's license on July 8, 2008, is vacated effective as of that date.

(2) The Defendant's mortgage broker license is reinstated effective July 8, 2008.

(3) This case is dismissed.

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

CASE NO. BFI-2008-00118
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
APOLLO MORTGAGE GROUP, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00121
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated

authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00122
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ATLANTIC COAST MORTGAGE GROUP, INC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00124
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00129
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated

authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00135
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE BURFORD GROUP d/b/a THE BURFORD GROUP, INC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00137
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00139
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated

authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00145
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COAST TO COAST, MORTGAGE AND FUNDING, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00152
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00153
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DOLPHIN ACCEPTANCE CORPORATION, d/b/a DAC MORTGAGE FUNDING,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated

authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00156
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00160
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00161
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EQUITY 1 MORTGAGE AND FINANCIAL SERVICES CORPORATION
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated

authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00162
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EQUITY CONSULTANTS, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00163
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00165
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EWEB FUNDING GROUP, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to

delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00167
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00168
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FAMILY TREI, INC., d/b/a PORCHLIGHT,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00169
JULY 8, 2008

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

FEDERAL FIDELITY MORTGAGE CORPORATION, d/b/a FFM CORPORATION,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the

Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00169
AUGUST 26, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FEDERAL FIDELITY MORTGAGE CORPORATION, d/b/a FFM CORPORATION,
Defendant

ORDER VACATING LICENSE REVOCATION

On July 8, 2008, an Order was entered in this case revoking the license granted to the Defendant to engage in business as a mortgage broker. Thereafter, the Staff reported that the Defendant had surrendered its license prior to the entry of the revocation Order but the license surrender had not been entered into the Bureau of Financial Institutions' record system. Upon consideration thereof,

IT IS ORDERED THAT:

(1) The July 8, 2008 Order revoking the Defendant's license is vacated effective on that date; and

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

CASE NO. BFI-2008-00170
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIDELITY MORTGAGE SERVICES INC., d/b/a FIDELITY MORTGAGE SOLUTIONS INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00173
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FINANCIAL FREEDOM MORTGAGE, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated

authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00176
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIRST METRO MORTGAGE LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00177
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIRST SARATOGA FUNDING, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00178
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated

authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00180
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00180
SEPTEMBER 8, 2008

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

ORDER REINSTATING A LICENSE

On July 8, 2008, the State Corporation Commission ("Commission") entered an Order in this case revoking the mortgage lender and broker license issued to the Defendant for failure to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia. Thereafter, the Defendant filed the annual report and the Commissioner of Financial Institutions, after considering personal medical circumstances attending the Defendant's failure to timely file the report, recommended that its mortgage lender and broker license be reinstated.

Upon consideration whereof, IT IS ORDERED THAT:

(1) The Order revoking the Defendant's license on July 8, 2008, is vacated effective as of that date.

(2) The Defendant's mortgage lender and broker license is reinstated effective July 8, 2008.

(3) This case is dismissed.

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

CASE NO. BFI-2008-00181
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00182
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00184
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00185
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FREEDOM LENDING, L.L.C.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00186
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FRONTGATE FINANCIAL SERVICES, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00187
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00188
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00191
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00192
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GLOBAL SERVICE ENTERPRISES, INC., d/b/a GLOBAL FINANCIAL SERVICES
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00194
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00198
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HOMELOAN USA CORPORATION,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00199
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00203
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00205
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
KCP CORPORATION, d/b/a VIRGINIA COMMUNITY LENDING GROUP,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00208
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LAKEVIEW CAPITAL SERVICES, LLC, d/b/a CAPITAL FIRST FINANCIAL SERVICES,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00209
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
L.A.P. HOLDINGS, LLC, d/b/a FIRST FINANCE,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00211
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LENDING XPERT FINANCIALS CORPORATION,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00211
NOVEMBER 10, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LENDING XPERT FINANCIALS CORPORATION,
Defendant

ORDER REINSTATING A LICENSE

On July 8, 2008, the State Corporation Commission ("Commission") entered an Order in this case revoking the mortgage broker license issued to the Defendant for failure to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia. Thereafter, the Defendant filed the annual report and the Commissioner of Financial Institutions, after reviewing the Defendant's prior record of legal compliance, recommended that its mortgage broker license be reinstated.

Upon consideration whereof, IT IS ORDERED THAT:

(1) The Order revoking the Defendant's license on July 8, 2008, is vacated effective as of that date.

(2) The Defendant's mortgage broker license is reinstated effective July 8, 2008.

(3) This case is dismissed.

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

CASE NO. BFI-2008-00216
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LOWE'S MORTGAGE, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00218
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00221
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00227
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MONEY TREE FUNDING, L.L.C.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00230
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00237
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00238
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
NORTHEAST REAL ESTATE INVESTMENTS, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00238
SEPTEMBER 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
NORTHEAST REAL ESTATE INVESTMENTS, LLC
Defendant

ORDER REINSTATING A LICENSE

On July 8, 2008, the State Corporation Commission ("Commission") entered an Order in this case revoking the mortgage broker license issued to the Defendant for failure to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia. Thereafter, the Defendant filed the annual report and the Commissioner of Financial Institutions, after considering personal family circumstances attending the Defendant's failure to timely file the report, recommended that its mortgage broker license be reinstated.

Upon consideration whereof, IT IS ORDERED THAT:

(1) The Order revoking the Defendant's license on July 8, 2008, is vacated effective as of that date.

(2) The Defendant's mortgage broker license is reinstated effective July 8, 2008.

(3) This case is dismissed.

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

CASE NO. BFI-2008-00239
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated

authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00239
AUGUST 26, 2008

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

ORDER VACATING LICENSE REVOCATION

On July 8, 2008, an Order was entered in this case revoking the license granted to the Defendant to engage in business as a mortgage broker. Thereafter, the Staff reported that the Defendant had surrendered its license prior to the entry of the revocation Order but the license surrender had not been entered into the Bureau of Financial Institutions' record system. Upon consideration thereof,

IT IS ORDERED THAT:

(1) The July 8, 2008 Order revoking the Defendant's license is vacated effective on that date; and

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

CASE NO. BFI-2008-00243
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00246
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual

report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00250
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00251
JULY 8, 2008

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, in violation of § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 29, 2008, (1) of his intention to recommend revocation of its license unless the annual report was filed by June 30, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before June 19, 2008; and that no annual report or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00254
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PROFESSIONAL LENDING SOLUTIONS, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual

report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00256
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00257
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00258
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
RESIDENTIAL BROKER GROUP, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual

report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00259
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
RESIDENTIAL MORTGAGE SOLUTIONS, INC., d/b/a RESIDENTIAL MORTGAGE SOLUTIONS, INC. OF SOUTH CAROLINA,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00261
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00263
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual

report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00264
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SKYLINE MORTGAGE GROUP, L.C.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00266
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00269
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SWIFT 1 MORTGAGE LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual

report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00275
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00278
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00279
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual

report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00280
JULY 8, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00286
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
XYBERFINANCE, INC., d/b/a PSA FUNDING, INC.
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2008, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 5, 2008, (1) of his intention to recommend revocation of its license unless an annual report was filed by June 4, 2008, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before May 26, 2008; and that no annual report or written request for hearing was received.

Accordingly, the Commission finds that the Defendant has failed to file the annual report required by law, and

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

CASE NO. BFI-2008-00289
MAY 20, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: proposed amendments to Mortgage Lender and Broker Act regulations

ORDER TO TAKE NOTICE

WHEREAS, § 6.1-421 of the Code of Virginia authorizes the State Corporation Commission ("Commission") to promulgate regulations to effect the purposes of the Mortgage Lender and Broker Act (the "Act");

WHEREAS, Chapter 863 of the 2008 Acts of Assembly amends the Act effective July 1, 2008; and

WHEREAS, the Commissioner of Financial Institutions has proposed that the Commission adopt regulations implementing the aforesaid amendments insofar as they relate to employment prohibitions, criminal history checks, mandatory employee education, and for other purposes;

IT IS THEREFORE ORDERED THAT:

(1) The proposed regulations are appended hereto and made part of the record in this case.

(2) Written comments must be submitted in writing to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before June 23, 2008, and shall contain a reference to Case No. BFI-2008-00289. 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.

(3) The Commission shall conduct a hearing in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia at 10:00 a.m. on July 1, 2008, to consider the adoption of the proposed regulations.

(4) The proposed regulations shall be posted on the Commission's website at http://www.scc.virginia.gov/case.

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

AN ATTESTED COPY hereof shall be sent to the Commissioner of Financial Institutions, who shall forthwith mail a copy of this Order and the proposed regulations to all licensed mortgage lenders and mortgage brokers and such other interested persons as he may designate.

NOTE: A copy of Attachment A entitled "Mortgage Lender and Broker 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. BFI-2008-00289
JULY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: proposed amendments to Mortgage Lender and Broker Act regulations

ORDER ADOPTING REGULATIONS

Chapter 863 of the 2008 Acts of Assembly amended the Mortgage Lender and Broker Act (the "Act"), Va. Code § 6.1-408, *et seq.*, effective July 1, 2008. On May 20, 2008, the State Corporation Commission ("Commission") entered an Order to Take Notice of regulations proposed by the Bureau of Financial Institutions ("Bureau") that would implement the 2008 amendments to the Act.

The Order to Take Notice and proposed regulations were published in the Virginia Register on June 9, 2008, posted on the Commission's website, and mailed to all mortgage lenders and mortgage brokers licensed in Virginia and to other interested persons. The Order to Take Notice also scheduled a hearing on July 1, 2008, at which time the Commission heard oral statements pertaining to the proposed regulations, and the Commission received various written comment letters prior to the hearing on July 1, 2008.

Upon consideration of the written comments filed concerning the proposed regulations, the oral statements made at the hearing on July 1, 2008, and recommendations of the Bureau, the Commission concludes that minor modifications to the proposed regulations should be made. Specifically, the Commission finds it appropriate to modify the definition of "covered employee" in 10 VAC 5-160-10; to clarify the procedure set forth in 10 VAC 5-160-70 pertaining to the hiring of a person who has been convicted of a felony or misdemeanor involving fraud, misrepresentation or deceit;[1] to reduce the required number of hours of initial and continuing education and delay the required completion date for the initial training requirements set forth in 10 VAC 5-160-80 B; and to add subsections C and D to 10 VAC 5-160-80, providing for the portability of completed education requirements and allowing licensees to apply for exemptions from initial education requirements based upon certain certifications, designations or accreditations that may have been obtained by covered employees prior to July 1, 2008.

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulations, as modified, are attached hereto, made a part hereof, and are hereby ADOPTED effective August 10, 2008.

(2) The regulations shall be posted on the Commission's website at http://www.scc.virgina.gov/case.

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

(4) AN ATTESTED COPY hereof, together with a copy of the regulations, shall be sent to the Commissioner of Financial Institutions, who shall forthwith mail a copy of this Order, together with a copy of the regulations, to all licensed mortgage lenders and mortgage brokers and such other interested persons as he may designate.

[1] Several commenters also expressed concerns regarding the language of 10 VAC 5-160-70 A with respect to the timing of criminal record checks and the use of Virginia's Central Criminal Records Exchange in performing such checks. The Commission, however, has no discretion in this area as the statutory requirements are clear and unambiguous.

(5) This matter is dismissed from the Commission's docket, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Mortgage Lenders and Brokers " 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-2008-00292
JULY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ALLIED CASH ADVANCE VIRGINIA, LLC d/b/a ALLIED CASH ADVANCE,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("Commission") that Allied Cash Advance Virginia, LLC d/b/a Allied Cash Advance ("Defendant"), is licensed to engage in business as a payday lender under Chapter 18 of Title 6.1 of the Code of Virginia; that during an examination of certain of Defendant's offices completed September 7, 2007, the Commission's Bureau of Financial Institutions ("the Bureau") found that it had violated §§ 6.1-459(1), (2), (8), (10), (14), (15), and (17) of the Code of Virginia and §§ 10 VAC 5-200-30 B 2 and 70 B of the Virginia Administrative Code during certain payday loan transactions with Virginia borrowers; that the Defendant, without admitting or denying the violations alleged by the Bureau, offered to settle this case by payment of the sum of thirty-eight thousand dollars ($38,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner of Financial Institutions recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

CASE NO. BFI-2008-00295
JUNE 17, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: proposed amendments to Payday Loan Act regulations

ORDER TO TAKE NOTICE

WHEREAS, § 6.1-458 of the Code of Virginia authorizes the State Corporation Commission ("Commission") to promulgate regulations to effect the purposes of the Payday Loan Act, § 6.1-444 et seq. of the Code of Virginia;

WHEREAS, Chapter 849 of the 2008 Acts of Assembly ("Chapter 849") significantly amends the Payday Loan Act effective January 1, 2009;

WHEREAS, Chapter 849 requires the Commission to certify and contract with one or more third parties to develop, implement, and maintain a real-time Internet-accessible database that contains such payday loan information as the Commission may require;

WHEREAS, Chapter 849 prohibits individuals from obtaining payday loans under various circumstances, such as if they have outstanding payday loans or repaid previous payday loans on the same day they are seeking new payday loans, or if they are members of the military services of the United States or the spouses or other dependents of such members;

WHEREAS, Chapter 849 gives borrowers the option under certain circumstances to repay their payday loans by means of extended payment plans or extended term loans, and requires borrowers who elect either of these options to wait a period of time after repaying their loans before obtaining new payday loans;

WHEREAS, Chapter 849 modifies the amount of interest and fees that may be charged by a licensed payday lender, provides that the term of a payday loan must be at least two times a borrower's pay cycle, and imposes additional requirements and limitations; and

WHEREAS, the Commissioner of Financial Institutions has proposed that the Commission adopt regulations implementing the aforesaid amendments and for other purposes;

IT IS THEREFORE ORDERED THAT:

(1) The proposed regulations are appended hereto and made a part of the record in this case.

(2) Comments must be submitted in writing to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before July 25, 2008, and shall contain a reference to Case No. BFI-2008-00295. 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.

(3) The Commission shall conduct a hearing in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia at 10:00 a.m. on August 5, 2008, to receive oral comments on the proposed regulations.

(4) The proposed regulations shall be posted on the Commission's website at http://www.scc.virginia.gov/case.

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

NOTE: A copy of Attachment A entitled "Payday Lending" 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-2008-00295
SEPTEMBER 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: proposed amendments to Payday Loan Act regulations

ORDER ADOPTING FINAL REGULATIONS

On June 17, 2008, the Commission issued an Order to Take Notice of new regulations proposed by the Bureau of Financial Institutions ("Bureau") to implement extensive amendments to the Payday Loan Act ("the Act"), §§ 6.1-444 et seq. of the Code of Virginia that were adopted by the General Assembly in 2008. In its Order the Commission provided interested parties an opportunity to submit written comments on or before July 25, 2008, and a further opportunity to offer oral comments at a public hearing to be conducted on August 5, 2008. The Order also required the proposed regulations to be published in the Virginia Register of Regulations. That publication was completed on July 7, 2008.[1]

Amendments to the Act made by Chapter 849 of the 2008 Acts of Assembly require the Commission to certify and contract with one or more third parties to develop, implement, and maintain a real-time Internet-accessible database that contains such payday loan information as the Commission may require. The Act as amended prevents individual borrowers from obtaining payday loans under various circumstances, such as if they have outstanding payday loans or repaid previous payday loans on the same day they are seeking new payday loans, or if they are members of the military services of the United States or the spouses or other dependents of such members. The law also provides borrowers the option under certain circumstances to repay their payday loans by means of extended payment plans or extended term loans, and requires borrowers who elect either of those options to wait a period of time after repaying their loans before obtaining new payday loans. It also modifies the amount of interest and fees that may be charged by a licensed payday lender, provides that the term of a payday loan must be at least two times a borrower's pay cycle, and imposes additional requirements and limitations.

Many of the reforms are complex and warrant substantial changes to the Commission Payday Lending Rules, 10 VAC 5-200-10 et seq. The amendments to the Act are generally effective January 1, 2009, but the implementing regulations must be finalized well in advance so that the database can be developed in conformity with the regulations and operational before January 1, 2009. The proposed amendments to the regulations (i) specify the information that licensees are required to collect and transmit to the payday lending database and establish rules governing what licensees must do if they are unable to access the database at the time that they are required to transmit information to the database; (ii) limit licensees' access to the database and require licensees to transmit limited information to the database in connection with certain loans that remain outstanding as of January 1, 2009; (iii) instruct licensees how to determine borrower's pay cycle and minimum loan term, and require licensees to return the check given as security for a loan to a borrower if the loan is repaid in full with cash or good funds instrument; (iv) establish the rules applicable to extended payment plans and extended term loans, including when these types of repayment arrangements may be elected by borrowers; (v) require licensees to provide consumers with oral and written notices regarding extended payment plans and extended term loans, and address the waiting periods associated with these repayment arrangements; (vi) contain definitions for "member of the military services of the United States" and "other dependent of a member of the military services of the United States," and establish the process by which licensees are required to determine whether an individual is a member of the military services of the United States, or the spouse or other dependent of a member of the military services of the United States; (vii) make various changes to 10 VAC 5-200-40, which relates to the prepayment of a payday loan, as well as 10 VAC 5-200-60, which pertains to the required posting of charges; and (viii) revise the text of the payday lending pamphlet, which licensees must give to all consumers prior to entering into payday loan transactions.

Written comments on the proposed regulations were received from the Community Financial Services Association of America ("CFSA"); the Virginians Against Payday Loans ("VAPL"); the Virginia Partnership to Encourage Responsible Lending ("VaPERL"); the Center for Responsible Lending ("CRL"); the Office of the Attorney General, Division of Consumer Counsel ("AG"); Veritec Solutions, LLC ("Veritec"); and Checks Mate, Inc. ("Checks Mate"). The CFSA, VAPL, VaPERL, CRL, the AG, and Ward Scull, III, a businessman from Newport News, Virginia and one of the cofounders of VAPL, also appeared at the public hearing to offer oral comments and respond to the written comments submitted by others. The Commission has considered all comments received, both written and oral, and hereby adopts a number of changes to the proposed regulations as part of its final regulations and as discussed below.

[1] 24:22 VA.R. 3048 et seq. July 7, 2008.

10 VAC 5-200-10. Definitions.

First, CFSA recommended that the definition of "duplicate original" be clarified to allow e-signed documents. We find that such clarification is not necessary. E-signed documents are not prohibited.

CFSA also asked that the regulations be further clarified to explicitly allow payments to be made by use of a credit card. The definition of "good funds instrument" currently includes "payment effected by use of a debit or credit card." This comment, however, caused us to refocus on this definition and one of the new provisions in the law that states "[a] licensee shall not obtain authorization to electronically debit a borrower's deposit account in connection with any payday loan."[2] Accordingly, the inclusion of payment by use of a debit card must be struck from the definition of "good funds instrument." The inclusion of credit card payments will remain. Similarly, other references to payments by debit cards that appear elsewhere in the regulations should also be removed.

CFSA and VAPL focused on the definition of "[m]ember of the military services of the United States" and "[o]ther dependent of a member. . ." The proposed definitions were intended to be consistent with the Department of Defense's regulations.[3] However, VAPL recommended adding "National Guard" to the list of services in the definition, and at the hearing CFSA stated that it had no objection.[4] We agree that any member of the National Guard serving on active duty under a call or order that does not specify a period of 30 days or fewer should be explicitly included as a "member of the military services of the United States."

VAPL also recommended that the definition of "[o]ther dependent of a member. . ." be revised to include persons receiving more than half of their income from any married couple including a member of the military and his or her spouse. The proposed regulation tracks the Department of Defense's regulation and will not be modified.

10 VAC 5-200-20. Requirements for licensees; operating rules<u>; acquisitions</u>.

The CRL had a number of technical changes to reinforce the importance of the real-time entry and accuracy of the data in the database. CRL asserted that licensees therefore should be held to a high standard of expediency and accuracy of reporting.[5] Several of those changes have been incorporated.

A number of commenters focused their attention on 10 VAC 5-200-20 F, the provisions that define borrowers' minimum loan terms. The AG addressed this provision, and at his recommendation we have incorporated revisions to address a borrower who is paid more frequently than weekly. Such borrower's minimum loan term should be 14 days, which is two times the minimum term loan allowed currently by statute. VAPL was concerned that a borrower paid semi-monthly with a minimum loan term of 30 days, as proposed, would not receive a second paycheck on months with 31 days before loan repayment would be due. VAPL therefore recommended the minimum loan term for borrowers paid semi-monthly be revised to 31 days. VAPL had a similar concern with borrowers paid monthly, and recommended the minimum loan term for those borrowers be revised to 62 days. We have adopted those changes.

VaPERL recommended adding "Veteran Benefits or other forms of pension received monthly" to examples of monthly sources of income in addition to monthly paychecks. CFSA noted that "to include is to exclude."[6] It is our intent for this section to define the minimum loan term for all borrowers paid or receiving income on a monthly basis from whatever source that income may be derived. Consistent with CFSA's suggestion, we have deleted the examples, and the regulation now simply refers to a borrower paid monthly.

The formula set forth in 10 VAC 5-200-20 F 5 was the topic of extended discussion in written and oral comments. Several commenters recommended the Commission choose a more certain and less complicated loan term in place of the formula approach in the proposed regulations. The recommendations ranged from a minimum loan term of 14 days to 60 days. We will revise this regulation to provide that the minimum loan term for a borrower who is paid either less frequently than monthly (*i.e.*, his or her pay cycle is greater than 30 days) or on an irregular basis not covered in 10 VAC 5-200-20 F 1 will be 62 days.

CFSA next sought guidance on what a licensee should retain to document a borrower's pay cycle. The regulations are hereby revised to advise licensees that supporting documentation may include, but not be limited to, a pay stub if the pay cycle is clearly indicated thereon or a representation by the borrower in the written loan application.

CFSA also sought clarification that the prohibition contained in 10 VAC 5-200-20 H did not preclude use of Check 21 clearing. This concern is not justified. The regulations as drafted do not prohibit depository institutions from processing checks in accordance with Check 21.

VAPL offered language to clarify that a licensee shall hold no more than one security check. That language is consistent with the statute and we will incorporate it.

The AG also suggested revisions to 10 VAC 5-200-20 M to require a licensee to return a borrower's check not only when a loan is repaid in full with cash, but also when it is canceled. He also recommended that licensees be required to return the security check immediately if the borrower repays or otherwise satisfies a payday loan with cash. Those revisions are also appropriate and are hereby made.

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[2] Virginia Code § 6.1-459(24).

[3] Limitations on Terms of Consumer Credit Extended to Service Members and Dependents, 32 C.F.R. § 232.3(c).

[4] Transcript 66.

[5] Transcript 43-46.

[6] Transcript 66.

10 VAC 5-200-33. Extended payment plans.

VaPERL urged the Commission to allow borrowers to elect an extended payment plan to repay a payday loan even after a loan is past due. However, § 6.1-459(27)(a)(ii) of the Act provides that borrowers may elect "at any time on or before its due date, to repay such fifth payday loan by means of an extended payment plan as provided in subdivision 26(b)." The proposed regulation reconciles the timing provisions for all extended payment plan elections with the specific language in the statute for extended payment plans elected in conjunction with a fifth payday loan. Therefore, a borrower is permitted to enter into an extended payment plan at any time on or after the date a loan is made through the date that the loan is due to be repaid. However, 10 VAC 5-200-70 H explicitly allows mutually agreeable alternative payment plans, and we have added language to cross-reference that provision.

The regulations provide that a licensee shall permit a borrower to repay a payday loan "in at least four equal installments over a term of at least 60 days." The VAPL recommends the regulations provide for a minimum term of at least 90 days, arguing that borrowers should have the benefit of an extended payment plan term longer than the minimum loan term, noting that at 60 days, a borrower paid monthly would have no extension over his or her minimum loan term that would be otherwise available. VAPL urges the Commission to require licensees to offer minimum terms of no less than 90 days for extended payment plans. VaPERL also asked the Commission to provide guidance to licensees to determine the correct term for each borrower by accounting for individual financial circumstances. We find it appropriate to adhere to § 6.1-459(26)(b) of the Act, which explicitly provides that an extended payment plan shall have a term of at least 60 days.

CFSA suggested that the regulations should provide for "substantially equal payments" and for payments to be spread out "substantially evenly" over the term of the loan. The change proposed by CFSA makes the regulation more ambiguous, and conflicts with Virginia Code § 6.1-459(26)(b) of the Act. The language in the Act is very specific, and provides for "at least four equal installments over an aggregate term of at least 60 days." We observe, however, the normal and acceptable business practice is that when a payment due date falls on a holiday or weekend, the payment is due on the next business day.

Also in this section of the regulations, CFSA and VAPL contend that a licensee should not be prohibited from exchanging security checks, or accepting a subsequent and smaller security check in place of the original security check when a borrower makes an installment payment under an extended payment plan. VAPL offered specific language changes, and at the hearing CFSA agreed to that language.[7] We find those changes to be reasonable.

VAPL next turned to the written notice required to be posted by licensees, and suggested that it should be more personalized and clarify when the rolling -2-month period during which a borrower is allowed only one extended payment plan begins. We have no objection to the first suggestion; however, we will slightly modify VAPL's personalization to make the notice more accurate relative to eligibility. We do not think the desired clarification is necessary or belongs in the written notice.

CFSA complains that the length of the oral notice is too long. Other commenters thought the proposed oral notice is important and helpful to consumers. We also agree that oral notice is important but want to avoid a situation where a lengthy prescribed statement is read so quickly that in reality it provides little or no actual notice of the extended payment plan option and its features. We will therefore modify the oral notice prescribed in the proposed regulations to instead require a licensee to (i) orally notify an applicant that he is eligible for an extended payment plan, (ii) direct the applicants to read the written notice posted in the licensee's office or the "Borrower Rights and Responsibilities" pamphlet, and (iii) advise the applicant that the licensee is available to answer any questions. We believe this approach will protect borrowers more effectively than a rushed reading of a long text.

10 VAC 5-200-35. Five payday loans within 180 days.

Although an extended payment plan is different from an extended term loan, which is provided as an option to a borrower seeking a fifth payday loan within 180 days, many of the comments we received on this section of the regulations were similar, such as comments supporting the addition of language to allow borrowers to exchange security checks when making an installment payment. We will adopt parallel changes in this section of the regulations.

CFSA also urged the Commission to eliminate the written and oral notice of the availability of an extended term loan, arguing that such notice is not required by the Act. CFSA again specifically complained that the oral notice required by this section of the regulations was burdensome and too long. Although not expressly required by the Act, requiring notice is well within our authority and is essential to fulfilling the intent of the General Assembly. We will, however, also modify the oral notice relating to an applicant's eligibility for an extended term loan.

Finally, VAPL urged the Commission to include payday loans made between October 1, 2008 and December 31, 2008, for purposes of determining how many loans a borrower obtained in any rolling 180-day period, rather than beginning that count on January 1, 2009. We decline to make that change. Chapter 849 is generally effective January 1, 2009, and beginning both the rolling 180-day and 12-month periods applicable to extended payment plans and extended term loans, respectively, on that effective date provides a consistent start date.

10 VAC 5-200-40. Borrower prepayment[; right to cancel].

Although no commenters addressed the majority of this section of the regulations, several changes, most notably explicit inclusion of a borrower's right to cancel a payday loan, and the provisions addressing the prepayment of a payday loan (particularly when an extended payment plan or extended term loan has been elected) were necessitated by the amendments to the Act and other changes adopted in these regulations.

VAPL did urge the Commission to modify 10 VAC 5-200-40 F to require partial prepayments on extended payment plans and extended term loans to result in a pro-rata adjustment of the total interest due on a loan. The statute, however, requires equal payment installments which would preclude pro-rata interest adjustments, as each installment is effectively a partial prepayment. A prepayment that results in full payment or satisfaction of a loan may result in a pro-rata interest adjustment.

[7] Transcript 102.

10 VAC 5-200-70. Additional business requirements and restrictions.

VAPL first suggests that this section of the regulations be modified to include a requirement that licensees post a sign that members of the military and their dependants are prohibited under the Act from getting a payday loan in Virginia. We find that one more sign is not necessary, as it will quickly become evident that such lending is not allowed.

This section of the regulations also reiterates the statutory provision providing that a licensee shall not make a payday loan to a member of the military or their spouse or other dependant, and further directs that four questions be included in the loan application. First, consistent with our earlier revision to the definition of a "member of the military services of the United States," we will add references to "National Guard" in these questions. VAPL also suggests adding a clear and explicit prohibition against a licensee making a payday loan to an applicant unless the applicant answers "no" to all four questions. We believe such prohibition is reasonable and comports with the Act as amended. CFSA also asked the Commission to substitute the Department of Defense certification for the four questions included in the regulations.[8] We note that the prohibition in these regulations is broader than that contemplated by the Department of Defense certification.

One final comment addressed this section. Specifically, VAPL recommended extensive revision to 10 VAC 5-200-70 F, which we had not proposed to change. VAPL would have us impose a requirement that licensees provide payday lending notices, applications, and other materials in Spanish to all applicants for whom Spanish is a native language. VAPL would further direct licensees to not make payday loans to any applicant whose native language is something other than English or Spanish unless the licensee determines that the applicant can read and understand the documents, or the licensee reads and explains the documents to the applicant in a language the applicant can comprehend, or the applicant is accompanied by someone who can and does read and explain the documents to the borrower. This policy directive was not addressed by the General Assembly despite the opportunity to do so amidst extensive debate. Accordingly, we decline to make this policy determination in these regulations.

10 VAC 5-200-80. Payday lending pamphlet text.

Numerous changes to the text of the pamphlet are necessary to correspond to statutory amendments and changes adopted elsewhere in the regulations, and should be self explanatory. Also, the AG suggested adding language to the pamphlet directing certain applicants to contact credit counseling agencies or consumer finance companies. VAPL made a similar suggestion relative to another section of the regulations that would have required licensees to provide a Federal Trade Commission publication to applicants who were declined loans.[9] We believe that such additions go beyond the requirements of the Act, and decline to incorporate them, although we note that the Commission's website has a list of licensed credit agencies.

10 VAC 5-200-110. Payday lending database.

CFSA raised concern that the regulations imply that a prospective borrower must furnish a current Virginia driver's license or identification card issued by the Virginia Department of Motor Vehicles or "DMV" in order to apply for a payday loan. CFSA contends that such a requirement is too restrictive, and that licensees have always made loans to persons who did not reside within Virginia. It recommends that the requirement be modified to provide that any current government issued identification that includes a photograph of the prospective borrower may be used and relied upon by a licensee to verify a borrower's identity. Counsel for the Bureau explained that it was not the intent to limit borrowers to those with a Virginia driver's license or identification card, but countered that the modification suggested by CFSA would allow borrowers to use multiple identification cards, thus creating several unique borrower identification numbers to be entered into the database which would allow an individual borrower to circumvent the Act and provide the borrower with the opportunity to hold more than one outstanding payday loan at any one time. We agree with the Bureau that we must carefully consider the means of borrower identification to eliminate such opportunities. A single consistent source document containing identifying information is necessary to create a unique borrower identification for purposes of tracking payday loan activity in the database as contemplated by the Act. We agree, however, that the regulations should be clarified to allow use of driver's licenses and identification cards issued by states other than Virginia.

Veritec, a database provider in several other states, also addressed borrower identification. Veritec commended the Commission's effort to limit the personal data collected and transmitted from an individual borrower, but stated that for the database to effectively function, a balance between limiting the transmission of personal information and adequate data point collections must be achieved. "To facilitate effective fraud detection, an additional data point . . . is needed." Veritec recommended the Commission also collect the applicant's date of birth. We will adopt that recommendation.

Veritec also noted that the normal practice in other states already using payday lending databases is to identify borrowers by means of borrowers' Social Security Numbers. Although the industry standard appears to be to use a borrower's full Social Security Number as the unique borrower identification number, numerous laws have been enacted or proposed that prohibit or significantly restrict the identification of individuals by means of their Social Security Numbers. Furthermore, storing borrowers' full Social Security Numbers in a centralized database increases the risk of identity theft. Accordingly, we find that we are required to consider and adopt a different means of uniquely identifying borrowers in the payday lending database. As noted above, we find that a current driver's license or identification card issued by the state licensing authority in a borrower's state of residence provides a single consistent source document that contains a combination of information sufficient to create a unique identifier for each borrower. Furthermore, at least in Virginia, a driver's license or identification card also includes a picture of the borrower. Borrowers will be uniquely identified in the database using a combination of the last four digits of their driver's license or identification card number, their numeric date of birth, and the first five digits of their zip code. If the General Assembly subsequently enacts legislation to expressly require Social Security Numbers to be used to uniquely identify borrowers in the payday lending database, we will modify our regulations accordingly. To further protect borrowers' identities, licensees will also be required to redact a borrower's driver's license or identification card number so that only the last four digits remain visible on the copy that is to be retained in their files.

CFSA and the AG recommend elimination of 10 VAC 5-200-110 C 7, which requires licensees to obtain and transmit data including "[w]hether the applicant is a member of the military services of the United States, or the spouse or other dependent of a member of the military services of the United States." They contend that the Act prohibits licensees from making payday loans to such persons, and therefore the removal of this information from what is required to be transmitted will reduce the complexity of the database, speed up the data entry process, and eliminate unnecessary information from the database. We agree. The Bureau, however, proposed this data point to facilitate responding to the directive of the General Assembly to "report to the

[8] Transcript 101.

[9] VAPL would provide for such notice in 10 VAC 5-200-110 E.

Chairman of the House and Senate Commerce and Labor Committees regarding the utilization of payday loans, including . . . effectiveness of the prohibitions on military lending . . .." To facilitate the collection of data to respond to this legislative requirement, we will add a provision, new subsection N, to require licensees to report on a daily basis the number of individuals who were unable to obtain loans due to their status as a member of the military or the spouse or dependent of such a member.

This section of the regulations provides a list of additional information that a licensee must transmit to the database if an applicant is eligible for a payday loan. Subdivision F 5 includes "[s]ource of income for repayment of loan (employment or Social Security)." Both the AG and the CFSA urge the Commission to strike this data item. They contend that the source of funds for repayment should not matter, and this requirement is unnecessary. We agree.

Both the AG and CFSA also recommend elimination of a required data field in Subdivision J 2, which is the "method of repayment or satisfaction (*e.g.*, cash, good funds instrument, check given to licensee as security for loan, other personal check, etc.)." They again contend that there is nothing in the Act that makes information concerning the source of funds used to repay or satisfy a payday loan necessary to the database or significant for future use, but will unnecessarily increase the amount of information maintained in the database. We agree with this recommendation as well and have deleted this data requirement.

The AG, however, also recommends an addition. Specifically, he suggests that licensees should be required to update the database when a judgment they obtained for a payday loan is paid. CFSA agreed, but expressed concern that licensees may not know a judgment has been paid on the same date it is paid, and urges the Commission to allow licensees additional time to enter such data. We will incorporate the AG's suggestion, but licensees will not be required to enter the data until the date they learn that the judgment has been satisfied.

The regulations provide procedures for those times in which a licensee is unable to access the database due to technical problems beyond the licensee's control, and require the licensee to collect specific information including the first and last name of the person in the call center who provides the results of a query. Veritec stated that given concerns for the safety and security of call center employees, it is standard and commonplace industry practice for call center employees to instead provide a "pseudonym, user name or a customer service representative identification number" and suggested a customer service representative identification number would provide the same level of accountability and verification as a first and last name. We appreciate this concern and have modified the regulations to permit the use of an identification number.

Subsection O of the regulations limits licensees' access to data in the database. It was suggested that licensees should be allowed access to all data that the individual licensee has entered into the database. Such access would provide the licensee with no more information than it should already possess, but would enable the licensees to reconcile internal records with the information submitted to the database, and correct information previously submitted as required by Subdivision K 2. On consideration, we find such limited access would provide a better means of assuring quality control over the accuracy of the data in the database, and should be permitted.

Veritec emphasized the need to input historical data for transactions that will remain open on or after January 1, 2009, and urged the Commission to require licensees to input such data prior to being granted access to the database for verification of applicant eligibility. The regulation already directs such data to be collected and transmitted to the database. However, as a practical matter it will be impossible for the database provider or us to timely determine whether all such historic data has been uploaded by January 1, 2009. While we agree that such data is necessary, we decline to include a provision as suggested by Veritec.

10 VAC 5-200-120. Enforcement

Finally, VaPERL and CRL recommended the regulations include substantial penalties for licensees that engage in intentional, willful, negligent, or repeated delays or inaccuracies in reporting data to the database. This section of the regulations already sets forth the penalties and consequences for any violations of the Act or regulations.

THE COMMISSION, having considered the proposed regulations and comments, is of the opinion that the attached regulations should be adopted as final.

THEREFORE IT IS ORDERED THAT:

(1) The new regulations at Chapter 200 of Title 10 of the Virginia Administrative Code entitled "Payday Lending Rules," which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED effective January 1, 2009;

(2) The Commission's Division of Information Resources shall forthwith cause a copy of this Order, including a copy of the final regulations, to be forwarded to the Virginia Registrar of Regulations for publication in the Virginia Register of Regulations;

(3) This Order and the attached regulations shall be posted on the Commission's website at www.scc.virginia.gov/case; and

(4) This case is dismissed from the Commission's docket of active cases.

NOTE: A copy of Attachment A entitled "CH 200 10-VAC-5-200 Payday Lending 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. BFI-2008-00296
NOVEMBER 4, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GREEN DOT CORPORATION D/B/A GREEN DOT FINANCIAL CORPORATION,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("Commission") that Green Dot Corporation, d/b/a Green Dot Financial Corporation (the "Company"), recently applied for a license to engage in business as a money transmitter pursuant to Chapter 12 of Title 6.1 of the Code of Virginia in order to pursue new business opportunities in Virginia; that as a result of the investigation of the application the Staff alleges that the Company had already engaged in a money transmission business without the license required by statute; that the Company denies that it was required to be licensed based on the good faith belief that it merely provided prepaid card marketing and distribution services to or for a bank and was, therefore, exempt from licensure under § 6.1-371 of the Code of Virginia; that upon being informed that unless the Company was prepared to enter into formal proceedings before the Commission for a determination on the licensing issue, the Commissioner of the Bureau of Financial Institutions ("Commissioner") intended to recommend the imposition of a fine for the Company's engaging in the money transmission business without the required license; that in order to avoid the expense and distraction of protracted litigation as well as the delays inherent with such proceedings and given the economic necessity to proceed with Company's business plans, the Company offered to settle the Bureau's allegations by payment of the sum of Twenty-Five Thousand Dollars ($25,000), tendered said sum to the Commonwealth without entering into any proceedings, and without admitting the Staff's allegations and while continuing to deny such allegations, waived its right to a hearing in this case; and the Commissioner recommended that the Commission accept the Company's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

(1) The Company'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.

CASE NO. BFI-2008-00300
OCTOBER 1, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on June 11, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on June 12, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by July 11, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before July 3, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00301
JULY 31, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE FIRST FIDELITY MORTGAGE GROUP, LLC,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("Commission") that The First Fidelity Mortgage Group, LLC ("Defendant"), is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant sent

solicitations styled "Mortgage Notification *** Payment Adjustment" to Virginia resident consumers which violated various provisions of 10 VAC 5-160-60 of the Virginia Administrative Code and the aforesaid Chapter of the Code of Virginia; that upon being informed that the Commissioner of Financial Institutions ("Commissioner") intended to recommend the imposition of a fine and that the Defendant was required to cease and desist sending the solicitations or any other deceptive or misleading advertisements to Virginia resident consumers, the Defendant offered, without admitting or denying the Staff's allegations, to settle this case by paying a fine in the sum of seven thousand-five hundred dollars ($7,500) and abiding by the provisions of this Order, tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept the Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

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

(2) The Defendant shall cease and desist sending the "Mortgage Notification Payment Adjustment" solicitations, or any other deceptive or misleading advertisements, to Virginia resident consumers.

(3) The Defendant shall comply with all provisions of 10 VAC 5-160-60 of the Virginia Administrative Code and § 6.1-124 of the Code of Virginia.

(4) This case is dismissed.

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

CASE NO. BFI-2008-00303
AUGUST 20, 2008

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on June 21, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on June 27, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by July 27, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before July 18, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00309
JULY 10, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: payday lending database inquiry fee

ORDER TO TAKE NOTICE

WHEREAS, Chapter 849 of the 2008 Acts of Assembly ("Chapter 849") amends the Payday Loan Act, § 6.1-444 et seq. of the Code of Virginia, effective January 1, 2009;

WHEREAS, Chapter 849 requires the State Corporation Commission ("Commission") to certify and contract with one or more third parties to develop, implement, and maintain a real-time Internet-accessible database that contains such payday loan information as the Commission may require;

WHEREAS, Chapter 849 requires licensed payday lenders to query the database before making a payday loan, and to pay a fee to the database provider in connection with each consummated loan to defray the cost of submitting the database inquiry;

WHEREAS, Chapter 849 provides that the amount of the database inquiry fee shall be calculated in accordance with a schedule set by the Commission, and shall bear a reasonable relationship to the actual cost of the operation of the database;

WHEREAS, the Commission is in the process of procuring a contract or contracts and has not selected a successful vendor or vendors so the actual cost of the database is not yet known;

WHEREAS, however, the database must be operational by January 1, 2009;

WHEREAS, § 6.1-458 of the Code of Virginia authorizes the Commission to promulgate regulations to effect the purposes of the Payday Loan Act; and

WHEREAS, the Commissioner of Financial Institutions has proposed that the Commission adopt a regulation to establish the amount of the database inquiry fee that the licensee shall pay to the database provider in connection with each consummated loan to defray the cost of submitting the database inquiry, and to further provide notice that the fee will be no greater than $5.00 which is the maximum verification fee licensees are allowed to charge by statute;

IT IS THEREFORE ORDERED THAT:

(1) The proposed regulation, 10 VAC 5-200-115, is appended hereto and made a part of the record in this case.

(2) Comments or requests for a hearing on the transaction fee or proposed regulation must be submitted in writing to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before August 20, 2008. All correspondence shall contain a reference to Case No. BFI-2008-00309. Interested persons desiring to submit comments or request a hearing electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

(3) The proposed regulation shall be posted on the Commission's website at http://www.scc.virginia.gov/case.

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

AN ATTESTED COPY hereof shall be sent to the Commissioner of Financial Institutions, who shall forthwith mail a copy of this Order and the proposed regulation to all licensed payday lenders and such other interested persons as he may designate.

NOTE: A copy of Attachment A entitled "Payday Lending 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. BFI-2008-00309
SEPTEMBER 25, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: payday lending database inquiry fee

ORDER ADOPTING A REGULATION

By Order entered in this case on July 10, 2008, the State Corporation Commission ("Commission") directed that notice be given of its proposal, acting pursuant to § 6.1-458 of the Payday Loan Act, to promulgate a regulation to establish the amount of the database inquiry fee that each licensee will be required to pay to the database provider in connection with each consummated payday loan to defray the cost of submitting a database inquiry. Notice of the proposed regulation was published in the Virginia Register on August 4, 2008, posted on the Commission's website, and sent by the Commissioner of Financial Institutions to all licensed payday lenders and other interested persons. Licensees and other interested persons were afforded the opportunity to file written comments or request a hearing on or before August 20, 2008.

The Commission received comment letters from Ms. Joyce Hann, who supported the proposed regulation, and Mr. Sanjiv Shah, President of Checks Mate, Inc., who objected to the requirement that licensees remit the database inquiry fees to the database provider on a weekly basis. However, this requirement comes directly from § 6.1-453.1 B 4 of the Code of Virginia. The Commission did not receive any requests for a hearing.

THE COMMISSION, having considered the proposed regulation and comments, is of the opinion that the attached regulation should be adopted as final. The Commission further concludes that the regulation should have a delayed effective date of January 1, 2009, to coincide with the date that licensees are required to begin submitting inquiries to the payday lending database.

THEREFORE IT IS ORDERED THAT:

(1) The new regulation at 10 VAC 5-200-115, which is attached hereto and made a part hereof, should be, and it is hereby, ADOPTED effective January 1, 2009;

(2) The Commission's Division of Information Resources shall forthwith cause a copy of this Order, including a copy of the final regulation, to be forwarded to the Virginia Registrar of Regulations for publication in the Virginia Register of Regulations;

(3) This Order and the attached regulation shall be posted on the Commission's website at www.scc.virginia.gov/case; and

(4) This case is dismissed from the Commission's docket of active cases.

Commissioner Dimitri did not participate in this matter.

NOTE: A copy of Attachment A entitled "Payday Lending 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. BFI-2008-00323
OCTOBER 1, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on August 5, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on August 6, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by September 6, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before August 27, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00326
OCTOBER 1, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CHARTER LENDING, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on July 28, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on July 29, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by August 29, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before August 19, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00330
OCTOBER 1, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on July 18, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on July 21, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by August 21, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before August 11, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00331
OCTOBER 1, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on July 18, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on July 21, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by August 21, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before August 11, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00332
AUGUST 29, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIRST CHOICE FUNDING GROUP, LTD.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on July 17, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on July 18, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by August 18, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before August 8, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00333
AUGUST 29, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HOME CONSULTANTS, INC. d/b/a HCI MORTGAGE
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on July 17, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on July 18, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by August 18, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before August 8, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00336
SEPTEMBER 3, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TRINITY CAPITAL REALTY, INC. D/B/A 3N1 HOME LOANS
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on July 5, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on July 16, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by August 16, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before August 6, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00337
SEPTEMBER 3, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CHARM CITY MORTGAGE, LLC
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on July 4, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on July 16, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by August 16, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before August 6, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00338
AUGUST 29, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on July 3, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on July 16, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by August 16, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before August 6, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00342
NOVEMBER 5, 2008

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

SETTLEMENT ORDER

ON A FORMER DAY, the Bureau of Financial Institutions ("Bureau") reported to the State Corporation Commission ("Commission") that Allied Home Mortgage Capital Corporation ("Defendant") is licensed to engage in business as a mortgage lender and mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant sent "VA Mortgage Assessment Notice" solicitations to Virginia consumers in violation of various provisions of 10 VAC 5-160-60 and the Mortgage Lender and Broker Act; that upon being informed that the Commissioner of Financial Institutions intended to recommend the imposition of a fine, the Defendant offered to settle this case by paying a fine in the sum of Five Thousand Dollars ($5,000) and, abiding by the provisions of this Order, tendered said sum to the Commonwealth of Virginia and waived its right to a hearing in the case. The Commissioner of Financial Institutions recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

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

(2) The Defendant shall cease and desist from sending its "VA Mortgage Assessment Notice" solicitations or any other deceptive or misleading advertisements to Virginia consumers.

(3) The Defendant shall comply with all provisions of 10 VAC 5-160-60 and § 6.1-424 of the Code of Virginia.

(4) This case is dismissed.

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

CASE NO. BFI-2008-00346
DECEMBER 4, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CASH EXPRESS OF VIRGINIA, INC.,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("Commission") that Cash Express of Virginia, Inc. ("Defendant"), is licensed to engage in business as a payday lender under Chapter 18 of Title 6.1 of the Code of Virginia; that during examinations of certain of Defendant's offices completed in July and September 2007, the Commission's Bureau of Financial Institutions (the "Bureau") found that it had violated §§ 6.1-459 (1), (6), (8), (9), (10), (14), and (17) of the Code of Virginia and §§ 10 VAC 5-200-30 and 70 C of the Virginia Administrative Code during a substantial number of payday loan transactions with Virginia borrowers; that the Defendant offered to settle this case by payment of a penalty of Twenty-Eight Thousand Dollars ($28,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner of Financial Institutions recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

CASE NO. BFI-2008-00347
SEPTEMBER 9, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HOME ENERGY SAVINGS CORP.,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("Commission") that MLI Capital Group, Inc, (the "Company") is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant acquired the stock of the Company without applying for and obtaining Commission approval, in violation of § 6.1-416.1 of the Code of Virginia; that upon being informed that the Commissioner of Financial Institutions ("Commissioner") intended to recommend the imposition of a fine, the Defendant, without admitting or denying liability, offered to settle this case by payment in the sum of five-thousand dollars ($5,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept the Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

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.

CASE NO. BFI-2008-00348
SEPTEMBER 9, 2008

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

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("Commission") that iPayDebt Financial Services, Inc. (the "Company"), recently applied for a license to engage in business as a credit counseling agency pursuant to Chapter 10.2 of Title 6.1 of the Code of Virginia; that during investigation of the application it was found that the Company conducted a credit counseling agency business in Virginia without the required license in violation of § 6.1-363.3 of the Code of Virginia; that upon being informed that the Commissioner of Financial Institutions ("Commissioner") intended to recommend the imposition of a fine, the Defendant, by counsel, without admitting or denying liability, offered to settle this case by payment of the sum of five thousand dollars ($5,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

CASE NO. BFI-2008-00353
OCTOBER 17, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
NATIONS CHOICE FINANCIAL, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond

filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on August 16, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on August 19, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by September 19, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 9, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00355
OCTOBER 17, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GOLDEN TRUST MORTGAGE GROUP, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on August 19, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on August 20, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by September 20, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 10, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00359
SEPTEMBER 17, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DOMUS HOLDINGS CORP.,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("Commission") that PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans, (the "Company"), is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant, Domus Holdings Corp. acquired more than twenty-five (25) percent of the stock of the Company without applying for and obtaining Commission approval, in violation of § 6.1-416.1 of the Code of Virginia; that upon being informed that the Commissioner of Financial Institutions ("Commissioner") intended to recommend the imposition of a fine, the Defendant, without admitting or denying the violation, offered to settle this case by payment of the sum of five thousand dollars ($5,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept the Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

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.

CASE NO. BFI-2008-00360
NOVEMBER 5, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CHOICE FINANCING SERVICES, INC., D/B/A CHOICE FUNDING GROUP, INC
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on September 4, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on September 5, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by October 5, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 26, 2008; that a verbal extension to provide a new bond by October 10, 2008, was granted; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00365
NOVEMBER 5, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
STATEWIDE BANCORP INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on September 13, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on September 14, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by October 14, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before October 5, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00371
NOVEMBER 5, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE HOME MORTGAGE SOURCE, L.L.C.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on September 20, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on September 23, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by October 23, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before October 14, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00373
OCTOBER 16, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: database inquiry fee

ORDER ESTABLISHING DATABASE INQUIRY FEE

Pursuant to subdivision B 4 of § 6.1-453.1 of the Code of Virginia and 10 VAC 5-200-115, which shall become effective on January 1, 2009, every payday lender licensed under Chapter 18 of Title 6.1 of the Code of Virginia ("licensee") is required to pay a database inquiry fee to defray the cost of submitting an inquiry to the payday lending database. 10 VAC 5-200-115 provides that the amount of the fee shall not exceed $5.00 per loan.

Based on the information and documentation provided to the State Corporation Commission ("Commission") by the database provider, Veritec Solutions, LLC, the Commission finds that the amount of the database inquiry fee should be $0.68 per consummated payday loan, and that such amount bears a reasonable relationship to the actual cost of operating the database.

THEREFORE IT IS ORDERED THAT:

(1) Beginning on January 1, 2009, every licensee shall pay a database inquiry fee of $0.68 per consummated payday loan; and

(2) All database inquiry fees shall be remitted by each licensee directly to Veritec Solutions, LLC, on a weekly basis.

CASE NO. BFI-2008-00378
NOVEMBER 20, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ALLEGIANCE MORTGAGE SERVICES LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on October 8, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 9, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by November 9, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before October 30, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00379
DECEMBER 16, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIRST PRIORITY MORTGAGE, INC., d/b/a MORTGAGE FIRST PRIORITY, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Bureau requested information from the Defendant on numerous occasions; that the Defendant, in violation of 10 VAC 5-160-50, failed to respond to the Bureau's written requests; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 23, 2008, (1) of his intention to recommend revocation of its license, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before November 23, 2008; and that no written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to respond to Bureau requests for information as required by law, and

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

CASE NO. BFI-2008-00380
DECEMBER 16, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Bureau requested information from the Defendant on numerous occasions; that the Defendant, in violation of 10 VAC 5-160-50, failed to respond to the Bureau's written requests; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 23, 2008, (1) of his intention to recommend revocation of its license, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before November 23, 2008; and that no written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to failed to respond to Bureau requests for information as required by law, and

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

CASE NO. BFI-2008-00382
DECEMBER 16, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ADVANTAGE FINANCIAL CORPORATION, LLC D/B/A ADVANTAGE FINANCIAL,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on October 17, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 23, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by November 23, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before November 13, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00384
DECEMBER 16, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Bureau requested information from the Defendant on numerous occasions; that the Defendant, in violation of 10 VAC 5-160-50, failed to respond to the Bureau's written requests; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 23, 2008, (1) of his intention to recommend revocation of its license, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before November 23, 2008; and that no written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to respond to Bureau information requests as required by law, and

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

CASE NO. BFI-2008-00387
DECEMBER 17, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN HERITAGE HOME LOANS LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on October 24, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 28, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by November 28, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before November 18, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00389
DECEMBER 17, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on October 27, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 28, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by November 28, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before November 18, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00390
DECEMBER 17, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on October 27, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 28, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by November 28, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before November 18, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00391
DECEMBER 17, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
STREAMLINE HOLDING, LLC, d/b/a STREAMLINE MORTGAGE & FINANCIAL OF VA,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on October 28, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 29, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by November 29, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before November 19, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00393
DECEMBER 16, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BANNEKER FINANCIAL GROUP, INCORPORATED, d/b/a BANNEKER MORTGAGE GROUP,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on October 29, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 30, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by November 30, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before November 20, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00395
DECEMBER 16, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
RESIDENTIAL ONE MORTGAGE, LLC,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on October 22, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 28, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by November 28, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before November 18, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00404
DECEMBER 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ALLIED CAPITAL MORTGAGE COMPANY,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was canceled on November 5, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on November 13, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by December 13, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before December 5, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00405
DECEMBER 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HOME ADVANTAGE FUNDING GROUP, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was canceled on November 5, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on November 13, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by December 13, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before December 5, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00407
DECEMBER 19, 2008

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was canceled on November 11, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on November 13, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by December 13, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before December 5, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00408
DECEMBER 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FAMILY FINANCIAL CORPORATION, D/B/A FAMILY FINANCIAL MORTGAGE CORPORATION,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was canceled on November 13, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on November 14, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by December 14, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before December 8, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00409
DECEMBER 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
1ST ATLAS MORTGAGE & INVESTMENT CORP., D/B/A 1ST ATLAS MORTGAGE,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on November 13, 2008; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on November 14, 2008, (1) of his intention to recommend revocation of its license unless a new bond was filed by December 14, 2008, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before December 8, 2008; and that no new bond or written request for hearing was received or filed.

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

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

CASE NO. BFI-2008-00436
DECEMBER 12, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: limited revisions to Payday Loan Act regulations

ORDER TO TAKE NOTICE

On September 19, 2008, the State Corporation Commission ("Commission") entered an Order Adopting Final Regulations to implement significant amendments to the Payday Loan Act, § 6.1-444 et seq. of the Code of Virginia, that were adopted by the General Assembly in 2008. The final regulations were adopted effective January 1, 2009, in order to coincide with the effective date of the statutory amendments.

Following the entry of the September 19, 2008, Order, Commission staff has been working with the database provider, Veritec Solutions, LLC ("Veritec"), to facilitate the development and implementation of the statewide payday lending database in anticipation of the January 1, 2009, effective date. During this process, Commission staff has learned that Veritec has been developing a telephone interactive voice response system ("IVR") for purposes of transmitting certain limited information to the database when a licensed payday lender is unable to access the database via the Internet due to technical problems beyond the licensee's control. Although an IVR has obvious benefits, such as its 24-hour availability, subsections L and M of 10 VAC 5-200-110 do not contemplate an alternative means of database access such as an IVR. Moreover, Veritec's IVR will not be operational by January 1, 2009. Veritec has further reported to Commission staff that it cannot fully accommodate the manual call center process that is envisioned under subsections L and M beginning on January 1, 2009.

In order to address the aforementioned matters and emerging technology, Commission staff has recommended that the Commission immediately delay the effective date of subsections L and M of 10 VAC 5-200-110 and concurrently propose amendments to these subsections in order to take advantage of any alternative means of database access that Veritec may develop in the future. Commission staff has also proposed a change to 10 VAC 5-200-60, which pertains to the required posting of charges. This change simply incorporates the statutory requirement that already exists in § 6.1-459(18). A new section, 10 VAC 5-200-130, has also been proposed in order to provide the Commission with greater flexibility under its payday lending regulations.

NOW THE COMMISSION, having considered the record, staff's recommendations, and the proposed amendments, finds that the effective date of subsections L and M of 10 VAC 5-200-110 should be delayed, certain limited changes should be made to its payday lending regulations, and all licensed payday lenders and other interested parties should be afforded an opportunity to file written comments or request a hearing on the proposed amendments. The Commission also finds that with a delay in the effective date of subsections L and M, an interim process should be prescribed to address the potential unavailability of the payday lending database.

IT IS THEREFORE ORDERED THAT:

(1) The effective date of subsections L and M of 10 VAC 5-200-110 is hereby delayed until April 1, 2009.

(2) The proposed regulations are appended hereto and made a part of the record herein.

(3) Comments or requests for a hearing on the proposed regulations must be submitted in writing to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before January 20, 2009. Comments or requests for a hearing shall be limited to the proposed amendments only. All correspondence shall contain a reference to Case No. BFI-2008-00436. Interested persons desiring to submit comments or request a hearing electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

(4) The proposed regulations shall be posted on the Commission's website at http://www.scc.virginia.gov/case.

(5) Until such time as the Commission adopts revised regulations for subsections L and M of 10 VAC 5-200-110, or April 1, 2009, whichever is earlier, licensed payday lenders shall follow an interim process that comports with subdivisions L 2, L 3, and M 2 of 10 VAC 5-200-110 (as set forth in the Commission's September 19, 2008, Order Adopting Final Regulations) when they are unable to access the database due to technical problems beyond their control. Therefore, regardless of whether Veritec's call center is open or able to access the database, a licensee should not contact Veritec's call center to either check applicant eligibility or enter loan transaction information into the database on the licensee's behalf.

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

NOTE: A copy of Attachment A entitled "Chapter 200 10 VAC-5-200 Payday Lending 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.

CLERK'S OFFICE

CASE NO. CLK-2007-00005
JANUARY 15, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

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

FINAL ORDER REVISING STATE CORPORATION COMMISSION RULES OF PRACTICE AND PROCEDURE

The State Corporation Commission's ("Commission") Rules of Practice and Procedure, now codified at 5 VAC 5-20-10 et seq. ("Rules"), were last revised in 2001 in Case No. CLK-2000-00311.[1] Since then, changes have occurred in the industries and businesses subject to the regulatory authority of the Commission, including advancement in technology and increased reliance on electronic methods of communication in standard business practices.

By Order entered on August 10, 2007, the Commission issued a proposed revision to the Rules ("Proposed Rules") which incorporated a procedure for electronic filing of documents with the Commission in lieu of paper copies. This August 10, 2007 Order invited interested parties to comment upon and suggest modifications or supplements to, or request a hearing on, the Proposed Rules. The Proposed Rules were published in the Virginia Register of Regulations and were made available at the Office of the Clerk of the Commission and the Commission's website. Interested parties were given until September 25, 2007, to file comments, proposals, or requests for hearing with the Clerk of the Commission in the proceeding.

Nine parties submitted comments on the Proposed Rules, each supporting the concept of permissible electronic filings while suggesting some amendments to the Proposed Rules and the procedure for electronic filing. No requests for a hearing on the Proposed Rules were submitted. The parties submitting comments were: Cox Virginia Telcom, Inc.; Central Telephone Company of Virginia and United Telephone-Southeast, Inc.; Office of the Attorney General, Division of Consumer Counsel; Appalachian Power Company; The Conrad Firm; Brian R. Greene, Esquire; Virginia Electric and Power Company; Hunton & Williams L.L.P; and Columbia Gas of Virginia, Inc.

NOW THE COMMISSION, upon consideration of the Proposed Rules and the comments and proposed modifications suggested by the interested parties, is of the opinion and finds that the revised Proposed Rules, as set forth in Attachment A hereto, should be adopted effective February 15, 2008. The Commission has considered all of the comments filed herein and made some revisions to the original Proposed Rules attached to the August 10, 2007 Order. Said revisions are apparent from the tracked modifications captured in Attachment B, the version of the revised proposed rules filed with the Virginia Register of Regulations.

The Commission acknowledges that a number of commenters have requested that a document submitted electronically be considered filed when the Commission receives the document, rather than having to wait for the manual date stamp process to occur. The Commission will now accept electronic filings at any time. The submission will be deemed filed on the date and at the time the electronic document is received by the Commission's database. If a document is filed electronically after the close of business or on a weekend or holiday, the document will be deemed filed on the next regular business day. Additionally, for the convenience of users of the electronic filing system, a filer will receive an electronic notification identifying the date and time the document is received by the Commission's database.

The Commission believes that these changes to its Rules and filing processes will benefit the public generally and regular practitioners before the Commission specifically. We are also modifying the filing and service Rule (Rule 140) to permit electronic service on all parties and staff in cases where all parties and staff have agreed to such service, or where the Commission has provided for such service by order.

Accordingly, IT IS ORDERED THAT:

(1) The current Rules of Practice and Procedure as set forth in 5 VAC 5-20-10 et seq. are hereby revised and changed, effective February 15, 2008, and are adopted in the form as reflected in Attachment A to this Order.

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

(3) This case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended causes.

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

[1] Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter concerning revised State Corporation Commission Rules of Practice and Procedure, Case No. CLK-2000-00311, 2001 S.C.C. Ann. Rpt. 55.

CASE NO. CLK-2008-00006
OCTOBER 22, 2008

IN RE:
RZ GROUP, INC.

DISSOLUTION ORDER

On October 2, 2008, the Circuit Court of Spotsylvania County entered a decree in Case CL08-244 directing that RZ Group, Inc., a Virginia stock corporation, be dissolved pursuant to § 13.1-749 of the Code of Virginia. Thereafter the Clerk of said Circuit Court delivered to the State Corporation Commission ("Commission") a certified copy of said decree.

Accordingly, IT IS ORDERED THAT RZ Group, Inc., is hereby dissolved pursuant to § 13.1-749(A) of the Code of Virginia.

The Clerk of said Circuit Court is requested to advise the Commission when all of the assets of the corporation have been distributed to its creditors and members, if any, upon receipt of which advice the Commission will enter an order terminating the corporation's existence. This case is continued generally on the Commission's docket.

BUREAU OF INSURANCE

CASE NO. INS-1991-00068
DECEMBER 19, 2008

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

ORDER APPROVING FIFTH AMENDMENT
OF AGREEMENT AND DECLARATION OF TRUST

ON DECEMBER 17, 2008, the Deputy Receiver of First Dominion Mutual Life Insurance Company (formerly Fidelity Bankers Life Insurance Company), in Receivership for Conservation and Rehabilitation (the "Company"), filed with the Clerk of the Commission an Application for Order Approving Fifth Amendment of Agreement and Declaration of Trust ("Agreement"), by which the Company formed a grantor Trust, and extends the term of the Trust until December 31, 2009.

NOW THE COMMISSION, having considered the Application, finds that the Deputy Receiver's Application should be granted. Accordingly, the Commission now finds that the "Amendment Number Five to Agreement and Declaration of Trust" attached to the Deputy Receiver's Application as Exhibit A, should be, and it is hereby, approved as being in conformance with the Agreement and the plan for the rehabilitation of the Company approved by this Commission on September 29, 1992 ("Rehabilitation Plan"). The Commission finds that the extension of the term of the Trust until December 31, 2009, is in the best interest of policyholders, other creditors, and the public.

THEREFORE, IT IS ORDERED that the Application for Order Approving Fifth Amendment of Agreement and Declaration of Trust be, and it is hereby, granted in conformance with the Agreement and the Rehabilitation Plan, and the Trust be, and it is hereby, extended until December 31, 2009.

CASE NO. INS-1999-00079
FEBRUARY 14, 2008

PETITION OF
EADDIE MOORE

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

ORDER

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

On February 26, 1999, Eaddie Moore ("Petitioner") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 2982147-A.[1] The Petitioner contended that problems with the walls, framing system, roof, and foundation of her home constituted Major Structural Defects ("MSD") covered under the homeowners' insurance/warranty program administered by the HOW Program. The Petitioner also stated that the Determination of Appeal was not sent to her in a timely manner.

On March 3, 1999, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition.

On March 26, 1999, the Deputy Receiver filed an Answer to the Petition, along with a Motion to Dismiss. The Deputy Receiver argued that the Petition should be dismissed because: (i) the Petitioner did not make allegations sufficient to constitute a MSD under the HOW Program coverage; and (ii) it was not timely filed.

On July 12, 2001, a ruling was entered finding that factual issues continued to be in dispute and a hearing should be scheduled. However, since two years had passed since the Petition had been filed, the parties were directed to review the status of the matter and advise the Office of Hearing Examiners of their availability for a hearing. On August 15, 2001, the Deputy Receiver Responded with a Motion for Reconsideration of his Motion to Dismiss. The Petitioner did not respond either to the ruling or to the Motion for Reconsideration of the Motion to Dismiss.

[1] The Petitioner originally filed her Petition with the Deputy Receiver on February 12, 1999. However, the Deputy Receiver forwarded the Petition to the Commission, and it was deemed received and filed with the Commission on February 26, 1999.

On July 13, 2005, the Commission entered its Order Approving Plans of Liquidation for the HOW Companies, which required the Deputy Receiver to wind down the businesses of HOW.

Since no pleadings or other activity had occurred with respect to this matter since 2001, a Hearing Examiner's ruling was entered on September 27, 2007, which provided the parties with an opportunity to show good cause why the matter should not be dismissed in accordance with § 8.01-335 A of the Code of Virginia.[2] The ruling, which was sent to the Petitioner at her last known address by certified mail, return receipt requested, was returned to the Commission because it was unclaimed by the Petitioner and the U.S. Post Office was unable to forward it.

On October 17, 2007, the Deputy Receiver filed his response in which he agreed that the matter should be dismissed under § 8.01-335. The Deputy Receiver also asserted that the case could be dismissed on the grounds submitted in his Motion to Dismiss and Motion for Reconsideration.

On December 5, 2007, the Chief Hearing Examiner issued her Report in which she stated that while the Petitioner did not receive notice, the case could still be dismissed pursuant to § 8.01-335 B as no pleadings or other activity had occurred in over six years.[3] The Chief Hearing Examiner also found that the case could be dismissed upon reconsideration of the Deputy Receiver's motions. She noted that the Deputy Receiver submitted several relevant documents, including the report of a professional engineer who inspected the foundation of the home at the request of the HOW Companies, which supported his argument that there was no MSD to the home. By contrast, the Petitioner failed to offer any substantive evidence to support her claim for MSD coverage. Accordingly, the Chief Hearing Examiner recommended that: (i) the Petition of Eaddie Moore for review of the Deputy Receiver's Determination of Appeal be dismissed with prejudice; and (ii) the matter be stricken from the Commission's docket of active cases.

On December 19, 2007, the Deputy Receiver filed comments to the December 5, 2007 Report of the Chief Hearing Examiner, in which he stated that he was in agreement with the findings and recommendations of the Report.

Upon consideration of the record herein and the Report of the Chief Hearing Examiner, the Commission is of the opinion, and so finds, that the findings and recommendations of the Chief Hearing Examiner should be adopted.

Accordingly, IT IS ORDERED THAT:

1. The Petition of Eaddie Moore for review of the Deputy Receiver's Determination of Appeal is hereby DISMISSED with prejudice;

2. The Determination of Appeal in Claim No. 2982147-A is hereby AFFIRMED; and

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

[2] This provision provides that certain cases may, in the discretion of the court, be struck from the docket and the action discontinued where there has been no order or proceeding, other than to continue the case, entered for over two years upon at least fifteen days' notice to the parties.

[3] Subsection B of § 8.01-335 provides that certain cases may, in the discretion of the court, be dismissed without any notice where there has been no order or proceeding entered for over three years.

CASE NO. INS-2003-00092
FEBRUARY 14, 2008

IN RE:
JOINT PETITION OF SPECIAL DEPUTY RECEIVERS
of
DOCTORS INSURANCE RECIPROCAL, RISK RETENTION GROUP, In receivership,
AMERICAN NATIONAL LAWYERS INSURANCE RECIPROCAL, RISK RETENTION GROUP, In receivership,
and
THE RECIPROCAL ALLIANCE, RISK RETENTION GROUP, In receivership,
Joint Petitioners

ORDER GRANTING MOTION FOR SUMMARY JUDGMENT

On April 25, 2003, the Special Deputy Receivers ("SDRs") for Doctors Insurance Reciprocal ("DIR"), Risk Retention Group ("RRG"), American National Lawyers Insurance Reciprocal ("ANLIR"), RRG, and The Reciprocal Alliance ("TRA"), RRG (collectively, the "RRGs"), by counsel, filed with the State Corporation Commission ("Commission") a Joint Petition for Expedited Review of Claims and Deputy Receiver's Determination of Appeal and Brief in Support of Joint Petition ("Joint Petition"). Among other things, the SDRs sought a finding by the Commission that the insureds of the RRGs are entitled to be treated in the same manner and with the same priority as Reciprocal of America ("ROA")[1] insureds. The SDRs seek to have their insureds' claims and those of third-party claimants paid by ROA. The SDRs also seek certain trust funds seized by the Deputy Receiver of ROA from a trust account held by First Virginia Reinsurance, Ltd. ("FVR").

[1] Reciprocal of America and The Reciprocal Group, In Receivership, will be collectively referred to herein as "ROA."

The litigation between the SDRs and the Deputy Receiver of ROA was halted by the Agreement to Stay Proceedings and Tolling Agreement that the Hearing Examiner approved on October 10, 2003.[2] On January 5, 2007, the Deputy Receiver of ROA filed a Notification of Termination, effectively restarting this litigation.

On October 12, 2007, the Hearing Examiner filed his report ("Report"). In his 64-page Report, the Hearing Examiner did a thorough and accurate job of summarizing the record in this lengthy and complex proceeding. Therein, the Hearing Examiner recommended, among other things, that the Deputy Receiver of ROA should be granted summary judgment on a number of the SDRs' claims. Specifically, the Hearing Examiner made the following findings and recommendations:

(1) The RRGs are incidental beneficiaries of the Trust Agreement and Agreement of Retrocession;

(2) The RRGs have no standing to maintain any action on the Trust Agreement and Agreement of Retrocession;

(3) The Deputy Receiver should be granted summary judgment on the RRGs' third-party beneficiary, express trust, implied trust, constructive trust, and implied cut-through claims;

(4) The Deputy Receiver should be granted summary judgment on the RRGs' equitable contract reformation claims;

(5) The Deputy Receiver should be granted summary judgment on the RRGs' equitable estoppel claims;

(6) The Deputy Receiver should be granted summary judgment on the RRGs' single business enterprise claims; and

(7) The Deputy Receiver should be granted summary judgment on the RRGs' equal protection claim.

Coastal Region Board of Directors and the Alabama Subscribers, the Kentucky Hospitals,[3] the Deputy Receiver of ROA, the Guaranty Associations,[4] and the SDRs filed comments on the Report. Additionally, the Guaranty Associations, the Deputy Receiver of ROA, the Kentucky Hospitals, and the SDRs requested the opportunity to present oral argument on their comments.

The Commission heard oral argument by all parties on January 23, 2008. The SDRs continue to assert that the Hearing Examiner erred, and that the Commission should remand this matter for further proceedings, including additional discovery. The Deputy Receiver of ROA and the Guaranty Associations generally support the recommendations in the Report, and Coastal and the Kentucky Hospitals continue to press for an expeditious decision in this matter.

NOW THE COMMISSION, having considered the entire record in this case,[5] finds as follows: we affirm the findings and recommendations of the Hearing Examiner and dismiss the claims contained in the Petition that are ripe for summary judgment.[6] While we generally agree with the Hearing Examiner's findings and recommendations, we believe that certain issues raised by the SDRs merit further discussion.

Single Business Enterprise

We express no opinion on the factual allegations raised by the SDRs in their pleadings. We do not doubt that some, if not many, of the transactions involved in the structuring of ROA and the Tennessee Risk Retention Groups were conducted in an unusual manner. For purposes of this proceeding, we assume that the allegations of the SDRs are true. The Commission is unable to make the further leap in logic required in order to reclassify the policyholders and claimants of the RRGs as policyholders and claimants of ROA.

The SDRs request that we use our equitable powers to essentially collapse the entire risk retention group corporate structure into ROA's corporate structure and then make the decision that all RRG policyholders should be considered ROA policyholders. We do not believe that § 38.2-1502 of the Code of Virginia,[7] or any other equitable theory, permits us to make such a decision. Moreover, we believe that § 38.2-1509 must govern the distribution of assets from the ROA estate, and there is no provision therein for us to alter the General Assembly's priority scheme.

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[2] With slight modifications, the Commission approved the Tolling Agreement on December 13, 2005. *See Application of Reciprocal of America and The Reciprocal Group, For Approval of Agreement to Stay Proceedings and Tolling Agreement*, Case No. INS-2004-00244, 2005 S.C.C. Ann. Rept. 81, 84 (Final Order, December 13, 2005).

[3] The "Kentucky Hospitals" include Appalachian Regional Healthcare, Hardin Memorial Hospital, Highlands Regional Medical Center, Murray-Calloway County Hospital, Owensboro Mercy Health System, Regional Medical Center/Trover Clinic Foundation, and T.J. Samson Community Hospital.

[4] The "Guaranty Associations" include the Alabama Insurance Guaranty Association, the Arkansas Property & Casualty Guaranty Fund, the District of Columbia Insurance Guaranty Association, the Georgia Insurers Insolvency Pool, the Indiana Insurance Guaranty Association, the Kansas Insurance Guaranty Association, the Louisiana Insurance Guaranty Association, the Mississippi Insurance Guaranty Association, the Missouri Property & Casualty Insurance Guaranty Association, the North Carolina Insurance Guaranty Association, the Oklahoma Property & Casualty Insurance Guaranty Association, the Pennsylvania Property and Casualty Insurance Guaranty Association, the South Carolina Property & Casualty Insurance Guaranty Association, and the Virginia Property and Casualty Insurance Guaranty Association.

[5] Notwithstanding the Tennessee Receiver's prior execution of the Tolling Agreement, and its corresponding provision permitting the Commission to only consider the arguments raised in the Motion for Summary Judgment, Response and Reply thereto, we have nonetheless considered the Special Deputy Receivers' Supplement to their Response to Motion for Summary Judgment ("Supplement") that was filed on June 4, 2007. Our acceptance and consideration of the matters set out in the Supplement does not change our decision herein.

[6] The Hearing Examiner should convene a prehearing conference to establish a procedural schedule to decide any other matters not concluded herein, including, but not limited to, the SDRs' counterclaims against the Deputy Receiver of ROA.

[7] All statutory references are to the Code of Virginia unless otherwise indicated.

Section 38.2-1502 provides, in part, that "[u]nless otherwise provided, all delinquency proceedings shall be conducted as a suit in equity." The SDRs argue that the Commission may, employing its equitable powers, elevate the status of the claims of the RRGs' policyholders and claimants into ROA policyholders and claimants. However, we believe the general language of § 38.2-1502 is controlled by the specific language of § 38.2-1509, which designates the priority scheme for the distribution of an insolvent insurer's assets. As we stated in a previous case, "[t]he General Assembly has enumerated the order in which claimants of the insolvent insurer's assets may be paid, and we may not deviate from such legislative scheme."[8]

Based on their equitable theories, the SDRs contend that the Commission should classify the RRGs' policyholders and claimants as ROA policyholders and claimants. In order to accept their argument, the Commission is required to: (i) assume that the law in Virginia would favor the RRGs' single business enterprise argument;[9] (ii) apply the single business enterprise theory to this case to reach a favorable result for the RRGs;[10] and (iii) assuming the foregoing theory is accepted and its application would lead to a conclusion that the RRGs and their attorneys-in-fact constitute a single business enterprise with ROA and TRG, decide that the RRGs' policyholders and claimants can be characterized as ROA policyholders and claimants. It is the last step that we believe is unauthorized under Virginia law, and which requires that we enter summary judgment against the RRGs in this case.

We have found no case, and the RRGs have cited none, where the application of the single business enterprise theory led a court to classify general creditors as policyholders under an insurance receivership disbursement scheme. In *Green*, the liquidator of Champion Insurance Company requested that the Court take certain actions against a number of defendants, including officers and directors and related/affiliated companies. The trial court agreed with the liquidator and found that the entities constituted a single business enterprise and placed the liquidator in possession of the appellants' property. *Green*, 577 So. 2d at 254.

The appellate court, analyzing 18 factors, found that there was sufficient evidence to justify the trial court's finding that the affiliated entities operated as a single business enterprise. *Id.* at 257-258. Applying Louisiana law, the Court of Appeals found that "[u]pon finding that a group of corporations constitute a 'single business enterprise,' the court may disregard the concept of corporate separateness to extend liability to each of the affiliated corporations to prevent fraud or to achieve equity." *Id.* at 259. The effect of the court's decision was to permit the liquidator to gather all of the assets that were properly includable in the liquidation. The effect was not to reclassify general creditors as policyholders.

There was no discussion of the Louisiana priority statute and how the single business enterprise theory could work to alter a creditor's stance in the priority scheme enacted by the legislature. In fact, the Court ended its discussion by stating, "[t]he priority by which the creditors of this 'single business enterprise' are to be paid is governed by the Insurance Code for purposes of this liquidation." *Id.* at 260. Thus, even if we assume that the Supreme Court of Virginia would adopt the single business enterprise theory for purposes of this case, there is simply no vehicle by which general creditors can be reclassified as policyholders.[11]

We find support for our position in various cases cited by the parties. For example, the general proposition that a reinsured or reinsurer is treated as a general creditor rather than a policyholder under insurance liquidation priority schemes is not challenged herein. *See, e.g., Swiss Re Life Co. of America v. Gross*, 253 Va. 139, 146 (1997) (Supreme Court of Virginia found reinsurer to be a general creditor under § 38.2-1509 despite the reinsurer's equitable claim for administrative priority); *Northwestern Nat'l Ins. Co. v. Kezer*, 812 P.2d 688, 692 (Colo. Ct. App. 1990) (Court of Appeals of Colorado rejected equitable and contract claims and found that reinsureds and reinsured company are general creditors under Colorado insurance liquidation priority scheme);[12] *North Carolina ex. rel. Long v. Beacon Ins. Co.*, 359 S.E.2d 508, 510-511 (N.C. Ct. App. 1987) (under North Carolina insurance liquidation priority scheme, reinsureds are considered general creditors).[13]

In addition to the foregoing cases, we have also noted a general reluctance among courts to deviate from priorities set by the legislature for insurance company insolvencies and to engraft equitable priorities onto the statutory priorities. For example, in *In re Liquidation of Coronet Ins. Co.*, 698 N.E.2d 598 (Ill. App. Ct. 1998), the Illinois Appellate Court considered a lower court decision awarding an administrative priority to a law firm that

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[8] *Application of Reciprocal of America and The Reciprocal Group, For a Determination Whether Certain Workers' Compensation Insurance Policy Payments May be Made to Claimants Formerly Covered by SITs and GSIAs*, Case No. INS-2003-00239, 2005 S.C.C. Ann. Rept. 69, 75 (Final Order, August 24, 2005).

[9] Without commenting on whether such a theory is viable under Virginia law and the facts of this case, we agree with the Hearing Examiner that the Supreme Court of Virginia has been very reluctant to permit veil piercing. Report at 55. Notwithstanding the RRGs' attempts to characterize their claims as attempting to reach an enterprise's assets rather than an insider's personal assets, we believe that the Supreme Court of Virginia would be cautious before embracing *Green's* list of 18 factors and the single business enterprise theory. *See, Green v. Champion Ins. Co.*, 577 So. 2d 249 (La. App. 1 Cir. 1991).

[10] Presumably, the other parties will contest, even assuming the single business enterprise test is applied, whether the various entities should be considered part of a single business enterprise.

[11] There has been much discussion of the Federal Liability Risk Retention Act in this proceeding. We express no opinion on that Act's applicability as it is unnecessary in light of the conclusion we have reached. We take note of the fact that, at least to some degree, the consequences of the enactment of the federal act are on display in this proceeding. In Virginia and many other states, policyholders of a risk retention group are specifically informed that they are without guaranty association coverage in the event of insolvency. *See* 15 U.S.C. § 3902(a)(1)(I) and § 38.2-5103(7); *Aftab v. New Jersey Property-Liability Ins. Guar. Ass'n*, 898 A.2d 1041, 1044 (N.J. Sup. Ct. 2006). We suspect that if ROA and its various associated entities, including the RRGs, had been subject to regulation under the Holding Company Act, §§ 38.2-1322 *et seq.*, the history of ROA may have taken a different course.

[12] The Colorado court stated that "[t]he statute classifying claims for preference purposes is both specific and comprehensive. It leaves no room for the judiciary to add to the type of claims to be preferred or to establish a method of preference not created by the statute." 812 P.2d at 690.

[13] Additionally, we find nothing in the decision in *Aftab v. New Jersey Property-Liability Ins. Guar. Ass'n*, 898 A.2d 1041 (N.J. Sup. Ct. 2006) that alters our conclusion. The holding of *Aftab* is that the ANLIR insureds were not entitled to guaranty association coverage under New Jersey and federal law. *Id.* at 1043. The court's statement that "[i]t may be that, if plaintiffs can prove a sufficient degree of control they might be able to recover directly from the liquidation estate of ROA" is undoubtedly dicta. *See, id.* at 1054. The SDRs may be able to recover directly from the liquidation estate of ROA; however, it will not be as policyholders of ROA.

provided services to an insurance company prior to its insolvency. Construing Illinois' priority scheme for disbursing an insolvent insurer's assets, the appellate court stated that, "[i]n a liquidation action, a circuit court is vested with only as much authority as is provided by the Insurance Code; equitable remedies in contradiction to those plainly set forth within the Insurance Code are therefore precluded." *Id.* at 603. The appellate court reversed the lower court and found that the law firm was a general creditor of the estate. *Id.* We find ourselves similarly constrained to follow the General Assembly's carefully crafted scheme for disbursing an insolvent insurer's assets under Virginia law.

Finally, we find nothing in the Order from the Circuit Court of the City of Richmond, in which that court found that "ROA and TRG, as Attorney-In-Fact for ROA, operate as, and comprise, a single insurance business enterprise. . ."[14] that compels a different result. Nothing in that Order even mentioned the RRGs, much less found that they constitute a single business enterprise or that their policyholders are entitled to be treated as ROA policyholders.[15] Based on the foregoing, we decline the SDRs' request that we reclassify their claims as ROA policyholder claims.[16]

The ROA-FVR Trust Fund

We agree with the Hearing Examiner's conclusion that ". . . the clear and unambiguous language in the Trust Agreement and Agreement of Retrocession expresses the intent of the contracting parties. ROA is the sole beneficiary of the trust and the only party entitled to the trust assets. . . Accordingly, the Deputy Receiver should be granted summary judgment on the RRGs' third-party beneficiary, express trust, implied trust, constructive trust, and implied cut-through claims."[17] Hence, we also adopt the Hearing Examiner's conclusions regarding the RRGs' claims to the ROA-FVR Trust Fund.[18]

On the remaining claims, including, but not limited to the equitable contract reformation, equitable estoppel, piercing the reinsurance veil,[19] breach of fiduciary duty, and equal protection, we adopt the analysis, findings, and recommendations of the Hearing Examiner.

ACCORDINGLY, IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion for Summary Judgment is GRANTED;

(2) The SDR's Joint Petition is DENIED as provided herein;

(3) The Hearing Examiner should convene a prehearing conference to establish a procedural schedule to decide any other matters not concluded herein, including, but not limited to, the SDRs' counterclaims against the Deputy Receiver of ROA; and

(4) This matter is continued.[20]

Commissioner Jagdmann did not participate in this matter.

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[14] *Commonwealth of Virginia, ex rel. State Corporation Commission v. The Reciprocal Group, and Jody M. Wagner, Treasurer of Virginia*, Court File No: CH03-135, Final Order Appointing Receiver for Rehabilitation or Liquidation, at 2, ¶ 2 (January 29, 2003).

[15] We express no opinion on whether the Deputy Receiver of ROA could have applied to the Circuit Court for the City of Richmond to place the RRGs into receivership along with ROA and TRG.

[16] We are not unmindful of the hardships resulting from the collapse of ROA and associated entities. Unfortunately, such hardships are the byproduct of insurance company insolvencies. We have no doubt that there are any number of deserving claimants who would seek to change their status were we to grant a waiver from the priority scheme set forth in § 38.2-1509.

[17] Report at 50.

[18] We find further support for this conclusion in *In re Liquidation of Sec. Casualty Co.*, 537 N.E.2d 775 (Ill. Sup. Ct 1989). There, the circuit court had imposed a constructive trust on certain stock proceeds in the possession of the insurance liquidator. In reversing the circuit court, the Supreme Court of Illinois found that granting a constructive trust in favor of the shareholders would elevate their claims ahead of the claims of other policyholders. In language very applicable to this proceeding the Court referred to an earlier 8th Circuit decision: "[w]hen a corporation becomes bankrupt, the temptation to lay aside the garb of a [reinsured], on one pretense or another, and to assume the role of a [policyholder] is very strong, and all attempts of that kind should be viewed with suspicion." *Id.* at 781. The Supreme Court of Illinois found that equitable remedies, such as a constructive trust, could not be used to change the classification scheme set forth by the legislature for distribution of an insolvent insurer's assets. We believe the same reasoning applies here.

[19] We found no case in which a reinsured was reclassified as a policyholder of another insurer in an insurer insolvency situation. For example, in *Venetsanos v. Zucker, Facher & Zucker*, 638 A.2d 1333 (N.J. App. 1994), the court found that ". . . as a matter of law, the reinsurer should be regarded as though it had the obligations of a primary insurer to [the policyholder]." *Id.* at 1338. However, the reinsurer was not in receivership, and the court was not determining the claimant's priority status in a liquidation involving either the insurer or the reinsurer. The court simply permitted the policyholder to pursue directly an action against the reinsurer, which is not normally allowed. With regard to the statutory priority scheme, the court stated that "[a]s to the Uniform Liquidation of Insurers' Act, we think it inapplicable to this action against [the reinsurer]." *Id.* Similarly, in *Koken v. Legion Ins. Co.*, 831 A.2d 1196, 1203, 1246 (Pa. Commw. Ct. 2003), *aff'd*, 878 A.2d 51 (Pa. 2005), the court permitted the policyholder intervenors direct access to reinsurance proceeds. However, the reinsurers were solvent, and the court was not reclassifying general creditors as policyholders under Pennsylvania's statutory liquidation scheme. Permitting a direct action against a solvent reinsurer is a far different situation from ignoring the legislature's priority scheme and reclassifying general creditors as policyholders.

[20] This Order is a Final Order for purposes of § 12.1-39 as to all matters decided herein.

CASE NO. INS-2003-00203
JUNE 23, 2008

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

FINAL ORDER

MIIX Insurance Company ("Defendant"), a foreign corporation domiciled in the State of New Jersey, was initially licensed to transact the business of insurance in the Commonwealth of Virginia on September 3, 2003.

By order entered herein October 17, 2003, the Defendant's license to transact the business of insurance in Virginia was suspended.

By letter of the Defendant's Senior Medical Liability Representative dated May 29, 2008, and filed with the State Corporation Commission ("Commission") on May 29, 2008, the Commission was advised that the Defendant wishes to withdraw its license to transact the business of insurance in Virginia.

The withdrawal of the Defendant's license has been processed by the Bureau of Insurance ("Bureau"), effective June 13, 2008.

In light of the foregoing, the Bureau has recommended that the Order Suspending License entered by the Commission be vacated and this case be closed.

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

IT IS THEREFORE ORDERED THAT:

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

(2) This case be, and is hereby, VACATED;

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

CASE NO. INS-2004-00120
JANUARY 9, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ALPHONSO L. GRANT,
Defendant

FINAL ORDER

On May 27, 2004, the Commission entered a Consent Order in this matter whereby the Defendant agreed, effective as of the date of the Order and continuing until further order of the State Corporation Commission ("Commission"), to the voluntary suspension of his license to transact the business of insurance in the Commonwealth of Virginia.

By letters dated April 30 and May 13, 2004 ("2004 letters"), and filed with the Clerk of the Commission on May 25, 2004, the Defendant agreed to the voluntary suspension of his license, based upon the Defendant's felony conviction in the United States District Court, Western District of Virginia, for a violation of 18 U.S.C. § 666 (a)(1)(A)(i). As part of the Bureau of Insurance ("Bureau") recommending to the Commission that the Defendant's license be reinstated, the Defendant agreed to notify the Bureau when he had completed his probation and fully paid the amount of restitution and any other monetary penalties imposed by the court.

By letter dated December 6, 2007, the Defendant's counsel informed the Bureau that the Defendant has complied with the terms of the Bureau's 2004 letters. Additionally, the Defendant's counsel provided a copy of a letter from the court stating the same.

The Bureau has recommended that, in light of the foregoing, the Commission lift the suspension of the Defendant's license and that this case be closed.

THE COMMISSION, having considered the record herein and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's license should be reinstated.

IT IS THEREFORE ORDERED THAT:

(1) The license of the Defendant to act as an insurance agent in the Commonwealth of Virginia is hereby REINSTATED;

(2) This case is hereby DISMISSED; and

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

CASE NO. INS-2005-00053
JULY 3, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LIFE PARTNERS, INC.,
Defendant

DISMISSAL ORDER

On March 21, 2005, the State Corporation Commission ("Commission") entered a Rule to Show Cause ("Rule") against Life Partners, Inc. ("LPI"), in which the Bureau of Insurance ("Bureau") alleged that LPI was in violation of § 38.2-6002 A of the Code of Virginia Code for transacting the business of a viatical settlement provider without being properly licensed.

On May 16, 2005, LPI filed a Motion for General Continuance of Proceeding and Filing of Responsive Pleading and Request for Expedited Approval. LPI stated that the Commission's attempted jurisdiction over the Defendant presented federal constitutional issues, and therefore, LPI intended to file a complaint in federal court. LPI sought a general continuance in order that the court would have an opportunity to resolve the federal constitutional issues that LPI intended to raise in its complaint.

On May 26, 2005, LPI filed a Complaint in the United States District Court for the Eastern District of Virginia ("District Court"), in which it challenged the constitutionality of the Virginia Viatical Settlements Act (§ 38.2-6000 *et seq.*) as violative of the Commerce Clause of the United States Constitution. *Life Partners, Inc. v. Theodore V. Morrison, Jr., et al.*, 420 F. Supp.2d 452 (E.D. Va. 2006). The District Court granted summary judgment for the Commissioners and the Virginia Attorney General on March 10, 2006.[1] On April 30, 2007, the United States Court of Appeals for the Fourth Circuit affirmed the judgment of the District Court. *Morrison*, 484 F.3d 284 (4th Cir. 2007). On December 3, 2007, the Supreme Court of the United States denied LPI's petition for writ of certiorari. *Morrison*, 120 S.Ct. 708 (2007).

On June 19, 2008, the Bureau, by counsel, filed a Motion to Dismiss the proceeding with prejudice. According to the Motion, LPI and the Bureau entered into settlement discussions following the resolution of the federal court case, and LPI submitted a confidential Corrective Action Plan in which LPI voluntarily agreed to make restitution to affected Virginia resident viators and become licensed by the Commission. LPI also tendered to the Commonwealth of Virginia the sum of ten thousand dollars ($10,000) and waived its right to a hearing. The Bureau stated that it viewed LPI's offer as an acceptable resolution to this case.

On June 23, 2008, the OAG filed a response to the Motion to Dismiss in which it stated that the confidential Corrective Action Plan appeared to result in a satisfactory resolution of the issues in this proceeding. Therefore, the OAG did not object to the entry of an Order dismissing this matter with prejudice.[2]

On June 25, 2008, the Chief Hearing Examiner issued her Report, in which she recommended that the Commission accept the confidential Corrective Action Plan and dismiss the case with prejudice.

NOW THE COMMISSION, upon consideration of the confidential Corrective Action Plan, the Hearing Examiner's Report, the Bureau's Motion to Dismiss, and the OAG's response, is of the opinion and finds that the confidential Corrective Action Plan should be accepted and that the Bureau's Motion to Dismiss should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The confidential Corrective Action Plan is hereby accepted; and

(2) This matter is dismissed with prejudice from the Commission's docket of active cases, and the papers herein shall be placed in the file for ended causes.

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[1] The Office of the Attorney General ("OAG") participated as an Intervenor in the federal court case. The OAG also filed a Notice of Participation in the pending case before the Commission.

[2] The OAG also stated that its position should not be interpreted as an endorsement of the broad confidential designation and treatment of the Corrective Action Plan and all of its attachments.

CASE NO. INS-2006-00270
MARCH 21, 2008

APPLICATION OF
RAPPAHANNOCK HOME MUTUAL FIRE INSURANCE COMPANY

For approval to distribute the remaining assets of the corporation pursuant to Virginia Code § 38.2-216

ORDER APPROVING APPLICATION

Rappahannock Home Mutual Fire Insurance Company ("Rappahannock") is a Virginia-domiciled mutual assessment property and casualty insurer licensed by the State Corporation Commission ("Commission") pursuant to Chapter 25 (§ 38.2-2500 et seq.) of Title 38.2 of the Code of Virginia.

By order entered herein March 15, 2006, in Case No. INS-2006-00080, Rappahannock's license to transact the business of insurance in the Commonwealth of Virginia was suspended based on the voluntary consent of Rappahannock's President due to Rappahannock's failure to maintain a membership of at least 100 persons at all times as required pursuant to § 38.2-2515 of the Code of Virginia.

On May 8, 2006, Rappahannock filed its Articles of Dissolution with the Clerk of the Commission, reflecting that a Plan of Dissolution was approved by the membership of Rappahannock on April 29, 2006.

The Plan of Dissolution provided that after all liabilities and obligations of Rappahannock were paid, satisfied, and discharged, or adequate provisions made therefor, the remaining assets of Rappahannock would be distributed pursuant to an established and agreed upon formula to those members of Rappahannock who owned Rappahannock policies during the years 2004, 2005, and 2006. The Plan of Distribution also provided that all insurance coverage would end on July 1, 2006, and any claims under such coverage must be submitted to Rappahannock on or before August 15, 2006.

Rappahannock filed with the Commission's Bureau of Insurance ("Bureau") on August 29, 2006, and with the Clerk of the Commission on October 4, 2006, an application requesting the Commission's approval to distribute immediately $492,327, which represented approximately fifty percent (50%) of the then current assets of Rappahannock, to its members on a pro-rata basis based on each member's premium payments during the above-stated years and to wind down operations as a mutual assessment property and casualty insurer. Rappahannock represented in its application that no claims had been submitted pursuant to the Plan of Dissolution.

The original application also provided that approximately six months following the initial distribution Rappahannock would seek the Commission's approval: (1) to distribute the remaining fifty percent (50%) of Rappahannock's assets, requesting that at such time Rappahannock be allowed to retain a reasonable reserve of assets with which to defend any claims that may be brought against its directors for a two-year period; and (2) at the end of such two-year period, to make a final distribution to its members of all remaining funds.

By order entered herein October 4, 2006, the Commission approved Rappahannock's application.

Rappahannock filed with the Bureau on May 23, 2007, and with the Clerk of the Commission on June 20, 2007, its application to distribute immediately $482,000 of Rappahannock's assets, (which represented approximately the remaining fifty percent (50%) of Rappahannock's assets) in accordance with the plan previously approved by the Commission. Rappahannock also requested that it be allowed to retain a reasonable reserve of assets, not to exceed $100,000, with which to defend any claims that may be brought against its directors during the next two years, and at the end of such two-year period, to make final distribution to its members of all remaining funds.

By order entered herein June 22, 2007, the Commission approved Rappahannock's application to make the second distribution of Rappahannock's assets. Rappahannock distributed $482,000 to its members and retained approximately $5,000 in assets.

As no claims have been made against the directors since the plan of distribution was approved, Rappahannock filed with the Bureau on February 19, 2008, its application to surrender its license, pay all remaining obligations, and terminate its existence.[1] Rappahannock estimates that the Company's final bill for legal services, taxes and fees owed to the Commission, and payment to its lone employee will exhaust the remaining assets of the Company.

The Bureau of Insurance has reviewed the application and the method for distributing the remaining assets and recommended that the application be approved.

THE COMMISSION, having considered the application, the recommendation of the Bureau of Insurance and the law applicable hereto, is of the opinion that the application should be approved.

THEREFORE, IT IS ORDERED THAT:

(1) The application of Rappahannock be, and it is hereby, APPROVED;

(2) Rappahannock shall promptly distribute its remaining assets and shall file an affidavit of compliance with the Bureau of Insurance upon the completion thereof; and

[1] In its application filed on June 20, 2007 Rappahannock originally requested permission to retain up to $100,000 for a period of two years in order to defend against any claims. This approach is more conservative than a typical dissolution which does not require retention of any assets after the initial distribution. Upon further consideration, Rappahannock's board has decided any further retention of assets is unnecessary and would like to surrender its license immediately.

(3) Upon the completion of the distribution of its assets, Rappahannock shall surrender its license to transact the business of insurance as a mutual assessment property and casualty insurer to the Bureau of Insurance.

CASE NO. INS-2007-00084
MAY 21, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MAMSI LIFE AND HEALTH INSURANCE COMPANY,
OPTIMUM CHOICE, INC.,
MD-INDIVIDUAL PRACTICE ASSOCIATION, INC.,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendants, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance or the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, have violated §§ 38.2-3407.15 B 4 a (ii)(c), 38.2-3407.15 B 4 a (ii)(d), 38.2-3407.15 B 8, 38.2-3407.15 B 9, 38.2-5802 C, and 38.2-5805 C 8 of the Code of Virginia.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1040 and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that the Defendants have 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 the Commonwealth of Virginia the sum of twenty-five thousand dollars ($25,000), waived their right to a hearing, agreed to the entry by the Commission of a cease and desist order, and agreed to comply with the Corrective Action Plan contained in the Market Conduct Examination Report as of December 31, 2006.

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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

(2) The Defendants cease and desist from any future conduct which constitutes a violation of §§ 38.2-3407.15 B 4 a(ii)(c), 38.2-3407.15 B 4 a(ii)(d), 38.2-3407.15 B 8, 38.2-3407.15 B 9, 38.2-5802 C or 38.2-5805 C 8 of the Code of Virginia; and

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

CASE NO. INS-2007-00146
MARCH 7, 2008

PETITION OF
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

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

ORDER

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

On April 30, 2007, the New Jersey Department of Community Affairs ("Petitioner" or "NJDCA") filed a Petition for Review ("Petition") with the Clerk of the Commission for review of the Deputy Receiver's Determination and Appeal. The NJDCA filed a claim with HOW for recovery of $13,507,629, which the NJDCA paid to HOW policyholders, pursuant to the New Jersey New Home Warranty and Builders' Registration Act, N.J. Stat. Ann. § 46:3B 1 *et seq.*, after HOW declined to provide major structural defect coverage for damage attributed to defective Fire Retardant Treated roof sheathing. The

NJDCA's claim represents $9,829,011 to satisfy administrative claims against HOW, and $3,678,618 to satisfy HOW's settlement share of a consolidated civil action filed by the affected homeowners.

By Order dated May 15, 2007, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before June 5, 2007.

On June 5, 2007, the Deputy Receiver filed an Answer to Petition for Review. In his Answer, the Deputy Receiver denied any liability or responsibility to the Petitioner under the HOW Insurance/Warranty Document, and denied any liability or responsibility to the Petitioner for interest on its claim or any cost, and attorneys fees incurred by the Petitioner associated with its claim.

By Hearing Examiner's Ruling entered on June 25, 2007, a Pre-Hearing Conference was scheduled on July 31, 2007, for the parties to identify the issues that the Commission needed to resolve the case, discuss any discovery that might be required to develop the issues for the Commission, and agree to a procedural schedule for the remainder of the case.

The Pre-Hearing Conference was convened as scheduled. Counsel for the parties jointly requested a 30-day continuance to finalize a settlement of the matter. By Hearing Examiner's Ruling entered on July 31, 2007, the case was continued generally.

On February 20, 2008, the NJDCA filed a Motion to Dismiss. In that motion, the Petitioner represented that it had entered into a Settlement Agreement with the Deputy Receiver resolving all disputes existing between them. As part of the Settlement Agreement, the Petitioner agreed to dismiss with prejudice all claims and causes of action asserted in its Petition for Review.

On February 20, 2008, the Hearing Examiner issued his Report in which he recommended that the Motion to Dismiss should be granted and the Petition for Review should be dismissed with prejudice.

Upon consideration of the record herein and the Report of the Hearing Examiner, the Commission is of the opinion, and so finds, that the findings and recommendations of the Hearing Examiner should be adopted.

Accordingly, IT IS ORDERED THAT:

1. The Motion for Dismissal of the Petition is hereby GRANTED;

2. The Petition of the NJDCA for review of the Deputy Receiver's Determination of Appeal is hereby DISMISSED with prejudice; and

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

CASE NO. INS-2007-00154
MAY 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INTERNATIONAL WATER SAFETY FOUNDATION
and
NORTH AMERICAN MARINE & GENERAL INSURANCE CO., LTD.,
Defendants

JUDGMENT ORDER

On May 15, 2007, the Defendants were ordered to take notice that the State Corporation Commission ("Commission") would enter a Judgment Order subsequent to June 15, 2007, permanently enjoining the Defendants from transacting the business of insurance in the Commonwealth of Virginia, unless on or before June 15, 2007, the Defendants filed with the Clerk of the Commission a responsive pleading and a request for a hearing.

On June 11, 2007, International Water Safety Foundation ("IWSF") filed a responsive pleading in which it argued that the Commission lacked jurisdiction to take action against it because it did not conduct any business activities in Virginia. IWSF did not request a hearing, however. North American Marine & General Insurance Co., Ltd., did not file a responsive pleading or otherwise respond to the Order.

On August 10, 2007, the Bureau of Insurance, by counsel, filed a Motion for Permanent Injunction ("Motion") asking that the Defendants be permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia based upon the Defendants' violation of § 38.2-1040 of the Code of Virginia. The Motion included an affidavit by Bureau staff describing the Defendants' transactions with Virginia residents. The Defendants filed no response to the Motion.

Upon consideration of the record herein, the Commission is of the opinion, and so finds, that the Defendants should be permanently enjoined from transacting the business of insurance in Virginia.

THEREFORE IT IS ORDERED THAT:

(1) The Defendants be, and they are hereby, permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia; and

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

CASE NO. INS-2007-00225
JANUARY 14, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PENINSULA HEALTH CARE INC., HEALTH KEEPERS, INC., PRIORITY HEALTH CARE, INC.,
Defendants

FINAL ORDER

On October 18, 2007, the State Corporation Commission ("Commission") entered a Settlement Order ("Order") in this case, requiring the Defendants to comply with the terms of the Order. In accordance with that Order, by letter dated November 16, 2007 ("Letter"), the Defendants have submitted a reimbursement plan to the Bureau of Insurance ("Bureau"). The Letter (without exhibit attachments) is attached hereto and made a part of this Final Order.

The Bureau has reported to the Commission that the Defendants' reimbursement plan is acceptable, and has recommended that it be accepted by the Commission pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia. In addition, the Bureau has reported to the Commission that the Defendants have fulfilled all other terms of the Order.

THE COMMISSION, having considered the record herein, the Letter from Defendant outlining the reimbursement plan, and the recommendation from the Bureau, is of the opinion that the Defendants' Letter should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) With respect to claims for emergency services processed by the Defendants on or after July 1, 2006 and prior to January 1, 2008, the Commission accepts the reimbursement plan as outlined in Defendants' Letter. The Defendants shall proceed immediately to carry out this reimbursement plan in accordance with the terms outlined in the Letter;

(2) With respect to claims for emergency services processed on or after January 1, 2008, the Defendants shall implement the payment methodology in accordance with Code of Virginia § 38.2-4312.3 as outlined in the Letter; and

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

CASE NO. INS-2007-00232
JANUARY 15, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

NATIONAL TRADE BUSINESS ALLIANCE OF AMERICA,
PROFESSIONAL BENEFITS CONSULTANTS OF DELAWARE, INC.
a/k/a PERSONAL BENEFITS CONSULTANTS, INC. d/b/a PBC DIRECT,
AMERICA'S BEST BENEFITS,
AFFINITY HEALTH PLANS OF AMERICA,
CHRISTOPHER ASHIOTES,
JAMES DOYLE,
and
THOMAS J. SULLIVAN,
Defendants

ORDER GRANTING INJUNCTION AND SCHEDULING HEARING

By Order entered herein on October 10, 2007, the Defendants were ordered to take notice that the State Corporation Commission ("Commission") would enter a Judgment Order subsequent to November 1, 2007, permanently enjoining the Defendants from transacting the business of insurance in the Commonwealth of Virginia unless on or before November 1, 2007, the Defendants filed with the Clerk of the Commission a responsive pleading and a request for a hearing.

As of the date of this Order, Defendants National Trade Business Alliance of America, America's Best Benefits, and Affinity Health Plans of America have neither filed a responsive pleading to object to the entry of a Judgment Order, nor requested a hearing.

Papers filed on November 1, 2007 by Professional Benefits Consultants of Delaware, Inc., a/k/a Personal Benefits Consultants, Inc., d/b/a PBC Direct were not signed by a properly licensed attorney as required by Rule 5 VAC 5-20-30. Therefore, the Defendant has neither filed a proper responsive pleading to object to the entry of a Judgment Order, nor requested a hearing. On November 1, 2007 Defendants Christopher Ashiotes, James Doyle, and Thomas J. Sullivan filed responses and requests for hearing with the Clerk of the Commission.

THEREFORE, IT IS ORDERED THAT:

(1) Defendants National Trade Business Alliance, Professional Benefits Consultants of Delaware, Inc, a/k/a Personal Benefits Consultants, Inc., d/b/a PBC Direct, America's Best Benefits, and Affinity Health Plans of America be, and they are hereby, PERMANENTLY ENJOINED from transacting the business of insurance in the Commonwealth of Virginia.

(2) On March 19, 2008, at 10:00 a.m. the Hearing Examiner shall convene a hearing in this case in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, at which time and place the Defendants Christopher Ashiotes, James Doyle, and Thomas J. Sullivan may appear and show cause why they should not, in addition to a penalty under Section 38.2-218 of the Code, be permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia. The Commission may enter a default judgment against those Defendants should they elect not to appear at the hearing scheduled therein.

(3) On or before February 1, 2008, Defendants Christopher Ashiotes, James Doyle, and Thomas J. Sullivan shall file an original and fifteen (15) copies of a responsive pleading in which those Defendants shall expressly admit or deny the allegations contained in the Order to Take Notice and present any affirmative defenses to the allegations each intends to assert. If those Defendants present an affirmative defense, those Defendants shall set forth in such responsive pleading a full and clear statement of facts upon which they are prepared to prove such affirmative defense. Those Defendants shall include in such responsive pleading their addresses and telephone numbers and indicate whether or not they desire and intend to appear and be heard before the Commission on the scheduled hearing date. The responsive pleadings shall be delivered to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall contain the caption setting forth the style of this case and its number.

(4) Defendants Christopher Ashiotes, James Doyle, and Thomas J. Sullivan may be found in default if they fail to either timely file a responsive pleading as set forth above or other appropriate pleading, or if they file such pleading and fail to make an appearance at the hearing. If found in default, those Defendants shall be deemed to have waived all objections to the admissibility of evidence and may have entered against each a judgment by default imposing some or all of the aforementioned sanctions permissible by law.

(5) In accordance with Rule 5 VAC 5-20-120A of the Commission's Rules of Practice and Procedure, this matter shall be assigned to a Hearing Examiner who shall conduct all further proceedings in this case on behalf of the Commission and file a Final Report. In the discharge of his or her duties in this case, the Hearing Examiner shall have the power set forth in Rule 5 VAC-20-120 and be otherwise governed by its terms.

CASE NO. INS-2007-00232
MARCH 11, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONAL TRADE BUSINESS ALLIANCE OF AMERICA,
PROFESSIONAL BENEFITS CONSULTANTS OF DELAWARE, INC.
a/ka PERSONAL BENEFITS CONSULTANTS, INC. d/b/a PBC DIRECT,
AMERICA'S BEST BENEFITS,
AFFINITY HEALTH PLANS OF AMERICA,
CHRISTOPHER ASHIOTES,
JAMES DOYLE
and
THOMAS J. SULLIVAN,
Defendants

FINAL ORDER

By order entered herein on October 10, 2007, the Defendants were ordered to take notice that the State Corporation Commission ("Commission") would enter a Judgment Order subsequent to November 1, 2007, permanently enjoining the Defendants from transacting the business of insurance in the Commonwealth of Virginia unless on or before November 1, 2007, the Defendants filed with the Clerk of the Commission a responsive pleading and a request for hearing.

On January 15, 2008, the Commission entered an Order Granting Injunction and Scheduling Hearing ("Order") in which it stated that Defendants National Trade Business Alliance of America, America's Best Benefits, and Affinity Health Plans of America had neither filed a responsive pleading to object to the entry of a Judgment Order, nor requested a hearing. It further stated that Professional Benefits Consultants of Delaware, Inc. a/k/a Personal Benefits Consultants, Inc. d/b/a PBC Direct had not filed a proper responsive pleading. By its Order, the Commission permanently enjoined Defendants National Trade Business Alliance of America; Professional Benefits Consultants of Delaware, Inc. a/k/a Personal Benefits Consultants, Inc. d/b/a PBC Direct; America's Best Benefits; and Affinity Health Plans of America from transacting the business of insurance in the Commonwealth of Virginia.

Also in the Order, the Commission stated that on November 1, 2007, Defendants Christopher Ashiotes, James Doyle, and Thomas J. Sullivan (collectively "Individual Defendants") filed responses and requests for hearing with the Clerk of the Commission. The Commission assigned a Hearing Examiner to convene a hearing on March 19, 2008, at which time the Individual Defendants might appear and show cause why they should not, in addition to a penalty under § 38.2-218 of the Code of Virginia, be permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia.

On February 28, 2008, the Bureau of Insurance, by counsel, filed a Motion to Dismiss ("Motion") the above-captioned matter as to the Individual Defendants. In support of its Motion, the Bureau stated that after further investigation, the Bureau had determined that it is not in the best interest of the Commonwealth of Virginia to go forward with this case as to the Individual Defendants at this time.

In her Report entered on March 3, 2008, the Chief Hearing Examiner granted the Bureau's Motion to Dismiss and cancelled the scheduled hearing in this matter. Further, the Chief Hearing Examiner recommended to the Commission that the case against the Individual Defendants be dismissed.

THE COMMISSION, having considered the Chief Hearing Examiner's Report, is of the opinion that the case against the Individuals Defendants should be dismissed.

THEREFORE, IT IS ORDERED THAT:

(1) The case against the Individual Defendants is hereby DISMISSED; and

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

CASE NO. INS-2007-00270
JANUARY 10, 2008

ALFRED W. GROSS, AS DEPUTY RECEIVER OF RECIPROCAL OF AMERICA AND THE RECIPROCAL GROUP, IN RECEIVERSHIP FOR LIQUIDATION,
Plaintiff
v.
AMERISIST MANAGEMENT COMPANY, L.L.C.,
Defendant

FINAL ORDER

On January 29, 2003, the Circuit Court of the City of Richmond entered an order appointing the State Corporation Commission ("Commission") as Receiver of The Reciprocal Group ("TRG") and Reciprocal of America ("ROA") (collectively, "Companies"). In addition, that Order appointed Alfred W. Gross, Commissioner of the Commission's Bureau of Insurance as Deputy Receiver and Melvin J. Dillon as Special Deputy Receiver of the Reciprocal Companies, in accordance with Title 38.2, Chapters 12 and 15 of the Code of Virginia. Pursuant to his grant of authority, the Deputy Receiver in his Sixth Directive of Deputy Receiver Adopting Amended Receivership Appeal Procedure established appeal procedures for appeals or challenges of any decision made by the Deputy Receiver or Special Deputy Receiver with respect to claims against the Reciprocal Companies.

On August 21, 2007, the Deputy Receiver filed with the Clerk of the Commission a Petition for Collection of Insurance Policy Premium Due against Amerisist Management Company, LLC ("Amerisist"). In the Petition, the Deputy Receiver claimed that Amerisist was formerly known as America House Four, Inc., and pursuant to a workers' compensation insurance policy issued by ROA to America House Four, Inc., owed premiums due in the amount of $21,470.

By Order entered August 28, 2007, the Commission docketed the Petition, assigned the case to a Hearing Examiner, and directed Amerisist to file an Answer or other responsive pleading to the Petition on or before October 5, 2007.

On October 5, 2007, Amerisist filed its Motion to Dismiss. Amerisist asserted that the Deputy Receiver sought to collect an alleged debt pursuant to a workers' compensation insurance policy issued to America House, Inc. America House, Inc. changed its name to TCR I, Inc. on or about September 7, 2005, and filed for protection under Chapter 11 of the Bankruptcy Code on September 9, 2005. Amerisist stated that TCR I, Inc. continues to act as a debtor-in-possession in its active bankruptcy case. Amerisist maintained that it never had a contractual relationship with the Deputy Receiver and is not liable on the policy. Therefore, Amerisist requested that the Commission dismiss the case, award costs to Amerisist, and sanction the Deputy Receiver for filing a petition that was not well grounded in fact and refusing to withdraw the Petition after notice.

On October 25, 2007, the Deputy Receiver filed his response. The Deputy Receiver stated that at no time prior to the filing of the Petition was he given notice of the alleged name change or of TCR I Inc.'s bankruptcy proceedings. The Deputy Receiver asserted that Amerisist has failed to provide any documentation in support of the name change or bankruptcy. The Deputy Receiver requested that the Commission (i) deny the Motion to Dismiss; (ii) deny Amerisist's request for costs and attorney fees; (iii) deny Amerisist's request for sanctions; (iv) in the alternative, allow the Deputy Receiver to serve discovery to the corporate structure of Amerisist and related entities; and (v) grant the Deputy Receiver such other and further relief as the Commission may deem appropriate.

On November 6, 2007, Amerisist filed its Reply. Amerisist asserted that the party to the contract and the party that is liable to the Deputy Receiver is not named by the Deputy Receiver's Petition because that party is in bankruptcy. Additionally, Amerisist states there is no basis for the Deputy Receiver to assert breach of contract because Amerisist, which has existed since March 15, 2002, is a distinct entity from America House Four, Inc. and TCR I, Inc. and has never done business with ROA. Amerisist requested that the Commission: (i) dismiss this case; (ii) award Amerisist its costs incurred in this case; and (iii) assess sanctions against the Deputy Receiver and the Deputy Receiver's counsel for filing a Petition that is not well grounded in fact and refusing to withdraw the Petition after notice.

On November 16, 2007, the Hearing Examiner filed his Report. In his Report, the Hearing Examiner noted that the facts in the pleadings show that ROA's insurance contract for 2002 was with America House Four, Inc. or America House, Inc. and none of the Petition's attached exhibits refer to Amerisist. The Deputy Receiver acknowledged that America House, Inc. apparently changed its corporate name to TCR I, Inc. Additionally, the bankruptcy of TCR I, Inc. was confirmed by the Deputy Receiver's attached documentation. Therefore, the Hearing Examiner made the following findings and recommendations:

1. The Deputy Receiver filed his Petition against the wrong entity and that entity it seeks is now in bankruptcy;

2. Amerisist's Motion to Dismiss should be granted;

3. Based upon the pleadings and the information available to the Deputy Receiver prior to filing his Petition, there should be no award of costs or sanctions in this case;

4. The Deputy Receiver's Petition should be dismissed; and

5. This matter should be stricken from the Commission's docket of active cases.

On December 7, 2007, the Deputy Receiver submitted Comments to the Hearing Examiner's Report.[1]

NOW THE COMMISSION, after consideration of the record herein, is of the opinion that the findings and recommendations of the Hearing Examiner should be adopted.

Accordingly, IT IS ORDERED THAT:

1. The Deputy Receiver's Petition is hereby DISMISSED without prejudice; and

2. The papers herein are passed to the file for ended causes.

[1] The Deputy Receiver filed a notice to withdraw the Petition without prejudice and argued that while he supports the Hearing Examiner's findings, Amerisist should be directed to provide documentation of the transition from America House, Inc. to the now bankrupt TCR I, Inc., as well as provide the information necessary to file a claim in the bankruptcy proceeding and explain why ROA was not included in the matrix of creditors submitted in the bankruptcy proceeding. He also requested that the Commission confirm his notice of withdrawal of the Petition and retain jurisdiction over the matter until such further time as the requested information is provided by Amerisist.

CASE NO. INS-2007-00280
JANUARY 23, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Annual Audited Financial Reports

ORDER ADOPTING RULES

By order entered herein September 26, 2007, all interested persons were ordered to take notice that subsequent to October 29, 2007, the State Corporation Commission ("Commission") would consider the entry of an order adopting revisions proposed by the Bureau of Insurance ("Bureau") entitled Rules Governing Annual Audited Financial Reports, set forth in Chapter 270 of Title 14 of the Virginia Administrative Code, unless on or before October 29, 2007, any person objecting to the adoption of the proposed new rules filed a request for hearing with the Clerk of the Commission ("Clerk").

The Order to Take Notice also required all interested persons to file their comments in support of or in opposition to the proposed revised rules on or before October 29, 2007.

On October 29, 2007, State Farm Mutual Automobile Insurance Company and its affiliates ("State Farm") filed comments to the proposed revisions and a request for hearing with the Clerk's Office. State Farm stated that it was opposed to the proposed revisions due to concerns regarding the cost of complying with the proposed amendments, as well as its belief that the impact of imposing the new requirements would far outweigh any potential benefit to the citizens of the Commonwealth of Virginia.

On October 30, 2007, The National Association of Mutual Insurance Companies ("NAMIC") filed comments to the proposed revisions with the Clerk. NAMIC opposed the adoption of the rules on similar grounds as State Farm. It requested a hearing, but made its request contingent on the Commission granting a hearing at the request of any other interested party.

On October 29, 2007, American Council of Life Insurers, American Insurance Association, America's Health Insurance Plans, Blue Cross Blue Shield Association, Property Casualty Insurers Association of America, and Reinsurance Association of America ("the Associations") collectively filed comments with the Clerk, in which they supported adoption of the rules on the grounds that they were limited in scope and enhanced the regulatory oversight of insurers without undue burden on the industry.

On December 12, 2007, the Commission entered an Order scheduling a hearing for February 6, 2008. The Order directed that any parties intending to appear and be heard at the hearing were to file a written notice of their intention to do so with the Clerk on or before January 6, 2008.

On January 4, 2008, the Property Casualty Insurers Association of America, by counsel, filed with the Clerk a request reserving the right to appear and be heard at the hearing scheduled for February 6, 2008, if such hearing was held.

On January 9, 2008, State Farm filed a letter with the Clerk withdrawing its request for a hearing.

Because NAMIC's request for a hearing was contingent upon the Commission granting a hearing at the request of any other interested party, it appears that a hearing in this matter is no longer necessary.

THE COMMISSION, having considered the proposed revisions and the filed comments, is of the opinion that the attached revisions to the rules should be adopted.

IT IS THEREFORE ORDERED THAT:

(1) The revisions at Chapter 270 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Annual Audited Financial Reports" which amend the rules at 14 VAC 5-270-10 through 14 VAC 5-270-150, 14 VAC 5-270-170 and 14 VAC 5-270-180 and add new proposed rules at 14 VAC 5-270-144, 14 VAC 5-270-146, 14 VAC 5-270-148, and 14 VAC 5-270-174, and which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective February 15, 2008.

(2) AN ATTESTED COPY hereof, shall be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Douglas C. Stolte, who forthwith shall give further notice of the adoption of the revisions to the rules by mailing a copy of this Order, including a clean copy of the attached final revised rules, to all licensed insurers, home protection companies, burial societies, fraternal benefit societies, health service plans, health maintenance organizations, legal services plans, dental or optometric services plans and dental plan organizations authorized by the Commission pursuant to Title 38.2 of the Code of Virginia, and certain interested parties designated by the Bureau of Insurance.

(3) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, including a copy of the attached new rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations and shall make this Order and the attached new rules available on the Commission's website, http://www.scc.virginia.gov/caseinfo.htm.

(4) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (2) of this Order.

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

CASE NO. INS-2007-00280
FEBRUARY 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Annual Audited Financial Reports

CORRECTING ORDER

In an Order Adopting Rules ("Order") entered herein January 23, 2008, in line 6 of ordering paragraph (1) set forth on page 3 of the Order, there is a reference to an effective date of "February 15, 2008" for adoption of revisions to the aforementioned Rules. The correct effective date, however, should be "January 1, 2010."

IT IS THEREFORE ORDERED THAT:

(1) The reference in line 6 of ordering paragraph (1) set forth on page 3 of the Order, entered January 23, 2008, shall be corrected to read "January 1, 2010;" and

(2) All other provisions of the Order to Take Notice entered January 23, 2008, shall remain in full force and effect.

(3) AN ATTESTED COPY hereof, shall be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Douglas C. Stolte, who forthwith shall mail a copy of this Order to all licensed insurers, home protection companies, burial societies, fraternal benefit societies, health service plans, health maintenance organizations, legal services plans, dental or optometric services plans and dental plan organizations authorized by the Commission pursuant to Title 38.2 of the Code of Virginia, and certain interested parties designated by the Bureau of Insurance.

(4) The Commission's Division of Information Resources forthwith shall cause a copy of this Order to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations and shall make this Order available on the Commission's website, http://www.scc.virginia.gov/caseinfo.htm.

(5) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of this Order.

CASE NO. INS-2007-00285
MARCH 13, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MARTIN ALEXANDER HARTLEY,
Defendant

VACATING ORDER

The Bureau of Insurance ("Bureau") filed a motion to vacate order on March 3, 2007.

GOOD CAUSE having been shown, the Order Revoking License entered herein September 24, 2007, is hereby vacated.

CASE NO. INS-2007-00294
FEBRUARY 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TERREL YVONNELL BRUCE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C and subsection 1 of § 38.2-1831 of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of Florida, and by providing materially incorrect, misleading, incomplete or untrue information in her license application filed with the Commission.

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

The Defendant has been notified of her right to a hearing before the Commission in this matter by certified letter dated December 28, 2007, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C and subsection 1 of § 38.2-1831 of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of Florida, and by providing materially incorrect, misleading, incomplete or untrue information in her license application filed with the Commission.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2007-00298
JANUARY 14, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Life Insurance and Annuity Replacements

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia 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 of Virginia provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code of Virginia.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code of Virginia are set forth in Title 14 of the Virginia Administrative Code.

The Bureau of Insurance ("Bureau") has submitted to the Commission a proposed amendment to Chapter 30 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Life Insurance and Annuity Replacements," which amends the Rules at 14 VAC 5-30-30.

The amended Rules add additional language in Subdivision A 4 of 14 VAC 5-30-30 dealing with Exemptions. The additional language provides an exemption from the Rules for term conversions where the existing insurer and the replacing insurer are corporate affiliates. This revision is consistent with the most recent National Association of Insurance Commissioners (NAIC) "Life Insurance and Annuities Replacement Model Regulation."

The Commission is of the opinion that the amended Rules submitted by the Bureau of Insurance should be considered for adoption.

THEREFORE, IT IS ORDERED THAT:

(1) The amended Rules entitled "Rules Governing Life Insurance and Annuity Replacements," at 14 VAC 5-30-30, be attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or to request a hearing to oppose the adoption of the amended Rules shall file such comments or hearing request on or before February 29, 2008, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS-2007-00298. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

(3) If no request for a hearing on the adoption of the amended Rules is filed on or before February 29, 2008, the Commission, upon consideration of any comments submitted in support of or in opposition to the amended Rules, may adopt the Rules as amended by the Bureau of Insurance.

(4) AN ATTESTED COPY hereof, together with a copy of the amended Rules, shall be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Jacqueline K. Cunningham, who forthwith shall give further notice of the proposed adoption of the amended Rules by mailing a copy of this Order, together with the proposed amendments, to all companies licensed by the Commission to write life insurance, variable life insurance, annuities, or variable annuities in Virginia.

(5) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, together with the proposed amendments, 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 amendments on the Commission's website, http://www.scc.virginia.gov/caseinfo.htm.

(7) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (4) above.

NOTE: A copy of Attachment A entitled "Rules Governing Life Insurance and Annuity Replacements" 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-2007-00298
MARCH 5, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Life Insurance and Annuity Replacements

ORDER ADOPTING REVISIONS TO RULES

By order entered herein January 14, 2008, all interested persons were ordered to take notice that subsequent to February 29, 2008, the State Corporation Commission ("Commission") would consider the entry of an Order adopting revisions proposed by the Bureau of Insurance ("Bureau") to the Commission's Rules Governing Life Insurance and Annuity Replacements ("Rules"), set forth in Chapter 30, Section 30 of Title 14 of the Virginia Administrative Code, unless on or before February 29, 2008, any person objecting to the adoption of the proposed revisions filed a request for hearing with the Clerk of the Commission ("Clerk").

The Order to Take Notice also required all interested persons to file their comments in support of or in opposition to the proposed revisions on or before February 29, 2008.

No comments and no request for hearing were timely filed with the Clerk.

The Bureau does not recommend further changes to the proposed revisions, which amended the Rules at 14 VAC 5-30-30, and further recommends that the revised Rules be adopted as proposed.

THE COMMISSION has considered the proposed revisions and is of the opinion that the attached revisions to the Rules should be adopted.

THEREFORE IT IS ORDERED THAT:

(1) The revised Rules entitled "Rules Governing Life Insurance and Annuity Replacements," at 14 VAC 5-30-30, which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective April 1, 2008.

(2) AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to Jacqueline K. Cunningham, Deputy Commissioner, Bureau of Insurance, State Corporation Commission who forthwith shall give further notice of the adoption of the revisions to the Rules by mailing a copy of this Order, including a clean copy of the attached final revised Rules, to all insurers licensed by the Commission to write life insurance, variable life insurance, annuities or variable annuities in the Commonwealth of Virginia, and certain interested parties designated by the Bureau of Insurance.

(3) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, including a copy of the attached revised Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations and shall make this Order and the attached revisions to the Rules available on the Commission's website, http://www.scc.virginia.gov/case.

(4) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements in paragraph (2) of this Order.

NOTE: A copy of Attachment A entitled "Rules Governing Life Insurance and Annuity Replacements" 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-2007-00339
MARCH 6, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JACK T. SAMPSON
and
AC&S INSURANCE AGENCY, INC.,
Defendants

FINAL ORDER

On November 19, 2007, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") based on allegations by the Bureau of Insurance ("Bureau") against the Defendants. The Defendants were ordered to appear at a hearing scheduled for January 30, 2008, and show cause, if any, why the Commission should not, in addition to a penalty pursuant to § 38.2-218 of the Code of Virginia, have their insurance agent licenses revoked pursuant to § 38.2-1831 of the Code. The hearing on the Rule was continued to March 4, 2008, by Hearing Examiner's Ruling dated January 11, 2008.

On February 26, 2008, counsel for the Bureau filed a Motion to Dismiss the above proceeding. In the Motion, the Bureau states that Defendant Jack T. Sampson has agreed to surrender his insurance agent licenses effective immediately and that Defendant AC&S Insurance Agency, Inc. has agreed to

be placed on probation for a period of two years from the date of any Final Order in return for a dismissal of the proceeding. The Bureau views the Defendants' offer as an acceptable resolution to the case and requests that the Commission place the agency on probation for a period of two years and dismiss the proceeding with prejudice.

In his Report entered on March 3, 2008, the Hearing Examiner granted the Bureau's Motion to Dismiss. He further recommended that the Commission enter an order accepting the Defendants' offer to settle this matter, and adopt the Bureau's recommendations.

THE COMMISSION, having considered the Hearing Examiner's Report, is of the opinion that the Defendants' offer to settle this matter should be accepted and this matter should be dismissed with prejudice.

THEREFORE, IT IS ORDERED THAT:

(1) The Defendants' offer to settle this matter is hereby ACCEPTED;

(2) The Defendant AC&S Insurance Agency, Inc. be placed on probation for a period of two years from the date of entry of this Order;

(3) The case is hereby DISMISSED with prejudice; and

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

CASE NO. INS-2007-00359
JANUARY 9, 2008

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

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances, has violated subsection 1 of § 38.2-502, §§ 38.2-503, 38.2-3407.4 A, 38.2-5803 A 1, 38.2-5803 A 2, and 38.2-5804 A of the Code of Virginia, as well as 14 VAC 5-40-40 F 1, 14 VAC 5-90-50 A, 14 VAC 5-90-55 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 B 1, 14 VAC 5-90-60 C 3, 14 VAC 5-90-100 A, 14 VAC 5-90-160, and 14 VAC 5-400-50 C.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of twelve thousand dollars ($12,000) and waived its right to a hearing.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2007-00369
FEBRUARY 7, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AIU INSURANCE COMPANY,
AMERICAN HOME ASSURANCE COMPANY,
AMERICAN INTERNATIONAL SOUTH INSURANCE COMPANY,
AIG CASUALTY COMPANY,
COMMERCE AND INDUSTRY INSURANCE COMPANY,
GRANITE STATE INSURANCE COMPANY,
THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA,
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA,
and
NEW HAMPSHIRE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendants, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1919 of the Code of Virginia by failing to adhere to the uniform plans, systems, and rules of its designated rate service organization in the recording of its experience and the reporting of such information to the rate service organization.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that the Defendants have 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 the Commonwealth of Virginia the sum of one hundred thousand dollars ($100,000), waived their right to a hearing, and agreed to comply with the Corrective Action Plan set forth in their letter to the Bureau dated January 31, 2008.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2007-00373
MARCH 21, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KALEEN A. COOPER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Maryland.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 February 12, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Maryland.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2007-00373
MARCH 26, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KALEEN A. COOPER,
Defendant

CORRECTING ORDER

In the Order Revoking License ("Order") entered herein March 21, 2008, in line 2 of ordering paragraph (4) set forth on page 2 of the Order, there is a reference to a period of "one (1) year" from the date of entry of the Order, wherein the Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia. The correct time period, however, should be "five (5) years."

THEREFORE, IT IS ORDERED THAT:

(1) The language in ordering paragraph (4), set forth on page 2 of the Order Revoking License entered on March 21, 2008, shall be deleted in its entirety, and the following language shall be inserted in its place and stead:

"The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to five (5) years from the date of this Order";

(2) All other provisions of the Order Revoking License entered March 21, 2008, shall remain in full force and effect.

CASE NO. INS-2007-00376
FEBRUARY 4, 2008

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

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-305 A, 38.2-502, 38.2-511, 38.2-1906 D, and 38.2-2208 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-60 B, and 14 VAC 5-400-70 A.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of twelve thousand dollars ($12,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan set forth in its letter to the Bureau dated October 30, 2007.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2007-00377
JANUARY 16, 2008

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

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-502, 38.2-1906 D, 38.2-2206, 38.2-2208, 38.2-2212, 38.2-2220, 38.2-2223, and 38.2-2234 of the Code of Virginia, as well as 14 VAC 5-400-40 A and 14 VAC 5-400-80 D.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of twenty-nine thousand dollars ($29,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan set forth in its letter to the Bureau dated October 29, 2007.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2007-00378
JANUARY 17, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GOVERNMENT EMPLOYEES INSURANCE COMPANY,
GEICO CASUALTY COMPANY,
GEICO GENERAL INSURANCE COMPANY,
and
GEICO INDEMNITY COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that the Defendants, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-604, 38.2-1906 D, 38.2-2212, 38.2-2220, 38.2-2223, and 38.2-2234 of the Code of Virginia, as well as 14 VAC 5-400-70 D and 14 VAC 5-400-80 D.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that the Defendants have 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 the Commonwealth of Virginia the sum of thirty-one thousand two hundred dollars ($31,200), waived their right to a hearing, agreed to comply with the Corrective Action Plan set forth in their letter to the Bureau dated October 3, 2007, and agreed to the entry by the Commission of a cease and desist order.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

(2) The Defendants cease and desist from any conduct which constitutes a violation of §§ 38.2-604, 38.2-1906 D, 38.2-2212, 38.2-2220, 38.2-2223 or 38.2-2234 of the Code of Virginia, or 14 VAC 5-400-70 D or 14 VAC 5-400-80 D; and

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

CASE NO. INS-2008-00001
FEBRUARY 7, 2008

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

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances, has violated § 38.2-3503.13 of the Code of Virginia by failing to refund unearned premiums to policyholders upon cancellation of insurance coverage.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of seven thousand five hundred dollars ($7,500), waived its right to a hearing, and agreed to reimburse the two hundred and sixty (260) affected policyholders all amounts due, with interest pursuant to § 38.2-3407.1, within sixty (60) days from the date of entry of this Order. Additionally, the Defendants will provide the Bureau of Insurance with written confirmation upon completion of the reimbursement of funds, along with the amounts reimbursed, to the affected policyholders.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2008-00002
JANUARY 14, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Long-Term Care Insurance

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia 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 of Virginia provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code of Virginia.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code of Virginia are set forth in Title 14 of the Virginia Administrative Code.

The Bureau of Insurance ("Bureau") has submitted to the Commission proposed amendments to Chapter 200 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Long-Term Care Insurance," which amend the Rules at 14 VAC 5-200-185.

The proposed amendments to the Rules are necessary to correct errors in subsection E making reference to subdivisions in subsection D.

The Commission is of the opinion that the proposed amendments to 14 VAC 5-200-185 should be considered for adoption.

THEREFORE, IT IS ORDERED THAT:

(1) The proposed amendments to the "Rules Governing Long-Term Care Insurance," which amend the Rules at 14 VAC 5-200-185, be 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 oppose the adoption of the proposed amendments shall file such comments or hearing request on or before February 29, 2008, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS-2008-00002. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

(3) If no written request for a hearing on the proposed amendments is filed on or before February 1, 2007, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposed amendments, may adopt the amendments proposed by the Bureau of Insurance.

(4) AN ATTESTED COPY hereof, together with a copy of the proposed amendments, shall be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Jacqueline K. Cunningham, who forthwith shall give further notice of the proposed adoption of the amendments by mailing a copy of this Order, together with the proposed amendments, to all insurers licensed by the Commission to write accident and sickness insurance in the Commonwealth of Virginia, including all fraternal benefit societies, health maintenance organizations, and health services plans licensed in Virginia, as well as all interested parties.

(5) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, together with the proposed amendments, 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 amendments on the Commission's website, http://www.state.va.us/scc/caseinfo.htm.

(7) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (4) above.

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

CASE NO. INS-2008-00002
JANUARY 15, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Long-Term Care Insurance

CORRECTING ORDER

In an Order to Take Notice ("Order") entered herein January 14, 2008, in line 2 of ordering paragraph (3) set forth on page 2 of the Order, there is a reference to "February 1, 2007." The correct reference, however, should be "February 29, 2008."

IT IS THEREFORE ORDERED THAT:

(1) The reference in line 2 of ordering paragraph (3) set forth on page 2 of the Order, entered January 14, 2008, shall be corrected to read "February 29, 2008."

(2) All other provisions of the Order to Take Notice entered January 14, 2008, shall remain in full force and effect; and

(3) AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Jacqueline K. Cunningham; and to all insurers licensed by the State Corporation Commission to write accident and sickness insurance in the Commonwealth of Virginia, including all fraternal benefit societies, health maintenance organizations, and health services plans licensed by Virginia, as well as all interested parties.

CASE NO. INS-2008-00002
MARCH 5, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Long-Term Care Insurance

ORDER ADOPTING REVISIONS TO RULES

By order entered herein January 14, 2008, all interested persons were ordered to take notice that subsequent to February 29, 2008, the State Corporation Commission ("Commission") would consider the entry of an Order adopting revisions proposed by the Bureau of Insurance ("Bureau") to the Commission's Rules Governing Long-Term Care Insurance ("Rules"), set forth in Chapter 200, Section 185 of Title 14 of the Virginia Administrative Code, unless on or before February 29, 2008, any person objecting to the adoption of the proposed revisions filed a request for hearing with the Clerk of the Commission ("Clerk").

The Order to Take Notice also required all interested persons to file their comments in support of or in opposition to the proposed revisions on or before February 29, 2008.

One comment was timely filed, but the comment did not address the proposed revisions. There was no request for a hearing filed with the Clerk.

The Bureau does not recommend further changes to the proposed revisions, which amended the Rules at 14 VAC 5-200-185, and further recommends that the revised Rules be adopted as proposed.

THE COMMISSION has considered the proposed revisions and is of the opinion that the attached revisions to the Rules should be adopted.

THEREFORE IT IS ORDERED THAT:

(1) The revised Rules entitled "Rules Governing Long-Term Care Insurance," at 14 VAC 5-200-185, which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective April 1, 2008.

(2) AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to Jacqueline K. Cunningham, Deputy Commissioner, Bureau of Insurance, State Corporation Commission who forthwith shall give further notice of the adoption of the revisions to the Rules by mailing la copy of this Order, including a clean copy of the attached final revised Rules, to all insurers licensed by the Commission to write accident and sickness insurance in the Commonwealth of Virginia, including all fraternal benefit societies, health maintenance organizations, and health services plans licensed in Virginia, and certain interested parties designated by the Bureau of Insurance.

(3) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, including a copy of the attached revised Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations and shall make this Order and the attached revisions to the Rules available on the Commission's website, http://www.scc.virginia.gov/case.

(4) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements in paragraph (2) of this Order.

CASE NO. INS-2008-00003
JANUARY 15, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DAVID THOMASON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days administrative actions that were taken against him by the states of Utah, South Dakota, and Wisconsin.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 29, 2007, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days administrative actions that were taken against him by the states of Utah, South Dakota, and Wisconsin.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00009
APRIL 2, 2008

PETITION OF
HUBBARD LEASING SERVICES, LLC

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

ORDER

On January 14, 2008, Hubbard Leasing Services, LLC ("Hubbard Leasing"), by counsel, filed with the Clerk of the State Corporation Commission ("Commission") a Petition for review of a decision by the National Council on Compensation Insurance ("NCCI") pursuant to § 38.2-2018 of the Code of Virginia.[1] Section 38.2-2018 allows any person adversely affected by the application of a rate service organization's or insurer's rating system to appeal such action to the Commission.

By Order dated February 4, 2008, the Commission docketed the Petition, assigned the matter to a Hearing Examiner for further proceedings, and established a procedural schedule which scheduled the hearing for March 20, 2008.

[1]On January 23, 2008, the Petitioner filed with the Clerk of the Commission an Amended Petition for Review.

On March 19, 2008, the Bureau of Insurance ("Bureau") filed a Motion to Cancel Hearing ("Motion"). In support of its Motion, counsel for the Bureau stated that: (1) he was contacted on March 19, 2008, one day prior to the scheduled evidentiary hearing, by an employee of the law firm representing the Petitioner and advised that the Petitioner had elected to withdraw its Petition; and (2) he was further advised that counsel for the Petitioner was in the process of filing a withdrawal motion; however, due to time constraints, the motion might not be filed timely in order to avoid the hearing scheduled for the following day. Counsel for the Bureau further stated that he had been in contact with counsel for NCCI and advised that one of NCCI's witnesses would be traveling from Florida on March 19, 2008, to attend the hearing.

By Hearing Examiner's Ruling entered on March 19, 2008, the evidentiary hearing scheduled for March 20, 2008, was cancelled and the matter was continued pending receipt of the Petitioner's Motion to Withdraw Appeal.

On March 20, 2008, the Petitioner filed a Motion to Withdraw Appeal. In support, the Petitioner stated that: (1) its only witness was unable to attend the scheduled hearing because of serious family medical concerns; (2) it therefore had no evidence to present at the hearing; and (3) the Commission denied its request for a continuance.[2]

On March 24, 2008, the Hearing Examiner issued his Report. In his Report, the Hearing Examiner granted the Petitioner's Motion to Withdraw Appeal and recommended that the Petition be dismissed with prejudice.

Accordingly, IT IS ORDERED THAT:

(1) The Petition of Hubbard Leasing Services, LLC, for review of a decision by the National Council on Compensation Insurance pursuant to § 38.2-2018 of the Code of Virginia be, and the same is hereby, DISMISSED with prejudice;

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

[2] The Petitioner did not file a motion for extension of time in this matter.

CASE NO. INS-2008-00012
JANUARY 29, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CREATIVE TITLE, LLC,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated December 4, 2007, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00013
JANUARY 29, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PAUL R. WOSNIG,
Defendant

ORDER REVOKING LICENSE

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

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 3, 2007, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

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

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00014
FEBRUARY 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TRACEE N. LONG,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1809 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 October 24, 2007, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1809 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00015
FEBRUARY 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GLENDA R. WILLIAMS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of Maine.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 January 2, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of Maine.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00015
FEBRUARY 26, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GLENDA R. WILLIAMS,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein February 1, 2008, is hereby vacated.

CASE NO. INS-2008-00016
FEBRUARY 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JAMES JOSEPH LOMBARDO, JR.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of California.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 January 2, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of California.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00017
FEBRUARY 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KRISTINA PATRICIA JOHNSON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of New York.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 January 2, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of New York.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00018
FEBRUARY 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DONALD ALAN MILLER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of New York.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 January 2, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of New York.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00018
FEBRUARY 14, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DONALD ALAN MILLER,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein February 1, 2008, is hereby vacated.

CASE NO. INS-2008-00022
FEBRUARY 14, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FLYING J INSURANCE SERVICES, INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-512, 38.2-1812, 38.2-1821.1, and 38.2-1822 of the Code of Virginia.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of ten thousand dollars ($10,000) and waived its right to a hearing.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2008-00024
MARCH 6, 2008

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

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-2223 of the Code of Virginia by using automobile policy forms that were not filed and approved by the Bureau prior to use.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of fifteen thousand dollars ($15,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan set forth in its letter to the Bureau dated November 15, 2007.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2008-00027
FEBRUARY 14, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MIKE PADILLA,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Connecticut.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 January 15, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Connecticut.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00031
MARCH 6, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ABC TITLE & ESCROW, LLC,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 6.1-2.23 and 38.2-1809 of the Code of Virginia by failing to disburse funds in accordance with § 6.1-2.13 of the Code of Virginia, and by failing to make records available promptly upon request for examination by the Commission or its employees.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated January 29, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated §§ 6.1-2.23 and 38.2-1809 of the Code of Virginia by failing to disburse funds in accordance with § 6.1-2.13 of the Code of Virginia, and by failing to make records available promptly upon request for examination by the Commission or its employees.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00032
MARCH 26, 2008

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Ohio.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 January 23, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Ohio.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00033
MARCH 6, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DENNIS M. MURPHY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Wisconsin.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 January 23, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Wisconsin.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00039
MARCH 7, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WASHINGTON TITLE, LLC,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 6.1-2.21 and 38.2-1809 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account, and by failing to make records available promptly upon request for examination by the Commission or its employees.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated January 17, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated §§ 6.1-2.21 and 38.2-1809 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account, and by failing to make records available promptly upon request for examination by the Commission or its employees.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00040
MAY 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIRST MARYLAND TITLE & ESCROW SERVICES, LLC,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 6.1-2.21 of the Code of Virginia, as well as 14 VAC 5-395-50, by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated March 31, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 6.1-2.21 of the Code of Virginia and 14 VAC 5-395-50 by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00041
MAY 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
OLYMPIC TITLE & ESCROW, INC.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 6.1-2.21 of the Code of Virginia, as well as 14 VAC 5-395-50, by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated March 31, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 6.1-2.21 of the Code of Virginia and 14 VAC 5-395-50 by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00043
MAY 22, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NELLIE WILLIAMS,
Defendant

JUDGMENT ORDER

On March 26, 2008, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") in which the Defendant was given the opportunity to appear in the Commission's Courtroom on May 7, 2008, and show cause, if any, why she should not, in addition to a penalty under § 38.2-218 of the Code of Virginia, have her insurance agent license revoked. The Rule is based on allegations by the Bureau of Insurance ("Bureau") that the Defendant violated §§ 38.2-1826 and 38.2-1831 1 of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of Georgia, and by providing materially incorrect, misleading, incomplete or untrue information in her license application filed with the Commission.

On May 7, 2008, a hearing was conducted in which the Bureau of Insurance appeared represented by counsel, and the Defendant failed to appear. At the conclusion of the hearing, the Hearing Examiner issued his Report, in which he made the following findings and recommendations:

(1) The Defendant was properly served;

(2) The Defendant failed to appear and is in default;

(3) Based upon the evidence presented, the Defendant is in violation of §§ 38.2-1826 and 38.2-1831 of the Code of Virginia; and

(4) The Defendant should be fined in the amount of five thousand dollars ($5,000) and her license to sell insurance in the Commonwealth of Virginia should be revoked for a period of five (5) years.

Upon consideration of the record herein and the Report of the Hearing Examiner, the Commission is of the opinion, and so finds, that the findings and recommendations of the Hearing Examiner should be adopted.

THEREFORE IT IS ORDERED THAT:

(1) The Defendant is hereby fined in the amount of five thousand dollars ($5,000) for her violations of §§ 38.2-1826 and 38.2-1831 1 of the Code of Virginia;

(2) The license of the Defendant to transact the business of insurance as an agent in the Commonwealth of Virginia is hereby REVOKED for a period of five (5) years from the date of this Order;

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

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

CASE NO. INS-2008-00048
MARCH 31, 2008

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

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-2204 and 38.2-2220 of the Code of Virginia by using policy forms which did not contain the precise language of the automobile standard forms filed and adopted by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of six thousand dollars ($6,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan set forth in its letter to the Bureau dated February 19, 2008.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2008-00049
APRIL 9, 2008

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

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, has violated §§ 38.2-316 B, 38.2-316 C 1, subsection 1 of § 38.2-502, 38.2-503, 38.2-510 A 14, 38.2-510 A 15, 38.2-1812 A, 38.2-1833 A 1, 38.2-3405 A, 38.2-3407.4 A, 38.2-3407.15 B 1, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 8, 38.2-3407.15 B 9, 38.2-3407.15 B 10, 38.2-3407.15 B 11, 38.2-3431 C 3, 38.2-3431 C 6, 38.2-5805 C, 38.2-5805 C 1, 38.2-5805 C 6, 38.2-5805 C 8 and 38.2-5805 C 10 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-210-70 B 2, 14 VAC 5-211-80 B, and 14 VAC 5-211-90 B.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of thirty-six thousand dollars ($36,000), waived its right to a hearing, and agreed to the entry by the Commission of a cease and desist order.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

(2) The Defendant cease and desist from any future conduct which constitutes a violation of §§ 38.2-316 B, 38.2-316 C 1, subsection 1 of § 38.2-502, 38.2-503, 38.2-510 A 14, 38.2-510 A 15, 38.2-1812 A, 38.2-1833 A 1, 38.2-3405 A, 38.2-3407.4 A, 38.2-3407.15 B 1, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 8, 38.2-3407.15 B 9, 38.2-3407.15 B 10, 38.2-3407.15 B 11, 38.2-3431 C 3, 38.2-3431 C 6, 38.2-5805 C, 38.2-5805 C 1, 38.2-5805 C 6, 38.2-5805 C 8 or 38.2-5805 C 10 of the Code of Virginia, or 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-210-70 B 2, 14 VAC 5-211-80 B, or 14 VAC 5-211-90 B as documented in the market conduct examination report; and

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

CASE NO. INS-2008-00055
APRIL 9, 2008

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

SETTLEMENT ORDER

Based on an inquiry performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of a health maintenance organization in the Commonwealth of Virginia, in a certain instance, has violated 14 VAC 5-234-40 C by failing to file timely with the Commission the Defendant's Primary Small Employer New Business Report.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of five thousand dollars ($5,000) and waived its right to a hearing.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2008-00056
APRIL 9, 2008

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

SETTLEMENT ORDER

Based on an inquiry performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, has violated 14 VAC 5-234-40 C by failing to file timely with the Commission the Defendant's Primary Small Employer New Business Report.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of five thousand dollars ($5,000) and waived its right to a hearing.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2008-00057
APRIL 9, 2008

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

SETTLEMENT ORDER

Based on an inquiry performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of a health maintenance organization in the Commonwealth of Virginia, in a certain instance, has violated 14 VAC 5-234-40 C by failing to file timely with the Commission the Defendant's Primary Small Employer New Business Report.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of five thousand dollars ($5,000) and waived its right to a hearing.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2008-00059
MARCH 19, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SATMA WATI LAL,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C and subsection I of § 38.2-1831 of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of New York, and by providing materially incorrect, misleading, incomplete or untrue information in her license application filed with the Commission.

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

The Defendant has been notified of her right to a hearing before the Commission in this matter by certified letter dated November 29, 2007, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C and subsection 1 of § 38.2-1831 of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of New York, and by providing materially incorrect, misleading, incomplete or untrue information in her license application filed with the Commission.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00059
APRIL 9, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

SATMA WATI LAL,
Defendant

ORDER GRANTING RECONSIDERATION

On March 19, 2008, the State Corporation Commission ("Commission") issued an Order Revoking License in this docket. On April 8, 2008, the Defendant filed a Petition for Reconsideration ("Petition").

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

Accordingly, IT IS HEREBY ORDERED THAT:

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

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

CASE NO. INS-2008-00059
APRIL 28, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SATMA WATI LAL,
Defendant

ORDER ON RECONSIDERATION

By Order Revoking License entered on March 19, 2008, the State Corporation Commission ("Commission") ordered, among other things, the revocation of the license of Satma Wati Lal ("Defendant") to transact the business of insurance in the Commonwealth of Virginia.

On April 8, 2008, the Defendant, pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure filed a Petition for Rehearing or Reconsideration ("Petition"), requesting the Commission rehear or reconsider its March 19, 2008 Order. By Order entered on April 9, 2008, the Commission granted the Petition for the purpose of continuing our jurisdiction over this matter and considering the Petition.

NOW THE COMMISSION, upon further reconsideration of this matter, denies the Defendant's Petition.

Accordingly, IT IS ORDERED THAT:

(1) The Defendant's Petition for Rehearing or Reconsideration is DENIED;

(2) The Order of March 19, 2008, is reinstated, effective as of the date of this Order; and

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

CASE NO. INS-2008-00060
MARCH 26, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TYESSE MARIE KING,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C and subsection 1 of

§ 38.2-1831 of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of Washington, and by providing materially incorrect, misleading, incomplete or untrue information in her license application filed with the Commission.

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

The Defendant has been notified of her right to a hearing before the Commission in this matter by certified letter dated February 15, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C and subsection 1 of § 38.2-1831 of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of Washington, and by providing materially incorrect, misleading, incomplete or untrue information in her license application filed with the Commission.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00062
MARCH 31, 2008

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

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-2220 of the Code of Virginia by using policy forms which did not contain the precise language of the automobile standard forms filed and adopted by the Commission**.**

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of ten thousand dollars ($10,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan set forth in its letter to the Bureau dated February 29, 2008.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2008-00063
MAY 28, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED HEALTHCARE OF THE MID-ATLANTIC, INC.,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, has violated §§ 38.2-316 A, 38.2-316 C, 38.2-510 A 1, 38.2-510 A 3, 38.2-510 A 6, 38.2-510 A 15, 38.2-512 A, 38.2-1833 A 1, 38.2-3405 A, 38.2-3407.4 A, 38.2-3407.14 B, 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 5, 38.2-3407.15 B 6, 38.2-3407.15 B 7, 38.2-3407.15 B 8, 38.2-3407.15 B 9, 38.2-3407.15 B 10, 38.2-4306.1 B, and 38.2-5802 C of the Code of Virginia, as well as 14 VAC 5-211-60 A.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of sixty-four thousand dollars ($64,000), waived its right to a hearing, agreed to the entry by the Commission of a cease and desist order, and agreed to comply with the Corrective Action Plan contained in the Market Conduct Examination Report as of March 31, 2006.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

(2) The Defendant cease and desist from any future conduct which constitutes a violation of §§ 38.2-316 A, 38.2-316 C, 38.2-510 A 1, 38.2-510 A 3, 38.2-510 A 6, 38.2-510 A 15, 38.2-512 A, 38.2-1833 A 1, 38.2-3405 A, 38.2-3407.4 A, 38.2-3407.14 B, 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 5, 38.2-3407.15 B 6, 38.2-3407.15 B 7, 38.2-3407.15 B 8, 38.2-3407.15 B 9, 38.2-3407.15 B 10, 38.2-4306.1 B or 38.2-5802 C of the Code of Virginia or 14 VAC 5-211-60 A as described in the Market Conduct Examination Report; and

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

CASE NO. INS-2008-00064
APRIL 15, 2008

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

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, has violated §§ 38.2-502, 38.2-503, 38.2-510 A 1, 38.2-510 A 4, 38.2-510 A 6, 38.2-510 A 14, 38.2-510 A 15, 38.2-3407.4 A, 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 5, 38.2-3407.15 B 6, 38.2-3407.15 B 7, 38.2-3407.15 B 8, 38.2-3407.15 B 9,

38.2-3407.15 B 10, 38.2-3407.15 B 11, 38.2-4301 B 9, 38.2-4306.1 B, 38.2-5802 A, 38.2-5802 D, 38.2-5803 A 1, and 38.2-5803 A 2 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, 14 VAC 5-90-55 B, and 14 VAC 5-90-60 A 1.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of thirty-eight thousand dollars ($38,000), waived its right to a hearing, and agreed to the entry by the Commission of a cease and desist order for future conduct which constitutes a violation of §§ 38.2-502, 38.2-503, 38.2-510 A 4, 38.2-510 A 6, 38.2-510 A 14, 38.2-510 A 15, 38.2-3407.4 A, 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 6, or 38.2-4306.1 B of the Code of Virginia, or 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, or 14 VAC 5-90-60 A 1, as outlined in the market conduct examination report.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

(2) The Defendant cease and desist from any future conduct which constitutes a violation of §§ 38.2-502, 38.2-503, 38.2-510 A 4, 38.2-510 A 6, 38.2-510 A 14, 38.2-510 A 15, 38.2-3407.4 A, 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 6, or 38.2-4306.1 B of the Code of Virginia, or 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, or 14 VAC 5-90-60 A 1; and

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

CASE NO. INS-2008-00064
APRIL 23, 2008

At the relation of the
STATE CORPORATION COMMISSION
v.
DOMINION DENTAL SERVICES, INC.,
Defendant

CORRECTING ORDER

In the Settlement Order entered herein April 15, 2008 paragraph 3, set forth on pages 1 and 2 of the order, reads in part: "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 the Commonwealth of Virginia the sum of thirty-eight thousand dollars ($38,000), waived its right to a hearing…." The following language, however, inadvertently was not included in the paragraph: "agreed to comply with the Corrective Action Plan contained in the market conduct examination report."

Additionally, paragraph 3, set forth on pages 1 and 2 of the order, reads in part: "…as outlined in the market conduct examination report." The correct language, however, should read "…with respect to the matters cited in the market conduct examination report." This language should also be inserted in ordering paragraph (2), set forth on page 2.

THEREFORE, IT IS ORDERED THAT:

(1) The language in paragraph 3, set forth on pages 1 and 2 of the Settlement Order entered on April 15, 2008, shall be deleted in its entirety, and the following language shall be inserted in its place and stead:

> "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 the Commonwealth of Virginia the sum of thirty-eight thousand dollars ($38,000), waived its right to a hearing, agreed to comply with the Corrective Action Plan contained in the market conduct examination report, and agreed to the entry by the Commission of a cease and desist order for future conduct which constitutes a violation of §§ 38.2-502, 38.2-503, 38.2-510 A 4, 38.2-510 A 6, 38.2-510 A 14, 38.2-510 A 15, 38.2-3407.4 A, 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 6, or 38.2-4306.1 B of the Code of Virginia, or 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, or 14 VAC 5-90-60 A 1, with respect to the matters cited in the market conduct examination report.";

(2) The language in ordering paragraph (2), set forth on page 2 of the Settlement Order entered on April 15, 2008, shall be deleted in its entirety, and the following language shall be inserted in its place and stead:

> "The Defendant cease and desist from any future conduct which constitutes a violation of §§ 38.2-502, 38.2-503, 38.2-510 A 4, 38.2-510 A 6, 38.2-510 A 14, 38.2-510 A 15, 38.2-3407.4 A, 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 6, or

38.2-4306.1 B of the Code of Virginia, or 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, or 14 VAC 5-90-60 A 1, with respect to the matters cited in the market conduct examination report"; and

(3) All other provisions of the Settlement Order entered April 15, 2008, shall remain in full force and effect.

CASE NO. INS-2008-00067
MARCH 21, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BENSON SETTLEMENT COMPANY, LLC,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 6.1-2.21 and 38.2-1809 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account, and by failing to make records available promptly upon request for examination by the Commission or its employees.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated February 7, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated §§ 6.1-2.21 and 38.2-1809 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account, and by failing to make records available promptly upon request for examination by the Commission or its employees.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00068
MARCH 21, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FAST TRACK NATIONAL TITLE AGENCY, LLC,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 6.1-2.21 and 38.2-1809 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account, and by failing to make records available promptly upon request for examination by the Commission or its employees.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated February 20, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated §§ 6.1-2.21 and 38.2-1809 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account, and by failing to make records available promptly upon request for examination by the Commission or its employees.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00069
APRIL 9, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GROUP HOSPITALIZATION AND MEDICAL SERVICES, INC.,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Maryland Insurance Administration and provided to the Bureau of Insurance ("Bureau") as agreed to by the Defendant, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances, has violated §§ 38.2-510 A 5, 38.2-510 A 6, and 38.2-3407.1 B of the Code

of Virginia by failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed, by failing to make prompt, fair and equitable settlements of claims in which liability has become reasonably clear, and by failing to pay interest at the legal rate of interest from the date of fifteen (15) working days from the Defendant's receipt of proof of loss to the date that the claim was paid.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of ten thousand dollars ($10,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan provided to the Bureau on February 26, 2008, which is attached and made a part of this Order.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

(2) The Defendant shall comply with the attached Corrective Action Plan by December 31, 2008, and shall document such compliance to the Bureau. Compliance may be verified by the Bureau; and

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

CASE NO. INS-2008-00070
APRIL 9, 2008

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

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Maryland Insurance Administration and provided to the Bureau of Insurance ("Bureau") as agreed to by the Defendant, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, has violated §§ 38.2-510 A 5, 38.2-510 A 6, 38.2-4306.1 B, and 38.2-4312.3 B of the Code of Virginia, as well as, 14 VAC 5-211-160 A 5.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of five thousand dollars ($5,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan provided to the Bureau on February 26, 2008, which is attached and made a part of this Order.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

(2) The Defendant shall comply with the attached Corrective Action Plan by December 31, 2008, and shall document such compliance to the Bureau. Compliance may be verified by the Bureau; and

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

CASE NO. INS-2008-00071
MARCH 26, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CHELSEA JO LABARR,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of Arizona.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 February 19, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of Arizona.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00073
MARCH 26, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERIN GUARANTY CORPORATION,
Defendant

IMPAIRMENT ORDER

Amerin Guaranty Corporation ("Defendant"), a foreign corporation domiciled in the State of Illinois and licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $ 1,000,000 and minimum surplus of $3,000,000.

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

The Annual Financial Statement of the Defendant, dated December 31, 2007, and filed with the Commission's Bureau of Insurance, indicates capital of $5,307,456 and surplus of negative $16,679,037.

THEREFORE, IT IS ORDERED THAT, on or before June 23, 2008, the Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer.

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

CASE NO. INS-2008-00073
AUGUST 27, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERIN GUARANTY CORPORATION,
Defendant

FINAL ORDER

Amerin Guaranty Corporation ("Defendant"), a foreign corporation domiciled in the State of Illinois, was initially licensed to transact the business of insurance in the Commonwealth of Virginia on April 14, 1978.

By impairment order entered herein March 26, 2008, the Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer on or before June 23, 2008.

The Defendant was also ordered not to issue any new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of the Defendant's surplus exists and until further order of the Commission.

By affidavit of the Defendant's Vice President dated April 28, 2008, and filed with the Clerk of the Commission on April 29, 2008, the Commission was advised that, as of March 31, 2008, the Defendant has eliminated the impairment in its surplus as reported in its Quarterly Statement dated March 31, 2008.

In light of the foregoing the Bureau has recommended that the Impairment Order entered by the Commission be vacated and this case be closed.

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

IT IS THEREFORE ORDERED THAT:

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

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

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

CASE NO. INS-2008-00074
MARCH 26, 2008

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

IMPAIRMENT ORDER

Medical Savings Insurance Company ("Defendant"), a foreign corporation domiciled in the State of Indiana and licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000.

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

The Annual Financial Statement of the Defendant, dated December 31, 2007, and filed with the Commission's Bureau of Insurance, indicates capital of $2,584,350 and surplus of $1,710,723.

THEREFORE, IT IS ORDERED THAT, on or before June 23, 2008, the Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer.

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

CASE NO. INS-2008-00074
JULY 23, 2008

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

ORDER TO TAKE NOTICE

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

Medical Savings Insurance Company, a foreign corporation domiciled in the State of Indiana ("Defendant"), is licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia.

By order entered herein March 26, 2008, the Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer on or before June 23, 2008.

As of the date of this Order, the Defendant has failed to file an affidavit with the Commission which states that it has eliminated the impairment in its surplus.

In addition, the Defendant's March 31, 2008, Quarterly Statement reflects an impairment in surplus of $351,540 (the $2,648,460 in surplus reported on the March 31, 2008 Quarterly Statement minus the $3,000,000 Virginia surplus requirement).

THEREFORE, IT IS ORDERED THAT the Defendant TAKE NOTICE that the Commission shall enter an order subsequent to July 28, 2008, suspending the license of the Defendant to transact new insurance business in the Commonwealth of Virginia unless on or before July 28, 2008, the Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of the Defendant's license.

CASE NO. INS-2008-00074
AUGUST 11, 2008

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

ORDER SUSPENDING LICENSE

In an Order entered herein July 23, 2008, Medical Savings Insurance Company, an Indiana corporation ("Defendant") licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, was ordered to take notice that the Commission would enter an Order subsequent to July 28, 2008, suspending the license of the Defendant to transact new business unless on or before July 28, 2008, the Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of the Defendant's license.

The Order to take Notice was entered due to the Defendant's failure to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer on or before June 23, 2008.

The Defendant's March 31, 2008, Quarterly Statement reflects an impairment in surplus of $351,540 (the $2,648,460 in surplus reported on the March 31, 2008 Quarterly Statement minus the $3,000,000 Virginia surplus requirement).

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.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia, the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia is hereby SUSPENDED;

(2) The Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

(3) The appointments of the Defendant's agents to act on behalf of the Defendant in the Commonwealth of Virginia are hereby SUSPENDED;

(4) The Defendant's agents shall transact no new insurance business on behalf of the Defendant in the Commonwealth of Virginia until further order of the Commission;

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

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

CASE NO. INS-2008-00076
APRIL 30, 2008

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

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances, has violated §§ 38.2-316 B, 38.2-316 C 1, 38.2-514 B, 38.2-604 B 4, 38.2-1812 A, 38.2-1822 A, 38.2-1834 D, and 38.2-3407.1 B of the Code of Virginia, as well as 14 VAC 5-400-50 A, 14 VAC 5-400-60 A, 14 VAC 5-400-70 B, and 14 VAC 5-400-70 D.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of twelve thousand dollars ($12,000), waived its right to a hearing, agreed to the entry by the Commission of a cease and desist order, and agreed to comply with the Corrective Action Plan contained in the Market Conduct Examination Report as of December 31, 2006.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

(2) The Defendant cease and desist from any future conduct which constitutes a violation of §§ 38.2-316 B, 38.2-316 C 1, 38.2-514 B, 38.2-604 B 4, 38.2-1812 A, 38.2-1822 A, 38.2-1834 D or 38.2-3407.1 B of the Code of Virginia or 14 VAC 5-400-50 A, 14 VAC 5-400-60 A, 14 VAC 5-400-70 B or 14 VAC 5-400-70 D as described in the Market Conduct Examination Report; and

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

CASE NO. INS-2008-00078
APRIL 28, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ABSOLUTE TITLE COMPANY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated January 4, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00078
MAY 16, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ABSOLUTE TITLE COMPANY,
Defendant

ORDER GRANTING RECONSIDERATION

On April 28, 2008, the State Corporation Commission ("Commission") issued an Order Revoking License in this docket. On May 15, 2008, the Defendant filed a Petition for Reconsideration ("Petition").

THE COMMISSION, upon consideration of this matter, grants reconsideration for the purpose of continuing our jurisdiction over this matter and considering the above-referenced Petition.

Accordingly, IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2008-00078
JUNE 9, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ABSOLUTE TITLE COMPANY,
Defendant

VACATING ORDER

On April 18, 2008, the State Corporation Commission ("Commission") entered an Order Revoking License against the Defendant for its alleged violation of § 6.1-2.21 of the Code of Virginia. On May 15, 2008, the Defendant filed a Petition for Reconsideration ("Petition"). On May 16, 2008, the Commission entered an Order Granting Reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition filed by the Defendant.

The Bureau of Insurance has notified the Commission that the Defendant is now in compliance with § 6.1-2.21 of the Code of Virginia, and has recommended that the Order Revoking License be vacated and the Defendant's license be reinstated.

THE COMMISSION, having considered the record herein and the recommendation of the Bureau, is of the opinion that the Order Revoking License should be vacated and the Defendant's license be reinstated.

IT IS THEREFORE ORDERED THAT:

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

(2) The Defendant's license is hereby REINSTATED; and

(3) This matter is continued.

CASE NO. INS-2008-00079
APRIL 28, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WELLINGTON TITLE SERVICES, LLC,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 6.1-2.21 and 38.2-1809 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account, and by failing to make records available promptly upon request for examination by the Commission or its employees.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letters dated January 4, 2008, and January 28, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated §§ 6.1-2.21 and 38.2-1809 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account, and by failing to make records available promptly upon request for examination by the Commission or its employees.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00080
MAY 30, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MONTEL DEWAYNE CONNER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1819 and subsection 1 of § 38.2-1831 of the Code of Virginia by failing to make a written application to the Commission in the form and containing the information the Commission prescribes, and by providing materially incorrect, misleading, incomplete or untrue information in his license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 April 29, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1819 and subsection 1 of § 38.2-1831 of the Code of Virginia by failing to make a written application to the Commission in the form and containing the information the Commission prescribes, and by providing materially incorrect, misleading, incomplete or untrue information in his license application filed with the Commission.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00083
APRIL 17, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Health Maintenance Organizations

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia 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 of Virginia provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code of Virginia.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code of Virginia are set forth in Title 14 of the Virginia Administrative Code.

The Bureau of Insurance ("Bureau") has submitted to the Commission proposed amendments to Chapter 211 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Health Maintenance Organizations" ("Rules"), which amend the Rules at 14 VAC 5-211-50, 14 VAC 5-211-90 and 14 VAC 5-211-100.

The proposed amendments to the Rules are necessary in Section 50 to correct an error in a cited section of the Code of Virginia, and required in Sections 90 and 100 to comply with amendments to Code of Virginia § 38.2-4303 passed by the 2008 General Assembly with regard to deductibles and copayments.

The Commission is of the opinion that the proposed amendments to 14 VAC 5-211-50, 14 VAC 5-211-90 and 14 VAC 5-211-100 should be considered for adoption.

THEREFORE, IT IS ORDERED THAT:

(1) The proposed amendments to the "Rules Governing Health Maintenance Organizations," which amend the Rules at 14 VAC 5-211-50, 14 VAC 5-211-90 and 14 VAC 5-211-100, be 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 oppose the adoption of the proposed amendments shall file such comments or hearing request on or before May 30, 2008, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS-2008-00083. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

(3) If no written request for a hearing on the proposed amendments is filed on or before May 30, 2008, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposed amendments, may adopt the amendments proposed by the Bureau of Insurance.

(4) AN ATTESTED COPY hereof, together with a copy of the proposed amendments, shall be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Jacqueline K. Cunningham, who forthwith shall give further notice of the proposed adoption of the amendments by mailing a copy of this Order, together with the proposed amendments, to all insurers licensed by the Commission as health maintenance organizations in the Commonwealth of Virginia, as well as all interested parties.

(5) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, together with the proposed amendments, 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 amendments on the Commission's website, http://www.scc.virginia.gov/case.

(7) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (4) above.

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

CASE NO. INS-2008-00083
JUNE 10, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Health Maintenance Organizations

ORDER ADOPTING REVISIONS TO RULES

By Order entered herein April 17, 2008, all interested persons were ordered to take notice that subsequent to May 30, 2008, the State Corporation Commission ("Commission") would consider the entry of an Order adopting revisions proposed by the Bureau of Insurance ("Bureau") to the Commission's Rules Governing Health Maintenance Organizations ("Rules"), set forth in Chapter 211, Sections 50, 90, and 100 of Title 14 of the Virginia Administrative Code, unless on or before May 30, 2008, any person objecting to the adoption of the proposed revisions filed a request for hearing with the Clerk of the Commission ("Clerk").

The Order to Take Notice also required all interested persons to file their comments in support of or in opposition to the proposed revisions on or before May 30, 2008.

There were no comments filed. There was no request for a hearing filed with the Clerk.

The Bureau does not recommend further changes to the proposed revisions, which amended the Rules at 14 VAC 5-211-50, 14 VAC 5-211-90, and 14 VAC 5-211-100, and further recommends that the revised Rules be adopted as proposed.

THE COMMISSION has considered the proposed revisions and is of the opinion that the attached revisions to the Rules should be adopted.

THEREFORE IT IS ORDERED THAT:

(1) The revised Rules entitled "Rules Governing Health Maintenance Organizations," at 14 VAC 5-211-50, 14 VAC 5-211-90, and 14 VAC 5-211-100, which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective July 1, 2008.

(2) AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to Jacqueline K. Cunningham, Deputy Commissioner, Bureau of Insurance, State Corporation Commission who forthwith shall give further notice of the adoption of the revisions to the Rules by mailing a copy of this Order, including a clean copy of the attached final revised Rules, to all insurers licensed by the Commission as a health maintenance organization in the Commonwealth of Virginia, as well as all interested parties.

(3) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, including a copy of the attached revised Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations and shall make this Order and the attached revisions to the Rules available on the Commission's website, http://www.scc.virginia.gov/case.

(4) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements in Ordering Paragraph (2) of this Order.

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

CASE NO. INS-2008-00086
MAY 7, 2008

CONSECO SENIOR HEALTH INSURANCE COMPANY
and
BANKERS LIFE & CASUALTY COMPANY

Ex Parte: In the matter of Approval of a Multi-State Regulatory Settlement Agreement between Conseco Senior Health Insurance Company and Bankers Life & Casualty Company, and the Florida Office of Insurance Regulation, the Illinois Division of Insurance, the Indiana Department of Insurance, the Pennsylvania Insurance Department, and the Texas Department of Insurance, for and on behalf of the Virginia Bureau of Insurance and the Insurance Regulators of the remaining States and the District of Columbia

ORDER APPROVING SETTLEMENT AGREEMENT

ON THIS DAY came the Bureau of Insurance (the "Bureau"), by counsel, and requested (i) Commission approval and acceptance of a multi-state Regulatory Settlement Agreement (the "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, Indiana, Pennsylvania, and Texas, and the Director of the Illinois Division of Insurance (collectively, the "Lead Regulators"), and Conseco Senior Health Insurance Company ("Conseco Senior"), domiciled in Pennsylvania and licensed to transact the business of insurance in the Commonwealth of Virginia, and Bankers Life & Casualty Company ("Bankers Life"), domiciled in Illinois and 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 be, and it is hereby, APPROVED AND ACCEPTED and (ii) the Commissioner of Insurance be, and he is hereby authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

NOTE: A copy of the 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-2008-00087
JUNE 5, 2008

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

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, has violated §§ 38.2-503, 38.2-510 A 1, 38.2-510 A 4, 38.2-510 A 5, 38.2-510 A 6, 38.2-510 A 10, 38.2-3407.4 A, and 38.2-4306.1 of the Code of Virginia, as well as 14 VAC 5-210-90 B 1 (b), 14 VAC 5-210-70 B 2, 14 VAC 5-211-160 6 (c), and 14 VAC 5-211-80 B.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of twenty-eight thousand dollars ($28,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan contained in the Market Conduct Examination Report as of March 31, 2006.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2008-00092
MAY 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RICA J. RICH,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the District of Columbia.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 March 18, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the District of Columbia.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to five (5) years from the date of this Order;

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

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

CASE NO. INS-2008-00093
OCTOBER 2, 2008

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

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances, has violated subsection 1 of § 38.2-502 and §§ 38.2-503, 38.2-510 A 5, 38.2-1318 C, 38.2-3115 B, 38.2-3729 A, 38.2-3729 C, 38.2-3729 E 2, 38.2-3729 G, 38.2-3729 H 1, 38.2-3729 H 2, 38.2-3729 I 1, 38.2-3729 I 2, 38.2-3731 A, subsection 1 of § 38.2-3732, and subsection 2 of § 38.2-3732 of the Code of Virginia, as well as 14 VAC 5-40-40 A 6, 14 VAC 5-40-60 B, 14 VAC 5-90-90 A, 14 VAC 5-90-170 A, 14 VAC 5-400-30, and 14 VAC 5-400-60 A.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of thirty-two thousand dollars ($32,000), waived its right to a hearing, agreed to the entry by the Commission of a cease and desist order, and agreed to comply with the Corrective Action Plan contained in the Market Conduct Examination Report as of December 31, 2006.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

(2) The Defendant cease and desist from any future conduct which constitutes a violation of subsection 1 of § 38.2-502 or §§ 38.2-503, 38.2-510 A 5, 38.2-1318 C, 38.2-3115 B, 38.2-3729 A, 38.2-3729 C, 38.2-3729 E 2, 38.2-3729 G, 38.2-3729 H 1, 38.2-3729 H 2, 38.2-3729 I 1, 38.2-3729 I 2, 38.2-3731 A, subsection 1 of § 38.2-3732 or subsection 2 of § 38.2-3732 of the Code of Virginia or 14 VAC 5-40-40 A 6, 14 VAC 5-40-60 B, 14 VAC 5-90-90 A, 14 VAC 5-90-170 A, 14 VAC 5-400-30 or 14 VAC 5-400-60 A; and

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

CASE NO. INS-2008-00095
MAY 21, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MARY AGNES DONALDSON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1809 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees.

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

The Defendant has been notified of her right to a hearing before the Commission in this matter by certified letter dated March 7, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1809 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00096
JUNE 10, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION,
Applicant
v.
RECIPROCAL OF AMERICA
and
THE RECIPROCAL GROUP,
Respondents

FINAL ORDER

On April 25, 2008, the Deputy Receiver of Reciprocal of America ("ROA") and The Reciprocal Group ("TRG") (collectively, the "Companies") filed an Application for Authority to Execute Closing Agreement (the "Application") with the State Corporation Commission ("Commission"). The Application requested authority from the Commission to enter into a closing agreement with the Internal Revenue Service ("IRS") in order to settle a claim for excise taxes and penalties related to the TRG Retirement Income Plan.

On May 14, 2008, the Commission entered a Scheduling Order indicating that the Commission would consider approving the Application without a hearing if no comments or requests for hearing were timely filed by a party. The Scheduling Order also required all parties to file comments and/or requests for a hearing on or before May 23, 2008.

No comments or requests for hearing were filed.

The Commission has considered the Application and is of the opinion that the Application should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The Application is approved.

(2) The Deputy Receiver is authorized to execute the Closing Agreement.

(3) The case is dismissed, and the papers herein shall be placed in the file for ended causes. Commissioner Jagdmann did not participate in this matter.

CASE NO. INS-2008-00100
MAY 9, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE GLEBE, INC.,
Registrant

CONSENT ORDER

By consent agreement dated May 7, 2008, and filed with the Bureau of Insurance ("Bureau"), a copy of which is attached hereto, The Glebe, Inc. (the "Glebe"), a continuing care retirement community located in the Commonwealth of Virginia and registered to provide continuing care in the Commonwealth of Virginia, and its parent company Virginia Baptist Homes, Inc., consented in accordance with the terms of the agreement, to the issuance of an Order in which the Glebe agrees, effective immediately, that it will cease collecting entrance fees from new residents, until such time as the State Corporation Commission ("Commission") determines that it is financially stable.

The Commission is authorized by §§ 38.2-4907 and 38.2-4915 of the Code of Virginia to issue cease and desist orders and permanent or temporary injunctions when the Commission determines that a continuing care provider is unable to meet the pro forma income or cash flow projections previously filed with the Commission.

The Glebe acknowledges that it is entitled to a hearing in this matter and waives its right to such a hearing.

IT IS THEREFORE ORDERED THAT:

(1) The consent agreement signed by Randall Robinson, President and CEO of Virginia Baptist Homes, Inc., and dated May 7, 2008, which is attached, be incorporated into this Order;

(2) The Glebe shall immediately cease collecting entrance fees from new residents;

(3) This Cease and Desist Order shall remain in effect until such time as the Commission has determined that the Glebe is financially stable.

NOTE: A copy of the Cease and Desist Consent 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-2008-00101
MAY 28, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
VIRGINIA INDEPENDENT COAL OPERATORS GROUP SELF-INSURANCE ASSOCIATION,
Defendant

FINAL ORDER

Virginia Independent Coal Operators Group Self-Insurance Association ("Defendant"), a group self-insurance association under the Virginia Workers' Compensation Act, was initially licensed on November 7, 1983.

By Consent Order entered herein September 6, 1991, the Defendant was ordered not to accept any new employer groups and not to renew the coverage of any existing employer groups until further order of the Commission. The Consent Order provided that the Defendant could continue to provide coverage to new employees of existing employer groups.

By letter of the Defendant's Administrator dated May 14, 2008, and filed with the State Corporation Commission ("Commission") on May 19, 2008, the Commission was advised that the Defendant wishes to withdraw its license as a group self-insurance association in Virginia.

The withdrawal of the Defendant's license has been processed by the Bureau of Insurance ("Bureau"), effective May 23, 2008.

In light of the foregoing, the Bureau has recommended that the Consent Order entered by the Commission be vacated and this case be closed.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2008-00102
MAY 16, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ERICA L. TATTNALL,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of New York.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 April 10, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of New York.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00106
MAY 22, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ACCURATE SETTLEMENT SERVICES, INC.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated March 25, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00107
MAY 22, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LEGACY TITLE, LLC,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 6.1-2.24 of the Code of Virginia by failing to maintain all settlement records for a minimum of five years after the settlement is completed.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated February 14, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 6.1-2.24 of the Code of Virginia by failing to maintain all settlement records for a minimum of five years after the settlement is completed.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00108
MAY 21, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MAXIMUM IMPACT TITLE COMPANY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated April 1, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00109
MAY 22, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ONE CALL LENDER SERVICES,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated March 21, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00110
MAY 22, 2008

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

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

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

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated April 1, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00111
MAY 22, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MYRA NOEL REYNOLDS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1809 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 April 10, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

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

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1809 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees.

IT IS THEREFORE ORDERED THAT:

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

(2) All appointments issued under said licenses are hereby VOID;

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

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

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

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

CASE NO. INS-2008-00112
MAY 16, 2008

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

IMPAIRMENT ORDER

Conestoga Title Insurance Company ("Defendant"), a foreign corporation domiciled in the Commonwealth of Pennsylvania and licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000.

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

The Annual Financial Statement of the Defendant, dated December 31, 2007, and filed with the Commission's Bureau of Insurance, indicates capital of $1,000,000 and surplus of $2,483,884.

THEREFORE, IT IS ORDERED THAT, on or before August 11, 2008, the Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer.

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

CASE NO. INS-2008-00112
SEPTEMBER 25, 2008

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

FINAL ORDER

Conestoga Title Insurance Company ("Defendant"), a foreign corporation domiciled in the State of Pennsylvania, was initially licensed to transact the business of insurance in the Commonwealth of Virginia on April 14, 2004.

By impairment order entered herein May 16, 2008, the Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer on or before August 11, 2008.

The Defendant was also ordered not to issue any new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of the Defendant's surplus exists and until further order of the Commission.

By affidavit of the Defendant's Chairman of the Board dated August 27, 2008, and filed with the Clerk of the Commission on September 3, 2008, the Commission was advised that, as of August 27, 2008, the Defendant has eliminated the impairment in its surplus.

In light of the foregoing, the Bureau has recommended that the Impairment Order entered by the Commission be vacated and this case be closed.

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

IT IS THEREFORE ORDERED THAT:

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

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

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

CASE NO. INS-2008-00114
AUGUST 15, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CIGNA HEALTHCARE MID-ATLANTIC, INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-1833 C and 38.2-1833 E of the Code of Virginia by failing to pay an appointment processing fee, in an amount prescribed by the Commission, for each appointment notification submitted by the insurer to the Commission, and by failing to pay in a timely manner to the Commission its quarterly appointment processing fee.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of sixteen thousand nine hundred dollars ($16,900) and waived its right to a hearing.

The Bureau of Insurance 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 of Virginia.

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

IT IS THEREFORE ORDERED THAT:

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

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

CASE NO. INS-2008-00115
AUGUST 15, 2008

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

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-1833 C and 38.2-1833 E of the Code of Virginia by failing to pay an appointment processing fee, in an amount prescribed by the Commission, for each appointment notification submitted by the insurer to the Commission, and by failing to pay in a timely manner to the Commission its quarterly appointment processing fee.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of eleven thousand twenty-five dollars ($11,025) and waived its right to a hearing.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00121
JUNE 9, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ETHAN WM. ERICKSON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by

failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Florida and the State of North Carolina.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 April 7, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Florida and the State of North Carolina.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00132
JUNE 17, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JERRY ALAN FRALEY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Minnesota.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 May 6, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an Order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Minnesota.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00133
JUNE 13, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JEFFREY W. MARTIN,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia, in a certain instance, violated § 38.2-4807 A of the Code of Virginia by failing to file timely with the Commission a 2007 Annual Gross Premiums Tax Report.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, and 38.2-1857.7 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's licenses upon a finding by the Commission, after notice and opportunity to be heard, that the 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 May 14, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent and as a surplus lines broker.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-4807 A of the Code of Virginia by failing to file timely a 2007 Annual Gross Premiums Tax Report.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said insurance agent license are hereby VOID;

(3) The Defendant shall transact no further business in the Commonwealth of Virginia as an insurance agent or as a surplus lines broker;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent or as a surplus lines broker in the Commonwealth of Virginia prior to one (1) year from the date of the Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00133
JUNE 24, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JEFFREY W. MARTIN,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein June 13, 2008, is hereby vacated.

CASE NO. INS-2008-00134
JUNE 13, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ARTHUR JOHN PRIESTON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia, in a certain instance, violated § 38.2-4807 A of the Code of Virginia by failing to file timely with the Commission a 2007 Annual Gross Premiums Tax Report.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, and 38.2-1857.7 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's licenses upon a finding by the Commission, after notice and opportunity to be heard, that the 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 May 14, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent and as a surplus lines broker.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-4807 A of the Code of Virginia by failing to file timely a 2007 Annual Gross Premiums Tax Report.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said insurance agent license are hereby VOID;

(3) The Defendant shall transact no further business in the Commonwealth of Virginia as an insurance agent or as a surplus lines broker;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent or as a surplus lines broker in the Commonwealth of Virginia prior to one (1) year from the date of the Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00135
JUNE 13, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BRYAN N. BOYETTE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia, in a certain instance, violated § 38.2-4807 A of the Code of Virginia by failing to file timely with the Commission a 2007 Annual Gross Premiums Tax Report.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, and 38.2-1857.7 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's licenses upon a finding by the Commission, after notice and opportunity to be heard, that the 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 May 14, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent and as a surplus lines broker.

THE COMMISSION, is of the opinion and finds that the Defendant has violated § 38.2-4807 A of the Code of Virginia by failing to file timely a 2007 Annual Gross Premiums Tax Report.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said insurance agent license are hereby VOID;

(3) The Defendant shall transact no further business in the Commonwealth of Virginia as an insurance agent or as a surplus lines broker;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent or as a surplus lines broker in the Commonwealth of Virginia prior to one (1) year from the date of the Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00136
JUNE 13, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
COASTAL RISK UNDERWRITERS, LLC,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia, in a certain instance, violated § 38.2-4807 A of the Code of Virginia by failing to file timely with the Commission a 2007 Annual Gross Premiums Tax Report.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, and 38.2-1857.7 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's licenses upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation.

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated May 14, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

The Defendant, having been advised in the above manner of its right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent and as a surplus lines broker.

THE COMMISSION, is of the opinion and finds that the Defendant has violated § 38.2-4807 A of the Code of Virginia by failing to file timely a 2007 Annual Gross Premiums Tax Report.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said insurance agent license are hereby VOID;

(3) The Defendant shall transact no further business in the Commonwealth of Virginia as an insurance agent or as a surplus lines broker;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent or as a surplus lines broker in the Commonwealth of Virginia prior to one (1) year from the date of the Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00136
JUNE 25, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
COASTAL RISK UNDERWRITERS, LLC,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein June 13, 2008, is hereby vacated.

CASE NO. INS-2008-00138
NOVEMBER 21, 2008

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

For revision of advisory loss costs and assigned risk workers' compensation insurance rates

FINAL ORDER

On July 18, 2008, the National Council on Compensation Insurance, Inc. ("NCCI" or "Applicant"), filed an application with the 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, 2009 ("Application"). The Application consists of two separate filings: a voluntary market loss cost filing and an assigned risk market rate filing. The voluntary loss cost filing addresses two categories of workers' compensation classifications: (i) industrial classification, including coal mine classifications, and (ii) federal ("F") classifications. The assigned risk rate filing addresses the same two categories.

With respect to voluntary loss costs, NCCI proposed an overall decrease of 1.4% for industrial classifications; an increase of 5.5% for F classifications; an increase of 10.2% for the surface coal mine classification; and a decrease of 15.2% for the underground coal mine classification.

With respect to assigned risk rates, NCCI proposed an overall decrease of 5.0% for industrial classifications; an increase of 3.2% for F classifications; an increase of 8.0% for the surface coal mine classification; and a decrease of 18.2% for the underground coal mine classification.

On July 28, 2008, the Commission entered an Order Scheduling Hearing, wherein the Commission docketed the case; required publication of the notice of the proceeding; outlined a procedural schedule that provided respondents with the opportunity to participate and file testimony and exhibits; and

scheduled an evidentiary hearing to investigate whether the rates and advisory loss costs set forth in the Application are excessive, inadequate, or unfairly discriminatory and if there were any other issues subject to investigation.

On August 8, 2008, the Iron Workers Employers Association and the Washington Construction Employers Association (collectively, "Respondents") filed their Notice of Participation. On August 25, 2008, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed its Notice of Participation.

Martin H. Wolf ("Wolf") and Jay A. Rosen ("Rosen") filed direct testimony and exhibits on behalf of the Applicant; Rosen also submitted rebuttal testimony for NCCI. Scott J. Lefkowitz ("Lefkowitz"), David C. Parcell ("Parcell") and Michael J. Ileo ("Ileo") presented direct and supplemental testimony and exhibits on behalf of the Bureau of Insurance ("Bureau" or "Staff"). Consumer Counsel and the Respondents did not file testimony in this proceeding.

With respect to voluntary loss costs, the Bureau's testimony supports NCCI's proposal of an overall decrease of 1.4% for industrial classifications and an overall increase of 5.5% for F classifications. The Bureau's witness recommends an increase of 9.8% for the surface coal mine classification compared to the 10.2% increase proposed by NCCI. Additionally, the Bureau recommends a decrease of 15.6% for the underground coal mine classification compared to the 15.2% decrease proposed by NCCI.

With respect to the assigned risk rates, the Bureau's testimony supports NCCI's proposal of an overall decrease of 5.0% for the industrial classifications and an overall increase of 3.2% to F classifications. The Bureau recommends an increase of 7.4% for the surface coal mine classification compared to an 8.0% increase proposed by NCCI. Additionally, the Bureau recommends a decrease of 18.7% for the underground coal mine classification compared to an 18.2% decrease proposed by NCCI.

The Bureau's testimony concluded that NCCI applied the Commission's currently approved methodology to determine (i) voluntary loss costs for the industrial classifications and F classifications and (ii) assigned risk rates for industrial classifications and F classifications. Additionally, the Bureau concluded that NCCI used currently approved methodology to determine the traumatic component of voluntary loss costs and assigned risk rates for coal mine classifications. Furthermore, the testimony showed that NCCI used the currently approved methodology to determine the occupational disease component of voluntary loss costs and assigned risk rates, except for the inclusion of data with respect to living widows (a group of claimants not contemplated in the currently approved methodology) in the calculation of the occupational disease component of voluntary loss costs and assigned risk rates, and a computational error.[1] This methodology change was discussed and agreed to by the working group.[2]

On October 23, 2008, the Bureau and NCCI filed a Joint Pre-Trial Motion for Approval of Stipulation to Admit Testimony ("Joint Pre-Trial Motion") requesting that the testimony and exhibits of witnesses Rosen, Wolf, Lefkowitz, Ileo and Parcell be admitted into the record without personal appearances or verification by those witnesses at the hearing.

On October 28, 2008, the hearing was held in the Commission's courtroom in Richmond, Virginia, to consider the Application. Charles H. Tenser, Esquire, appeared on behalf of NCCI; Scott A. White, Esquire, appeared on behalf of the Bureau; Kiva Bland Pierce, Esquire, appeared on behalf of Consumer Counsel; and Fred H. Codding, Esquire, appeared on behalf of the Respondents. No public witnesses addressed the Application.

During opening statements, counsel for NCCI supported its proposed loss costs for the voluntary market and rates for the assigned risk market, as slightly modified by the Bureau, and endorsed the Joint Pre-Trial Motion. Counsel for the Bureau concluded there were no issues of disagreement between NCCI and the Bureau and supported the Joint Pre-Trial Stipulation. Counsel for Consumer Counsel indicated no objection to the entry of an order approving the Joint Pre-Trial Motion. Counsel for the Respondents offered no objection to the Joint Pre-Trial Motion, and informed the Commission of the necessity for the working group to further address issues relative to the uncollectible premium percentage in the assigned risk market. Hearing no objection to the Joint Pre-Trial Motion, the Commission granted the motion.

The Commission has considered the record in its entirety, including the Application, the pre-filed direct testimony, supplemental testimony, rebuttal testimony, the Joint Pre-Trial Motion, and the evidence and exhibits presented at the hearing.

Accordingly, IT IS ORDERED THAT:

(1) The proposal to incorporate living widow data into the occupational disease component of voluntary loss costs and assigned risk rates for the coal mine classifications is approved.

(2) NCCI shall revise its proposed voluntary loss costs and assigned risk rates as follows: (i) an increase of 9.8% to the surface coal mine classification voluntary loss cost; (ii) a decrease of 15.6% to the underground coal mine classification voluntary loss cost; (iii) an increase of 7.4% to the surface coal mine classification assigned risk rate; and (iv) a decrease of 18.7% to the underground coal mine classification assigned risk rate.

(3) Except as otherwise ordered herein, the proposed revisions to voluntary loss costs, assigned risk rates, minimum premiums, rating values, rules, and supplementary rate information for writing workers' compensation insurance that have been filed by NCCI in this proceeding on behalf of its members and subscribers shall be, and they are hereby, APPROVED, for use with respect to new and renewal policies effective on or after April 1, 2009.

(4) On or before June 1, 2009, NCCI, the Bureau, Consumer Counsel, and the Respondents in this proceeding shall endeavor to recommend jointly to the Commission a proposed schedule for any 2009 voluntary loss cost/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 cost/assigned risk rate revision application and its direct testimony; (iii) the date on which

[1] Direct testimony of Scott J. Lefkowitz at 10-13.

[2] The working group, consisting of representatives of NCCI, the Bureau, Consumer Counsel, and the Respondents, was established pursuant to a prior Commission order.

NCCI proposes to file its responses to pre-filed discovery requests; (iv) the dates for the pre-filing of the direct testimony of the Bureau, Consumer Counsel, and any respondents; (v) the date for filing by NCCI of its rebuttal testimony; and (vi) the date of any proposed hearing before the Commission.

(5) The working group should, in addition to ongoing activities, continue to study and consider the appropriateness of the current methodology used to determine the uncollectible premium percentage in the assigned risk market and address this issue with the filing of NCCI's 2009 application, as well as any other issues it deems appropriate.

(6) NCCI and any other person(s) participating in future voluntary loss cost and assigned risk rate application proceedings before the Commission, when proposing methodologies or data sources that are different from the methodologies or data sources upon which then current voluntary loss costs and/or assigned risk rates or rating values are based, shall be required to disclose the impact on voluntary loss costs and/or assigned risk rates or rating values of the change, employing both the methodology it proposes to replace as well as the newly proposed methodology.

(7) This case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS-2008-00141
JUNE 13, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Settlement Agents

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia 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 § 6.1-2.25 of the Code of Virginia provides that the Commission may issue any rules and regulations necessary to carry out the provisions of the Consumer Real Estate Settlement Protection Act (§ 6.1-2.19 et seq. of the Code of Virginia).

The rules and regulations issued by the Commission pursuant to § 6.1-2.25 of the Code of Virginia are set forth in Title 14 of the Administrative Code.

The Bureau of Insurance ("Bureau") has submitted to the Commission a proposed revision to the rules set forth in Chapter 395 of Title 14 of the Virginia Administrative Code, entitled "Rules Governing Settlement Agents," which amends 14 VAC 5-395-40.

The proposed revision to the rule increases the amount of surety bond coverage that settlement agents are required to maintain from one hundred thousand dollars ($100,000) to two hundred thousand dollars ($200,000). The revision is necessary in order for the rule to correspond to the coverage requirement set forth in § 6.1-2.21, which was amended by the General Assembly during the 2008 legislative session.

The Commission is of the opinion that the proposed revision submitted by the Bureau should be considered for adoption.

IT IS THEREFORE ORDERED THAT:

(1) The proposed revision to the rules entitled "Rules Governing Settlement Agents," which amends the rule at 14 VAC 5-395-40, be attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to oppose the adoption of, the proposed revised rule shall file such comments or hearing request on or before July 18, 2008, in writing with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS-2008-00141.

(3) If no written request for a hearing on the proposed revised rule is filed on or before July 18, 2008, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposed revised rule, may adopt the proposed revised rule as submitted by the Bureau.

(4) AN ATTESTED COPY hereof, together with a copy of the proposed revised rule, shall be sent by the Clerk of the Commission to the Bureau in care of Deputy Commissioner Brian P. Gaudiose, who forthwith shall give further notice of the proposed adoption of the revised rule by mailing a copy of this Order, together with the proposed revised rule, to all registered title settlement agents and title insurers, and certain interested parties designated by the Bureau.

(5) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, together with the proposed revised rule, to be forwarded to the Virginia Registrar of the Regulations for appropriate publication in the Virginia Register of Regulations and shall make available this Order and the attached proposed revised rules on the Commission's website, http://www.scc.virginia.gov/caseinfo.htm.

(6) The Bureau shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of Ordering Paragraph (4) above.

NOTE: A copy of Attachment A entitled "Rules Governing Settlement Agents" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2008-00141
AUGUST 8, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Settlement Agents

ORDER ADOPTING RULES

By Order entered herein June 13, 2008, all interested persons were ordered to take notice that subsequent to July 18, 2008, the State Corporation Commission ("Commission") would consider the entry of an order adopting a revision proposed by the Bureau of Insurance ("Bureau") to the Rules Governing Settlement Agents, set forth in Chapter 395 of Title 14 of the Virginia Administrative Code, unless on or before July 18, 2008, any person objecting to the adoption of the proposed revised rule filed a request for hearing with the Clerk of the Commission ("Clerk").

The Order to Take Notice also required all interested persons to file their comments in support of or in opposition to the proposed revised rule on or before July 18, 2008.

No comments or requests for a hearing were filed with the Clerk.

THE COMMISSION, having considered the proposed revision to 14 VAC 5-395-40, is of the opinion that it should be adopted.

THEREFORE IT IS ORDERED THAT:

(1) The revision to 14 VAC 5-395-40, which is attached hereto and made a part hereof, should be, and it is hereby, ADOPTED to be effective August 29, 2008.

(2) AN ATTESTED COPY hereof, shall be sent by the Clerk of the Commission to the Bureau in care of Deputy Commissioner Brian P. Gaudiose, who forthwith shall give further notice of the adoption of the revision to the rules by mailing a copy of this Order, including a clean copy of the attached final revised rule, to all registered title settlement agents and title insurers, and certain interested parties designated by the Bureau.

(3) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, including a copy of the attached rule, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations and shall make this Order and the attached new rule available on the Commission's website, http://www.scc.virginia.gov/caseinfo.htm.

(4) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (2) of this Order.

NOTE: A copy of Attachment A entitled "Rules Governing Settlement Agents" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2008-00146
JULY 18, 2008

THE MEGA LIFE AND HEALTH INSURANCE COMPANY
MID-WEST NATIONAL LIFE INSURANCE COMPANY OF TENNESSEE
THE CHESAPEAKE LIFE INSURANCE COMPANY

Ex Parte: In the matter of Approval of a Multi-State Regulatory Settlement Agreement between the MEGA Life and Health Insurance Company, Mid-West National Life Insurance Company of Tennessee and the Chesapeake Life Insurance Company, and the Washington State Office of the Insurance Commissioner and the Alaska Division of Insurance, 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 ("the Bureau"), by counsel, and requested (i) Commission approval and acceptance of a multi-state Regulatory Settlement Agreement ("the Agreement"), a copy of which is attached hereto and made a part hereof, by and between the Commissioners of Insurance for the States of Washington and Alaska (collectively, the "Lead Regulators"), and the MEGA Life and Health Insurance Company ("MEGA"), domiciled in Oklahoma and licensed to transact the business of insurance in the Commonwealth of Virginia, Mid-West National Life Insurance Company of Tennessee ("Mid-West"), domiciled in Texas and licensed to transact the business of insurance in the Commonwealth of Virginia and the Chesapeake Life Insurance Company ("Chesapeake"), domiciled in Oklahoma and 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;

AND THE COMMISSION, having considered the terms of the Agreement together with the recommendation of the Bureau that the Commission approve and accept the Agreement, is of the opinion, finds, and ORDERS that (i) the Agreement be, and it is hereby, APPROVED AND ACCEPTED and (ii) the Commissioner of Insurance be, and he is hereby authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

NOTE: A copy of the Attachment entitled "Regulatory Settlement Agreement" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2008-00156
AUGUST 11, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN SERVICE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-305, 38.2-502, 38.2-510 A 1, 38.2-510 A 3, 38.2-510 A 6, 38.2-510 A 10, 38.2-604, 38.2-610, 38.2-1318, 38.2-1833, 38.2-1905, 38.2-1906 A, 38.2-1906 D, 38.2-2208, 38.2-2210, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 C, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of twenty-five thousand dollars ($25,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan set forth in its letter to the Bureau dated June 6, 2008.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00159
AUGUST 7, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JESSICA VIVANCO LOTT,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1809 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 May 7, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1809 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00165
AUGUST 11, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FREE BIRD, INC.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-1809 and 38.2-1826 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees, and by failing to report within thirty days to the Commission and to every insurer for which it is appointed a change in its residence address.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations.

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated June 23, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

The Defendant, having been advised in the above manner of its right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated §§ 38.2-1809 and 38.2-1826 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees, and by failing to report within thirty days to the Commission and to every insurer for which it is appointed a change in its residence address.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00168
AUGUST 20, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HARTFORD LIFE AND ANNUITY INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on an inquiry performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances, has violated § 38.2-316 C 1 of the Code of Virginia, as well as 14 VAC 5-30-40 B, by using policy forms that have not been filed with or approved by the Commission, and by completing certain applications for insurance without using the replacement notices as required or noting on the application that it was a replacement of an existing policy.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of five thousand dollars ($5,000) and waived its right to a hearing.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00169
JULY 24, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMANDA KAY LEWIS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the Commonwealth of Massachusetts.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 June 16, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the Commonwealth of Massachusetts.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00170
AUGUST 7, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ROBERTO ETTORRE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Georgia.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 June 13, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Georgia.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00170
AUGUST 14, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ROBERTO ETTORRE,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein August 7, 2008, is hereby vacated.

CASE NO. INS-2008-00179
NOVEMBER 21, 2008

PETITION OF
EXCEL STAFFING SERVICES, INC.

For review of a decision by the National Council on Compensation Insurance Pursuant to § 38.2-2018 of the Code of Virginia

ORDER

On August 12, 2008, EXCEL Staffing Services, Inc. ("EXCEL" or "Petitioner"), filed with the Clerk of the State Corporation Commission ("Commission") a petition for review of a decision by the National Council on Compensation Insurance ("NCCI") pursuant to § 38.2-2018 of the Code of Virginia ("Petition"). Section 38.2-2018 allows any person adversely affected by the application of a rate service organization's or insurer's rating system to appeal such action to the Commission. EXCEL is appealing the decision of NCCI's Virginia Internal Review Panel ("Review Panel") that upheld the insurance carrier's application of the basic Manual Rules governing the employment classification codes for leased and temporary workers.

By Order dated August 18, 2008, the Commission docketed the Petition, assigned the matter to a Hearing Examiner for further proceedings, and established a procedural schedule which called for the filing of a responsive pleading by NCCI on or before September 8, 2008, and the convening of an evidentiary hearing on October 14, 2008. By Hearing Examiner's Ruling dated September 5, 2008, the hearing was continued to November 6, 2008.

On September 8, 2008, NCCI filed a Response to the Petition and Motion to Dismiss ("Motion"). In its Motion, NCCI argued that the Review Panel was correct in concluding that it lacked the authority to consider the Petitioner's request that the Review Panel recommend changes to the Manual Rules. It also noted that the Petitioner has not disputed the facts or the application of the existing rules to those facts, nor has it stated a legal basis for the Review Panel to recommend changes to the Manual Rules. Finally, NCCI contended that the Petition does not meet the requirements of 5 VAC 5-20-100 B of the Commission's Rules of Practice and Procedure because the Petitioner failed to state a claim which would warrant the action sought.

By Hearing Examiner's Ruling entered on September 10, 2008, the Petitioner was directed to file a response to NCCI's Motion to Dismiss on or before September 26, 2008. The Petitioner filed no response.

On October 17, 2008, Michael D. Thomas, Hearing Examiner, issued his Report. The Hearing Examiner determined that the Petitioner failed to state a claim for which relief may be granted and therefore NCCI's Motion to Dismiss should be granted. Additionally, the hearing scheduled for November 6, 2008, was cancelled.

THE COMMISSION, having considered the record herein and the recommendation of the Hearing Examiner, is of the opinion that the Petition of EXCEL Staffing Services, Inc. should be dismissed with prejudice.

Accordingly, IT IS ORDERED THAT:

1. The Petition of EXCEL Staffing Services, Inc., for review of a decision by the National Council on Compensation Insurance pursuant to § 38.2-2018 of the Code of Virginia be, and the same is hereby, DISMISSED with prejudice; and

2. The case is dismissed from the Commission's docket of active cases and the papers herein are passed to the file for ended causes.

CASE NO. INS-2008-00180
SEPTEMBER 10, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DIRECT GENERAL LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market analysis inquiry performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances, has violated subsection 1 of § 38.2-502 and § 38.2-503 of the Code of Virginia, as well as 14 VAC 5-40-40 A 3, 14 VAC 5-40-40 A 5, 14 VAC 5-40-40 D 17, 14 VAC 5-40-40 E 2, and 14 VAC 5-40-40 F 3.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of five thousand dollars ($5,000) and waived its right to a hearing.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of die matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00181
AUGUST 20, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SONYA ELAINE WYNNE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia, in a certain instance, violated § 38.2-4809 A of the Code of Virginia by failing to pay the annual assessments, penalties and taxes for its Virginia surplus lines business for the year 2007.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, and 38.2-1857.7 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's licenses upon a finding by the Commission, after notice and opportunity to be heard, that the 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 July 21, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent and as a surplus lines broker.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-4809 A of the Code of Virginia by failing to pay the annual assessments, penalties and taxes for its Virginia surplus lines business for the year 2007.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said insurance agent license are hereby VOID;

(3) The Defendant shall transact no further business in the Commonwealth of Virginia as an insurance agent or as a surplus lines broker;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent or as a surplus lines broker in the Commonwealth of Virginia prior to one (1) year from the date of the Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00182
AUGUST 20, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WILLIAM R. HESS, JR.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia, in a certain instance, violated § 38.2-4809 A of the Code of Virginia by failing to pay the annual assessments, penalties and taxes for its Virginia surplus lines business for the year 2007.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, and 38.2-1857.7 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's licenses upon a finding by the Commission, after notice and opportunity to be heard, that the 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 July 21, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent and as a surplus lines broker.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-4809 A of the Code of Virginia by failing to pay the annual assessments, penalties and taxes for its Virginia surplus lines business for the year 2007.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said insurance agent license are hereby VOID;

(3) The Defendant shall transact no further business in the Commonwealth of Virginia as an insurance agent or as a surplus lines broker;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent or as a surplus lines broker in the Commonwealth of Virginia prior to one (1) year from the date of the Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00183
AUGUST 20, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MICHAEL A. NARDIELLO,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia, in a certain instance, violated § 38.2-4809 A of the Code of Virginia by failing to pay the annual assessments, penalties and taxes for its Virginia surplus lines business for the year 2007.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, and 38.2-1857.7 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's licenses upon a finding by the Commission, after notice and opportunity to be heard, that the 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 July 21, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent and as a surplus lines broker.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-4809 A of the Code of Virginia by failing to pay the annual assessments, penalties and taxes for its Virginia surplus lines business for the year 2007.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said insurance agent license are hereby VOID;

(3) The Defendant shall transact no further business in the Commonwealth of Virginia as an insurance agent or as a surplus lines broker;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent or as a surplus lines broker in the Commonwealth of Virginia prior to one (1) year from the date of the Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00184
AUGUST 21, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GRAYLE W. BRANDON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Alabama.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 July 21, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Alabama.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00185
AUGUST 21, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LINDA L. TORRES,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated subsection 1 of § 38.2-1831 of the Code of Virginia by providing materially incorrect, misleading, incomplete or untrue information in her license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 July 21, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated subsection 1 of § 38.2-1831 of the Code of Virginia by providing materially incorrect, misleading, incomplete or untrue information in her license application filed with the Commission.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00187
OCTOBER 8, 2008

PETITION OF
ANTHEM HEALTH PLANS OF VIRGINIA, INC.

For approval to provide case management services from locations outside of Virginia for members receiving treatment outside of Virginia

FINAL ORDER

On August 25, 2008, Anthem Health Plans of Virginia, Inc. ("Petitioner" or "Anthem") filed a Petition under Rule 5 VAC 5-20-80 of the State Corporation Commission's ("Commission") Rules of Practice and Procedure and the Final Order entered in Case No. INS-2007-00141.[1] In the Final Order, the Commission continued the requirement that Anthem cause the following services to be provided from offices located in 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 the Commonwealth of Virginia: actuarial, underwriting, marketing, community relations, distribution management, and sales. In the Final Order, the Commission also provided 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 seek permission from the Commission by filing a petition ". . . 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 Petition, Anthem requests that the Commission issue an Order that "approves Anthem's provision of case management services, along with incidental customer service and provider functions, to be performed from locations outside of Virginia, but within the United States, with respect to members receiving service outside of Virginia."[3]

On September 8, 2008, the Commission entered a Scheduling Order, in which it stated that "[i]f there is no opposition to the Petition, the Commission may grant the Petition without further proceedings." The Commission provided a deadline of September 19, 2008, for persons to comment and directed the Bureau of Insurance ("Bureau") to file a response to the Petition on or before September 26, 2008.

No comments were filed with respect to the Petition.

On September 24, 2008, the Bureau filed its Response to the Petition. The Bureau states that it does not oppose the relief requested by Anthem.

NOW THE COMMISSION, having considered the Petition and the Bureau's response thereto, finds that the Petition should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Anthem's Petition is GRANTED.

(2) Anthem is permitted to provide case management services, along with incidental customer service and provider functions, to be performed from locations outside of Virginia, but within the United States, with respect to members receiving services outside of Virginia.

(3) The other provisions of the Final Order in Case No. INS-2007-00141 are not affected hereby, and Anthem shall continue to comply therewith.

(4) This matter is dismissed and the papers herein be placed in the file for ended causes.

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[1] *Petition of Anthem Health Plans of Virginia, Inc., HealthKeepers, Inc., Priority Health Care, Inc., Peninsula Health Care, Inc., WellPoint, Inc., Anthem Southeast, Inc., For Amendment of Final Order in Case No. INS-2002-00131*, Final Order entered on August 9, 2007 ("Final Order").

[2] Final Order at 8, ¶ 4.

[3] Petition at 4.

CASE NO. INS-2008-00188
SEPTEMBER 12, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
STATE FARM FIRE AND CASUALTY INSURANCE COMPANY
and
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendants, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-305, 38.2-502, 38.2-604, 38.2-610, 38.2-2202, 38.2-2210, 38.2-2214, 38.2-2220, 38.2-2230, and 38.2-2234 of the Code of Virginia, as well as 14 VAC 5-400-40, 14 VAC 5-400-50 C, 14 VAC 5-400-70 A and 14 VAC 5-400-70 D.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that the Defendants have 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 the Commonwealth of Virginia the sum of thirty-five thousand dollars ($35,000), waived their right to a hearing, and agreed to comply with the Corrective Action Plan set forth in their letter to the Bureau of Insurance dated December 14, 2007.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendants' offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00192
NOVEMBER 3, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNG SUNG CHOO,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1809 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 October 7, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1809 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to five (5) years from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00194
SEPTEMBER 9, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex parte: In the matter of Adopting Rules Governing Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities And Nonforfeiture Values

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia 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 of Virginia provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code of Virginia.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code of Virginia are set forth in Title 14 of the Virginia Administrative Code.

The Bureau of Insurance ("Bureau") has submitted to the Commission a proposal to adopt new "Rules Governing Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values" which are recommended to be set out at 14 VAC 5-323-10 through 14 VAC 5-323-70.

The proposed new rules follow closely the National Association of Insurance Commissioners (NAIC) Model Regulation on the same subject. The purpose of the regulation is to establish minimum mortality standards for reserve liabilities and nonforfeiture values for preneed insurance products, and to require the use of the 1980 Commissioners Standard Ordinary (CSO) Life Valuation Mortality Table for use in determining the minimum standard of valuation of reserves and the minimum standard nonforfeiture values for preneed insurance products. Research commissioned by the Society of Actuaries determined that the 2001 CSO Mortality Table produced inadequate reserves for policies issued in support of a prearrangement agreement which provides goods and services at the time of an insured's death. The Bureau has recommended that there be a proposed effective date of January 1, 2009.

The Commission is of the opinion that the proposed new rules submitted by the Bureau and set out at 14 VAC 5-323-10 through 14 VAC 5-323-70 should be considered for adoption with an effective date of January 1, 2009.

IT IS THEREFORE ORDERED THAT:

(1) The proposed new rules entitled "Rules Governing Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values" which are recommended to be set out at 14 VAC 5-323-10 through 14 VAC 5-323-70 be attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to oppose the adoption of the proposed new rules shall file such comments or hearing request on or before November 14, 2008, in writing with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS-2008-00194.

(3) If no written request for a hearing on the proposed new rules is filed on or before November 14, 2008, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposed new rules, may adopt the rules as submitted by the Bureau.

(4) AN ATTESTED COPY hereof, together with a copy of the proposed new rules, shall be sent by the Clerk of the Commission to the Bureau in care of Deputy Commissioner Douglas C. Stolte, who forthwith shall give further notice of the proposed adoption of the new rules by mailing a copy of this Order, together with the proposed new rules, to all licensed life insurers, burial societies, and fraternal benefit societies authorized by the Commission pursuant to Title 38.2 of the Code of Virginia, and certain interested parties designated by the Bureau.

(5) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, together with the proposed new 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 new 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.

NOTE: A copy of Attachment A entitled "Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values" 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-2008-00194
DECEMBER 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex parte: In the matter of Adopting Rules Governing Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values

ORDER ADOPTING RULES

By Order to Take Notice ("Order") entered September 9, 2008, all interested persons were ordered to take notice that subsequent to November 14, 2008, the State Corporation Commission ("Commission") would consider the entry of an order adopting new rules proposed by the Bureau of Insurance ("Bureau") entitled "Rules Governing Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values" ("Rules"), set forth in Chapter 323 of Title 14 of the Virginia Administrative Code, unless on or before November 14, 2008, any person objecting to the adoption of the proposed new Rules filed a request for a hearing with the Clerk of the Commission ("Clerk").

The Order also required all interested persons to file their comments in support of or in opposition to the proposed new Rules on or before November 14, 2008.

The Funeral Directors Life Insurance Company timely filed comments with the Clerk in support of the proposed new Rules. There were no other comments or requests for a hearing filed with the Clerk.

The Bureau does not recommend further changes to the proposed new Rules and, further, recommends that the Rules be adopted as proposed.

THE COMMISSION, having considered the comments and the Bureau's recommendation, is of the opinion that the attached proposed new Rules should be adopted.

IT IS THEREFORE ORDERED THAT:

(1) The proposed new Rules at Chapter 323 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values," which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective January 1, 2009.

(2) AN ATTESTED COPY hereof, together with a copy of the adopted Rules, shall be sent by the Clerk of the Commission to the Bureau in care of Deputy Commissioner Douglas C. Stolte, who forthwith shall give further notice of the adoption of the new Rules by mailing a copy of this Order, together with a clean copy of the attached Rules, to all licensed life insurers, burial societies, and fraternal benefit societies authorized by the Commission pursuant to Title 38.2 of the Code of Virginia, and certain interested parties designated by the Bureau.

(3) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, together with the attached 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 adopted 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.

NOTE: A copy of Attachment A entitled "Rules Governing Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values" 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-2008-00195
SEPTEMBER 26, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ANDREW LAYNE WEEKS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the Commonwealth of Massachusetts.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 August 14, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the Commonwealth of Massachusetts.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00195
OCTOBER 16, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ANDREW LAYNE WEEKS,
Defendant

ORDER GRANTING RECONSIDERATION

On September 26, 2008, the State Corporation Commission ("Commission") entered an Order Revoking License in this proceeding, that, among other things, revoked the insurance license of Andrew Layne Weeks ("Weeks" or "Defendant") pursuant to § 38.2-1831 of the Code of Virginia for failing to report to the Commonwealth of Virginia within thirty days an administrative action that was taken against Weeks by the Commonwealth of Massachusetts.

On October 15, 2008, the Defendant filed a Petition for Reconsideration and Rehearing ("Petition") requesting that the Commission reconsider the revocation of his Virginia life insurance agent license.

NOW THE COMMISSION , upon consideration of the Petition and the recommendation of the Staff of its Bureau of Insurance, and being of the opinion that good cause having been shown, hereby grants the Petition and vacates the Order Revoking License entered herein on September 26, 2008, for further consideration of the matters raised in the Petition.

CASE NO. INS-2008-00196
SEPTEMBER 26, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DONALD ARNOLD GOETZ,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of California.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 August 19, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of California.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00197
SEPTEMBER 26, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TAMARA ERYN SIBSON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of Nevada.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 August 21, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against her by the State of Nevada.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00198
SEPTEMBER 26, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
STEPHEN MICHAEL KREAL,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Florida.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 August 21, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty (30) days an administrative action that was taken against him by the State of Florida.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00199
OCTOBER 1, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TITLEPRO, INC.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 6.1-2.24 of the Code of Virginia by failing to maintain sufficient records of its affairs.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

The Commission is also authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation.

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated April 29, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

The Defendant, having been advised in the above manner of its right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 6.1-2.24 of the Code of Virginia by failing to maintain sufficient records of its affairs.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00200
OCTOBER 15, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
K.E.L. TITLE INSURANCE AGENCY, INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 6.1-2.23 of the Code of Virginia, as well as 14 VAC 5-395-60, by retaining interest received on funds deposited in connection with an escrow, settlement, or closing, and by failing to maintain a separate fiduciary account for the purposes of handling settlement funds involving real estate located in Virginia.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

The Commission is also authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of Six Thousand Five Hundred Dollars ($6,500) and waived its right to a hearing.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00202
OCTOBER 8, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CIFG ASSURANCE NORTH AMERICA, INC.,
Defendant

IMPAIRMENT ORDER

CIFG Assurance North America, Inc. ("Defendant"), a foreign corporation domiciled in the State of New York and licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000.

Section 38.2-1036 of the Code of Virginia provides, inter alia, that if the Commission finds an impairment of the required minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in the Commonwealth of Virginia while the impairment of its surplus exists.

The Quarterly Statement of the Defendant, dated June 30, 2008, and filed with the Commission's Bureau of Insurance, indicates capital of $19,700,000 and surplus of negative $443,152,152.

THEREFORE, IT IS ORDERED THAT, on or before December 22, 2008, the Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer.

IT IS FURTHER ORDERED THAT the Defendant shall execute no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of the Defendant's surplus exists and until further order of the Commission.

CASE NO. INS-2008-00203
OCTOBER 8, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SYNCORA GUARANTEE, INC.,
Defendant

IMPAIRMENT ORDER

Syncora Guarantee, Inc. ("Defendant"), a foreign corporation domiciled in the State of New York and licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000.

Section 38.2-1036 of the Code of Virginia provides, inter alia, that if the Commission finds an impairment of the required minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in the Commonwealth of Virginia while the impairment of its surplus exists.

The Quarterly Statement of the Defendant, dated June 30, 2008, and filed with the Commission's Bureau of Insurance, indicates capital of $15,000,000 and surplus of negative $896,076,736.

THEREFORE, IT IS ORDERED THAT, on or before December 22, 2008, the Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer.

IT IS FURTHER ORDERED THAT the Defendant shall execute no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of the Defendant's surplus exists and until further order of the Commission.

CASE NO. INS-2008-00204
SEPTEMBER 26, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ROBERT ARTHUR SMITH, II,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Maryland.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 August 14, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Maryland.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00207
NOVEMBER 21, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIRST COLONY LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances, has violated §§ 38.2-316 A, 38.2-316 B, 38.2-316 C 1, subsection 1 of § 38.2-508, 38.2-604 A 1, 38.2-604 B 4, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 D, and 38.2-3115 B of the Code of Virginia.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of Twenty-Nine Thousand Dollars ($29,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan contained in the Market Conduct Examination Report as of December 31, 2006.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00211
OCTOBER 2, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
REBA NELL BROOKS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia, in a certain instance, violated § 38.2-4809 A of the Code of Virginia by failing to pay the annual assessments, penalties, and taxes for her Virginia surplus lines business for the year 2007.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, and 38.2-1857.7 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's licenses upon a finding by the Commission, after notice and opportunity to be heard, that the 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 September 4, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent and as a surplus lines broker.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-4809 A of the Code of Virginia by failing to pay the annual assessments, penalties, and taxes for its Virginia surplus lines business for the year 2007.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent and as a surplus lines broker in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said insurance agent license are hereby VOID;

(3) The Defendant shall transact no further business in the Commonwealth of Virginia as an insurance agent or as a surplus lines broker;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent or as a surplus lines broker in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00212
OCTOBER 2, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CRAIG KENDELL MASON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Massachusetts.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 September 4, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the State of Massachusetts.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00217
NOVEMBER 3, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CUMIS INSURANCE SOCIETY,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1906 D of the Code of Virginia 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 of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 set forth in its letter to the Bureau dated May 2, 2008.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00222
OCTOBER 16, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KATIKA JAJUAN ROBERTS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated subsection 1 of § 38.2-1831 of the Code of Virginia by providing materially incorrect, misleading, incomplete or untrue information in her license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 September 15, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated subsection 1 of § 38.2-1831 of the Code of Virginia by providing materially incorrect, misleading, incomplete or untrue information in her license application filed with the Commission.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00223
NOVEMBER 3, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GREENWICH INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-317 of the Code of Virginia by delivering or issuing for delivery insurance policies or endorsements without having filed such policy forms 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 of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of Five Thousand Four Hundred Dollars ($5,400), waived its right to a hearing, and agreed to comply with the Corrective Action Plan set forth in its letter to the Bureau dated September 30, 2008.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00226
NOVEMBER 17, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERISURE MUTUAL INSURANCE COMPANY
and
AMERISURE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendants, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1906 D of the Code of Virginia 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 of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that the Defendants have 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 waived their right to a hearing, confirmed that restitution was made in accordance with the Defendants' letter of October 7, 2008, and agreed to comply with the Corrective Action Plan set forth in their letter to the Bureau dated October 7, 2008.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendants' offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00237
OCTOBER 24, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LINCOLN GENERAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-231, 38.2-304, 38.2-305, 38.2-510 A, 38.2-1318, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1906 A, 38.2-1906 D, 38.2-2202, 38.2-2206, 38.2-2220, and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-390-40 D, 14 VAC 5-390-40 E, 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 the Commonwealth of Virginia the sum of Fifty-nine Thousand Dollars ($59,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan set forth in its letter to the Bureau dated October 15, 2007.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00239
NOVEMBER 20, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AUTO-OWNERS INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1906 D of the Code of Virginia 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 of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 waived its right to a hearing, confirmed that restitution was made in accordance with the Defendant's letter of October 9, 2008, and agreed to comply with the Corrective Action Plan set forth in its letter to the Bureau dated September 24, 2008.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00248
NOVEMBER 25, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INTERSTATE MUTUAL FIRE INSURANCE COMPANY,
Defendant

ORDER SUSPENDING LICENSE

Interstate Mutual Fire Insurance Company ("Defendant") is a Virginia domiciled mutual assessment property and casualty insurer licensed by the State Corporation Commission ("Commission") pursuant to Chapter 25 (§ 38.2-2500 et seq.) of Title 38.2 of the Code of Virginia ("Code").

Section 38.2-2515 of the Code provides that every mutual assessment property and casualty insurer shall maintain a membership of 100 persons at all times, and that if membership falls below 100, the insurer shall notify the Commission immediately. Upon receipt of such notification, the Commission may revoke the insurer's license or issue an order requiring the insurer to cure the deficiency in the number of its members.

By letter dated September 8, 2008, the Defendant notified the Commission's Bureau of Insurance ("Bureau") that its membership had fallen below 100 members. By letter dated October 1, 2008, the President of the Defendant voluntarily consented to the suspension of the Defendant's license to transact the business of insurance in the Commonwealth of Virginia due to the decrease in its membership below the required level.

THEREFORE IT IS ORDERED THAT:

(1) Pursuant to Defendant's voluntary consent and §§ 38.2-1040 and 38.2-2515 of the Code of Virginia, the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia is hereby SUSPENDED;

(2) The Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission;

(3) The appointments of the Defendant's agents to act on behalf of the Defendant in the Commonwealth of Virginia are hereby SUSPENDED;

(4) The Defendant's agents shall transact no new insurance business on behalf of the Defendant in the Commonwealth of Virginia until further order of the Commission;

(5) The Bureau of Insurance shall cause an attested copy of this Order to be sent to each of the Defendant's agents appointed to act on behalf of the Defendant in the Commonwealth of Virginia as notice of the suspension of such agent's appointment; and

(6) The Bureau of Insurance shall cause notice of the suspension of the Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code of Virginia.

CASE NO. INS-2008-00250
DECEMBER 4, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TREVOR D. LOSSE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the states of Ohio and Indiana.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 October 29, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the states of Ohio and Indiana.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00254
NOVEMBER 26, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PENN TREATY NETWORK AMERICA INSURANCE COMPANY,
Defendant

IMPAIRMENT ORDER

Penn Treaty Network America Insurance Company ("Defendant"), a foreign corporation domiciled in the State of Pennsylvania and licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000.

Section 38.2-1036 of the Code of Virginia 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 the Commonwealth of Virginia while the impairment of its surplus exists.

The Quarterly Statement of the Defendant, dated September 30, 2008, and filed with the Commission's Bureau of Insurance, indicates capital of $2,500,800 and surplus of negative $47,296,733.

THEREFORE, IT IS ORDERED THAT, on or before February 23, 2009, the Defendant eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer.

IT IS FURTHER ORDERED THAT the Defendant shall execute no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of the Defendant's surplus exists and until further order of the Commission.

CASE NO. INS-2008-00255
DECEMBER 5, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KENDRA PARKER HATCHER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-503 and 38.2-512 of the Code of Virginia by making, publishing, disseminating, circulating, or placing before the public an advertisement, announcement or statement containing an assertion, representation or statement relating to the business of insurance which was untrue, deceptive or misleading, and by making false statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, or other benefit.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations.

The Defendant has been notified of her right to a hearing before the Commission in this matter by certified letter dated November 4, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated §§ 38.2-503 and 38.2-512 of the Code of Virginia by making, publishing, disseminating, circulating, or placing before the public an advertisement, announcement or statement containing an assertion, representation or statement relating to the business of insurance which was untrue, deceptive or misleading, and by making false statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, or other benefit.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00257
DECEMBER 9, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LEGACY TITLE & ESCROW, INC.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

The Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia.

The Commission is also authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violation.

The Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated September 4, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

The Defendant, having been advised in the above manner of its right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 6.1-2.21 of the Code of Virginia by failing to timely provide the Commission with a copy of the Defendant's analysis or audit report of its escrow account.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00260
DECEMBER 15, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BRYANT RAY FILTER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the Commonwealth of Pennsylvania.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 6, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code of Virginia by failing to report to the Commission within thirty days an administrative action that was taken against him by the Commonwealth of Pennsylvania.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to one (1) year from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00261
DECEMBER 22, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BRIAN A. STOPCHINSKI,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-1809 and 38.2-1826 A of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees, and by failing to report within thirty days to the Commission and to every insurer for which he is appointed any change in his residence or name.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 14, 2008, and mailed to the Defendant's address shown in the records of the Bureau of Insurance.

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 of Insurance.

The Bureau of Insurance, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking all of the Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent.

THE COMMISSION is of the opinion and finds that the Defendant has violated §§ 38.2-1809 and 38.2-1826 A of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees, and by failing to report within thirty days to the Commission and to every insurer for which he is appointed any change in his residence or name.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia are hereby REVOKED;

(2) All appointments issued under said licenses are hereby VOID;

(3) The Defendant transact no further business in the Commonwealth of Virginia as an insurance agent;

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in the Commonwealth of Virginia prior to five (5) years from the date of this Order;

(5) The Bureau of Insurance shall cause a copy of this Order to be sent to every insurance company for which the Defendant holds an appointment to act as an insurance agent in the Commonwealth of Virginia; and

(6) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00264
DECEMBER 19, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TRUMBULL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated § 38.2-1906 D of the Code of Virginia 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 of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the 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 waived its right to a hearing, confirmed that restitution was made in accordance with the Defendant's letter of November 21, 2008, and agreed to comply with the Corrective Action Plan set forth in its letter to the Bureau dated November 21, 2008.

The Bureau of Insurance 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 of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

CASE NO. INS-2008-00268
DECEMBER 30, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SEATON INSURANCE COMPANY OF NEW YORK,
Defendant

IMPAIRMENT ORDER

Seaton Insurance Company of New York ("Defendant"), a foreign corporation domiciled in the State of Rhode Island and licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of One Million Dollars ($1,000,000) and minimum surplus of Three Million Dollars ($3,000,000).

Section 38.2-1036 of the Code of Virginia 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 the Commonwealth of Virginia while the impairment of its surplus exists.

The Quarterly Statement of the Defendant, dated September 30, 2008, and filed with the Commission's Bureau of Insurance, indicates capital of Two Million Six Hundred Thousand Dollars ($2,600,000) and surplus of Two Million Four Hundred Seventy-Seven Thousand One Hundred Sixty-Nine Dollars ($2,477,169).

THEREFORE, IT IS ORDERED THAT, on or before April 8, 2009, the Defendant eliminate the impairment in its surplus and restore the same to at least Three Million Dollars ($3,000,000) and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer.

IT IS FURTHER ORDERED THAT the Defendant shall execute no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of the Defendant's surplus exists and until further order of the Commission.

DIVISION OF PUBLIC SERVICE TAXATION

CASE NO. PST-2004-00030
NOVEMBER 13, 2008

APPLICATION OF
LEVEL 3 COMMUNICATIONS, LLC

For Review and Correction of Certification of Gross Receipts - Tax Year 2003

ORDER DISMISSING, IN PART, APPLICATION

Before the State Corporation Commission ("Commission") is the Report of Michael D. Thomas, Hearing Examiner, of September 3, 2008 (hereinafter "Report"). The Hearing Examiner recommended that the Commission grant the Commission Staff's motion to dismiss, in part, the Application of Level 3 Communications, LLC ("Level 3" or "Company"), for review and correction of the Commission's tax year 2003 certification of gross receipts, which might be subject to the minimum tax imposed by § 58.1-400.1 of the Code of Virginia (hereinafter "Code"). For the reasons discussed in this Order, we will adopt the Hearing Examiner's recommendation and dismiss the Application to the extent that Level 3 seeks correction of certification of gross receipts derived from the sale of certain Internet services. We will direct the Hearing Examiner to conduct further proceedings.

On October 18, 2004, Level 3 filed its Application. The Company seeks a reduction of $25,130,456.06 in the amount certified to the Department of Taxation by the Commission for tax year 2003. Specifically, the Company objects to including revenues from the sale of Internet access, completion, origination or transport services, and Internet network facilities in the certified amount of gross receipts. In support of its contention, the Company cited federal statutes that limit state taxation of Internet services. In addition to the Internet-related revenues, the Company argued that revenues from the sale of collocation and interstate private lines were improperly included.

On December 20, 2004, the Staff moved for dismissal of those portions of the Application seeking revision of the amount of gross receipts attributable to the Internet-related services. The Staff argued that the Commission is not the appropriate agency to determine whether federal statutes governing Internet service taxation[1] limit liability for Virginia's minimum tax on telecommunications companies. In its motion, the Staff did not question Commission jurisdiction to address Level 3's contentions that other revenues were improperly included in the certified amount.[2]

Hearing Examiner Thomas based his decision to recommend dismissal of the portions of the Application addressing Internet-related revenues on the statutory language that imposes the minimum tax on telecommunications companies, § 58.1-400.1 of the Code. The Commission must certify to the Department of Taxation the amount of gross receipts as defined in § 58.1-400.1 D of the Code. The Hearing Examiner found that the statutory language was plain and unambiguous. The Commission cannot construe the language to hold something that the General Assembly did not intend.[3] No language in the statutory definition supports deduction of the Internet-related revenues from gross receipts certified to the Department of Taxation. The Hearing Examiner determined:

> The General Assembly granted no authority to the Commission to deduct from gross receipts revenues from the sale of Internet access, completion, origination or transport services and Internet network facilities. Had the General Assembly intended to grant such authority, it could have done so expressly in the statute. Commonwealth v. Washington Gas Light Co., 221 Va. 315, 323, 269 S.E.2d 820, 825 (1980).[4]

Level 3 filed on September 24, 2008, comments and a response to the Report. In support of its contention that the Commission should consider whether the federal statutes require the Commission to correct the certification to eliminate Internet-related revenues, the Company makes several arguments. According to Level 3, the Commission already exercises discretion in determining the amount certified when we apportion interstate revenue and consider the deductions listed in § 58.1-400.1 D of the Code. The Company argues that it is appropriate to consider a deduction authorized by federal law. Next, the Company argues that the Department of Taxation, through its regulations and procedures, defers to the Commission in determining what revenues are included in the certified gross receipts. Accordingly, we should consider the issue of a deduction mandated by federal law. Finally, Level 3 argues that, absent Commission action, it has no remedy.

The statute imposing the minimum tax assigns the Commission the limited role of providing information to the Department of Taxation. We will consider Level 3's Application and the motion to dismiss in part in light of our statutory duty imposed by § 58.1-400.1 C of the Code to certify gross receipts as defined in Subsection D of the same provision. The Commission agrees with the Hearing Examiner's conclusion that the definition of gross receipts and the statutory deductions from the amount certified set out in § 58.1-400.1 D control. There is no language in § 58.1-400.1 that empowers the Commission to establish additional deductions from gross receipts.

As the Hearing Examiner noted[5] and Level 3 discussed in its comments, the Commission does collect information and make determinations on whether revenues are billed on behalf of another company; whether gross receipts are interstate in nature; and whether revenues are derived from unbundled network

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[1] Internet Tax Freedom Act, Pub. L. No. 105-277, 112 Stat. 2681-719 (1998), as amended by the Internet Tax. Nondiscrimination Act, Pub. L. No. 107–75, 115 Stat. 703 (2001), as further amended by the Internet Tax. Nondiscrimination Act, Pub. L. No. 108-435, 118 Stat. 2615 (2004), as further amended by the Internet Tax. Freedom Act Amendments Act of 2007, Pub. L. No. 110-108, 121 Stat. 1024 (2007) (codified at 47 U.S.C. § 151 note).

[2] In the Report, 1-4, the Hearing Examiner related the extended procedural history of this case.

[3] Id. at 6-7.

[4] Id. at 7.

[5] Id. at 5.

facilities or completion, origination, transmission of telephone calls. These determinations are made to calculate gross receipts that are certified to the Department of Taxation as directed by the General Assembly.

The Commission agrees with Level 3 that we are bound by federal law that might govern the exercise of our jurisdiction conferred by Virginia tax law. However, the federal statutes that Level 3 would have us consider do not reach our function under Virginia law. The federal statute identified by the Company, 47 U.S.C. § 151 nt., limits state and local taxation. The federal statute does not address the Commission's function of collecting information on gross receipts and providing that information to the Department of Taxation.

Level 3 argues in its comments that the Department of Taxation's regulations and policies establish that the Department defers to the Commission on determination of gross receipts. According to the Company, if the Commission does not consider its arguments on exclusion of certain gross receipts from certification to the Department of Taxation, it is without a remedy. Any liability for the minimum tax arises under statutes administered by the Department of Taxation, and the Department collects any minimum tax due the Commonwealth. The Commission need not and does not reach any issue of the Department of Taxation's exercise of its powers to collect the minimum tax or remedies available to a taxpayer that seeks to challenge a levy of the minimum tax.

For the reasons discussed, the Commission adopts the Hearing Examiner's recommendation that those portions of the Application that seek review and correction of the certification on the basis of exemption of gross receipts from taxation by the identified federal internet taxation statutes be dismissed. We will remand the matter to the Hearing Examiner for consideration of the remaining elements of the Company's Application for review and correction of the certification.[6]

Accordingly, IT IS ORDERED THAT:

(1) The Commission Staff Motion to Dismiss, in Part, of December 20, 2004, as renewed by its Motion for Ruling on Motion to Dismiss In Part of July 11, 2008, be granted.

(2) The remaining issues in this matter be considered by the Hearing Examiner who shall file a report as provided by Ordering Paragraph (3) of the Order for Notice and Hearing of November 19, 2004.

[6] The Commission will not rule on Level 3's motion to withdraw its earlier motion for leave to amend its application. The Hearing Examiner may rule on that matter, and any party may take exception to the ruling in a response to the Commission on a final report.

CASE NOS. PST-2004-00046, PST-2005-00029, and PST-2007-00021
AUGUST 1, 2008

APPLICATION OF
ELANTIC TELECOM, INC.

For review and correction of assessments of the value of property subject to local taxation - Tax Year 2004

APPLICATION OF
ELANTIC TELECOM, INC.

For review and correction of assessments of the value of property subject to local taxation - Tax Year 2005

APPLICATION OF
ELANTIC TELECOM, INC.

For review and correction of assessments of the value of property subject to local taxation - Tax Year 2007

FINAL ORDER

Before the State Corporation Commission ("Commission") are the applications of Elantic Telecom, Inc. ("Elantic" or "Company"), for review and correction of the Commission's assessments of the value of certain property that is subject to local taxation for tax years 2004, 2005, and 2007. In Orders entered in Case Nos. PST-2004-00046, PST-2005-00029, and PST-2007-00021, we determined that Elantic had timely filed its applications for the respective tax years as provided by § 58.1-2670 of the Code of Virginia (hereinafter "Code") and docketed these cases.

As provided by § 12.1-31 of the Code and the State Corporation Commission Rules of Practice and Procedure, 5 VAC 5-20-120, Procedure before hearing examiners, we appointed a hearing examiner to conduct further proceedings in Case Nos. PST-2004-0046 and PST-2005-00029. On July 17, 2008, the Report of Michael D. Thomas, Hearing Examiner (hereinafter "Report"), was filed. Examiner Thomas recommended that the Commission grant Elantic's motions of July 11, 2008, to withdraw its applications for tax year 2004, Case No. PST-2004-00046, and for tax year 2005, Case No. PST-2005-00029. Also on July 11, 2008, Elantic, respondents, and the Commission Staff filed their Joint Motion for Approval of Proposed Settlement and Proposed Settlement in the tax year 2007 proceeding, Case No. PST-2007-00021. The Commission has considered the Reports filed in Case Nos. PST-2004-0046 and PST-2005-00029. We have also considered the proposed settlement and record in Case No. PST-2007-00021. For the reasons discussed in this Order, the Commission will adopt the recommendation in the Hearing Examiner's Report and the Proposed Settlement.

As Hearing Examiner Thomas related in his Report, at 2, Elantic's motions to withdraw its applications for tax years 2004 and 2005 is contingent upon Commission acceptance of the proposed settlement in the tax year 2007 proceeding. The parties and the Staff likewise noted the relationship of a settlement in Case No. PST-2007-00021 to the withdrawal of the tax years 2004 and 2005 applications. (Proposed Settlement at 9-10.)

The Commission has interpreted applicable tax statutes and our Rules of Practice and Procedure to permit an applicant for review and correction of an assessment of the value of property to withdraw its application voluntarily. When an application is withdrawn, our assessment of value remains in effect. In Case No. PST-2004-00046 and Case No. PST-2005-00029, Elantic has requested dismissal with prejudice on the condition that the Commission adopts the Proposed Settlement in PST-2007-00021.

If we adopt the Proposed Settlement, the value of several categories of Class 3 property shown in the Commission's Statement Showing the Value of Real and Tangible Personal Property of Telecommunications Companies in the Commonwealth of Virginia, assessed as of the beginning of the first day of January 2007, pursuant to Title 58.1, Chapter 26, Article 2, of the Code of Virginia, for Elantic would be reduced. In support of the recommended reductions in value in the Proposed Settlement, the parties and the Staff identified materials filed on December 12, 2007, with Elantic's original application, as supplemented on April 11, 2008. (Proposed Settlement at 2, 3.) The parties and the Staff recommended that the supplemental materials be made a part of the record. (Id.)

The proposed reductions in assessed values of the Class 3 property result, in part, from a corrected inventory of the locations, types, and quantity of equipment at various Elantic operating locations. The Company, affected respondents, and the Staff agree to these revisions, and they agree that the documents supporting the inventory be made a part of the record.

The Proposed Settlement provides for the greatest reduction in assessed value for Class 3, Value of central office equipment. The total assessed value for this property would be reduced from $46,689,448 to $22,094,353. The Commission's Public Service Taxation Division determined that the best available information on types of central office equipment, cost, and age had been provided by Elantic to the respondents and the Staff. Using this information provided by Elantic, the Public Service Taxation Division then applied a cost less depreciation methodology to develop fair market value for purposes of settlement. The local ratios provided by the Department of Taxation were then applied to arrive at the equalized assessed values in the Proposed Settlement. (Id. at 6-7.)

The Commission has used the cost less depreciation method in determining fair market value for many years, and the Virginia Supreme Court has approved. Norfolk & W. Ry. v. Commonwealth, 211 Va. 692, 698-98, 179 S.E.2d 623, 627 (1971). The proposed reduction in the assessed value of the central office equipment results from application of this methodology and use of the best available information.

It is the Commission's policy to encourage the settlement of tax cases. The Commission has adopted settlements when we find that an adequate record has been developed and that the public interest is furthered. The record in all three cases demonstrates active participation by the applicant and affected localities. The parties and Staff agree that the settlement in PST-2007-00021 is reasonable and that settling the case will avoid further expense to the parties. The Commission finds that the settlement in Case No. PST-2007-00021 should be adopted and that the applications in Case No. PST-2004-00046 and PST-2005-00029 should be dismissed in conjunction with adoption of the settlement.

Accordingly, IT IS ORDERED THAT:

(1) Case No. PST-2004-00046 be dismissed with prejudice from the Commission's docket and be placed in closed status in the records maintained by the Commission Clerk.

(2) Case No. PST-2005-00029 be dismissed with prejudice from the Commission's docket and be placed in closed status in the records maintained by the Commission Clerk.

(3) The documents listed in Paragraph 8 appearing on Page 3 of the Proposed Settlement filed on July 11, 2008, in Case No. PST-2007-00021 be made a part of the record in that proceeding.

(4) As provided by § 58.1-2673 of the Code, Elantic's application for review and correction of the equalized assessment of the value of its property subject to local taxation for tax year 2007 be granted to the extent provided for in the Proposed Settlement filed on July 11, 2008, in Case No. PST-2007-00021 and otherwise denied.

(5) The Statement Showing the Value of Real and Tangible Personal Property of Telecommunications Companies in the Commonwealth of Virginia, assessed as of the beginning of the first day of January 2007, pursuant to Title 58.1, Chapter 26, Article 2, of the Code of Virginia, for Elantic be corrected as follows:

ALEXANDRIA CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 2,898,390 and insert, in lieu thereof, 4,710,973.
-Under column headed "Value of material and supplies/Plant under construction," strike out 1,554,624 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 5,585,443 and insert, in lieu thereof, 5,843,402.

CHARLOTTESVILLE CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 0 and insert, in lieu thereof, 880,650.
-Under column headed "Value of material and supplies/Plant under construction," strike out 357,323 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 383,743 and insert, in lieu thereof, 907,070.

DANVILLE CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 21,320 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 84,731 and insert, in lieu thereof, 63,411.

EMPORIA CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 44,252 and insert, in lieu thereof, 0.
-Under column headed "Value of material and supplies/Plant under construction," strike out 20,338 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 64,590 and insert, in lieu thereof, 0.

FAIRFAX CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 1,915,144 and insert, in lieu thereof, 0.
-Under column headed "Value of material and supplies/Plant under construction," strike out 8,143 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 1,923,287 and insert, in lieu thereof, 0.

FRANKLIN CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 200,188 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 200,188 and insert, in lieu thereof, 0.

FREDERICKSBURG CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 337,023 and insert, in lieu thereof, 369,137.
-Under column headed "Value of material and supplies/Plant under construction," strike out 86,341 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 464,982 and insert, in lieu thereof, 410,755.

HAMPTON CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 305,636 and insert, in lieu thereof, 103,113.
-Under column headed "Total value of all property," strike out 420,418 and insert, in lieu thereof, 217,895.

HARRISONBURG CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 21,960 and insert, in lieu thereof, 39,159.
-Under column headed "Total value of all property," strike out 53,533 and insert, in lieu thereof, 70,732.

HOPEWELL CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 103,004 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 131,459 and insert, in lieu thereof, 28,455.

LEXINGTON CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 22,212 and insert, in lieu thereof, 158,517.
-Under column headed "Value of material and supplies/Plant under construction," strike out 37,850 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 60,062 and insert, in lieu thereof, 158,517.

LYNCHBURG CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 43,708 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 43,708 and insert, in lieu thereof, 0.

MANASSAS CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 272,127 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 431,508 and insert, in lieu thereof, 159,381.

NORFOLK CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 577,613 and insert, in lieu thereof, 1,351,751.
-Under column headed "Value of material and supplies/Plant under construction," strike out 3,364 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 1,384,744 and insert, in lieu thereof, 2,155,518.

PETERSBURG CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 113,469 and insert, in lieu thereof, 32,148.
-Under column headed "Total value of all property," strike out 146,707 and insert, in lieu thereof, 65,386.

RICHMOND CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 15,133,456 and insert, in lieu thereof, 3,521,509.
-Under column headed "Value of material and supplies/Plant under construction," strike out 79,224 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 17,400,803 and insert, in lieu thereof, 5,709,632.

ROANOKE CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 138,205 and insert, in lieu thereof, 731,837.
-Under column headed "Value of material and supplies/Plant under construction," strike out 433 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 138,638 and insert, in lieu thereof, 731,837.

SALEM CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 87,887 and insert, in lieu thereof, 218,282.
-Under column headed "Value of material and supplies/Plant under construction," strike out 62,911 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 165,123 and insert, in lieu thereof, 232,607.

STAUNTON CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 48,501 and insert, in lieu thereof, 209,048.
-Under column headed "Value of material and supplies/Plant under construction," strike out 10,336 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 94,899 and insert, in lieu thereof, 245,110.

SUFFOLK CITY
SLEEPY HOLE BOROUGH

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 467,820 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 467,820 and insert, in lieu thereof, 0.

WAYNESBORO CITY

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 37,764 and insert, in lieu thereof, 0.
-Under column headed "Value of material and supplies/Plant under construction," strike out 810 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 64,275 and insert, in lieu thereof, 25,701.

ALBEMARLE COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 349,111 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 985,011 and insert, in lieu thereof, 635,900.

AMHERST COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 14,609 and insert, in lieu thereof, 108,243.
-Under column headed "Value of material and supplies/Plant under construction," strike out 33,885 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 105,323 and insert, in lieu thereof, 165,072.

ARLINGTON COUNTY
NO DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 1,703,168 and insert, in lieu thereof, 126,583.
-Under column headed "Value of automobiles and trucks," strike out 0 and insert, in lieu thereof, 6,238.
-Under column headed "Total value of all property," strike out 2,119,069 and insert, in lieu thereof, 548,722.

AUGUSTA COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 173,871 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 173,871 and insert, in lieu thereof, 0.

CRAIGSVILLE, TOWN OF

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 17,429 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 17,429 and insert, in lieu thereof, 0.

BOTETOURT COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 160,608 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 160,608 and insert, in lieu thereof, 0.

CAMPBELL COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 130,277 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 130,277 and insert, in lieu thereof, 0.

ALTAVISTA, TOWN OF

(Printed Assessment)
-Under column headed "Value of central office equipment," insert 166,383.
-Under column headed "Total value of all property," insert 166,383.

CHESTERFIELD COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 1,379,941 and insert, in lieu thereof, 593,028.
-Under column headed "Total value of all property," strike out 1,379,941 and insert, in lieu thereof, 593,028.

CLARKE COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 1,805,640 and insert, in lieu thereof, 124,659.
-Under column headed "Total value of all property," strike out 3,510,404 and insert, in lieu thereof, 1,829,423.

CULPEPER COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," insert 408,177.
-Under column headed "Total value of all property," insert 408,177.

CULPEPER, TOWN OF

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 37,455 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 37,455 and insert, in lieu thereof, 0.

DINWIDDIE COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 33,909 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 42,893 and insert, in lieu thereof, 8,984.

FAIRFAX COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 1,375,737 and insert, in lieu thereof, 2,971,668.
-Under column headed "Value of material and supplies/Plant under construction," strike out 307,218 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 1,687,703 and insert, in lieu thereof, 2,976,416.

HERNDON, TOWN OF

(Printed Assessment)
-Under column headed "Value of central office equipment," insert 649,979.
-Under column headed "Total value of all property," insert 649,979.

FAUQUIER COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 1,378,275 and insert, in lieu thereof, 246,240.
-Under column headed "Total value of all property," strike out 1,459,845 and insert, in lieu thereof, 327,810.

WARRENTON, TOWN OF

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 48,959 and insert, in lieu thereof, 123,120.
-Under column headed "Total value of all property," strike out 48,959 and insert, in lieu thereof, 123,120.

FREDERICK COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 81,790 and insert, in lieu thereof, 118,161.
-Under column headed "Total value of all property," strike out 81,790 and insert, in lieu thereof, 118,161.

GREENE COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 48,340 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 48,340 and insert, in lieu thereof, 0.

GREENSVILLE COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 113,899 and insert, in lieu thereof, 116,280.
-Under column headed "Total value of all property," strike out 152,283 and insert, in lieu thereof, 154,664.

HANOVER COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 5,696,334 and insert, in lieu thereof, 0.
-Under column headed "Value of automobiles and trucks," strike out 0 and insert, in lieu thereof, 69,662.
-Under column headed "Value of material and supplies/Plant under construction," strike out 63,781 and insert, in lieu thereof, 1,638,824.
-Under column headed "Total value of all property," strike out 5,760,115 and insert, in lieu thereof, 1,708,486.

HENRICO COUNTY
ALL DISTRICTS (EXC. SANITARY DIST. 2 & 3)

(Printed Assessment)
-Under column headed "Value of land, buildings and towers," strike out 5,010,481 and insert, in lieu thereof, 0.
-Under column headed "Value of central office equipment," strike out 5,050,921 and insert, in lieu thereof, 1,693,115.
-Under column headed "Value of automobiles and trucks," strike out 0 and insert, in lieu thereof, 9,135.
-Under column headed "Value of material and supplies/Plant under construction," strike out 15,472,444 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 25,533,846 and insert, in lieu thereof, 1,702,250.

HENRY COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 39,540 and insert, in lieu thereof, 144,666.
-Under column headed "Value of material and supplies/Plant under construction," strike out 40,886 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 146,884 and insert, in lieu thereof, 211,124.

ISLE OF WIGHT COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 48,786 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 48,786 and insert, in lieu thereof, 0.

LOUDOUN COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 1,188,582 and insert, in lieu thereof, 900,642.
-Under column headed "Total value of all property," strike out 1,276,756 and insert, in lieu thereof, 988,816.

LEESBURG, TOWN OF

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 342,207 and insert, in lieu thereof, 42,280.
-Under column headed "Total value of all property," strike out 419,021 and insert, in lieu thereof, 119,094.

LOUISA COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," insert 168,435.
-Under column headed "Total value of all property," insert 168,435.

MADISON COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 71,158 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 71,158 and insert, in lieu thereof, 0.

MONTGOMERY COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 16,364 and insert, in lieu thereof, 39,971.
-Under column headed "Total value of all property," strike out 16,364 and insert, in lieu thereof, 39,971.

NELSON COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 73,180 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 73,180 and insert, in lieu thereof, 0.

PAGE COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 217,128 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 217,128 and insert, in lieu thereof, 0.

LURAY, TOWN OF

(Printed Assessment)
-Under column headed "Value of central office equipment," insert 158,517.
-Under column headed "Total value of all property," insert 158,517.

PITTSYLVANIA COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 313,560 and insert, in lieu thereof, 153,900.
-Under column headed "Total value of all property," strike out 313,560 and insert, in lieu thereof, 153,900.

PRINCE WILLIAM COUNTY
NO DISTRICTS (EXCL. FIRE DISTRICTS)

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 132,899 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 132,899 and insert, in lieu thereof, 0.

GAINESVILLE FIRE DISTRICT

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 898,105 and insert, in lieu thereof, 458,024.
-Under column headed "Total value of all property," strike out 898,105 and insert, in lieu thereof, 458,024.

RICHMOND COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of material and supplies/Plant under construction," strike out 3,233 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 3,233 and insert, in lieu thereof, 0.

ROCKBRIDGE COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 194,727 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 194,727 and insert, in lieu thereof, 0.

ROCKINGHAM COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 131,687 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 131,687 and insert, in lieu thereof, 0.

SOUTHAMPTON COUNTY
BRANCHVILLE, TOWN OF

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 52,719 and insert, in lieu thereof, 103,241.
-Under column headed "Total value of all property," strike out 177,612 and insert, in lieu thereof, 228,134.

STAFFORD COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 67,345 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 67,345 and insert, in lieu thereof, 0.

SURRY COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 402,031 and insert, in lieu thereof, 0.
-Under column headed "Value of material and supplies/Plant under construction," strike out 788 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 402,819 and insert, in lieu thereof, 0.

WARREN COUNTY
ALL DISTRICTS

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 23,224 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 102,593 and insert, in lieu thereof, 79,369.

FRONT ROYAL, TOWN OF

(Printed Assessment)
-Under column headed "Value of central office equipment," insert 40,313.
-Under column headed "Total value of all property," insert 40,313.

YORK COUNTY
BETHEL DISTRICT

(Printed Assessment)
-Under column headed "Value of central office equipment," strike out 86,254 and insert, in lieu thereof, 0.
-Under column headed "Total value of all property," strike out 86,254 and insert, in lieu thereof, 0.

BRUTON DISTRICT

(Printed Assessment)
-Under column headed "Value of central office equipment," insert 112,604.
-Under column headed "Total value of all property," insert 112,604.

(6) The Commission's Public Service Taxation Division shall mail an attested copy of this Order to: the Commissioners of the Revenue of the cities of Charlottesville, Danville, Emporia, Fairfax, Franklin, Fredericksburg, Hampton, Harrisonburg, Hopewell, Lexington, Lynchburg, Manassas, Norfolk, Petersburg, Roanoke, Salem, Staunton, Suffolk, and Waynesboro; the Commissioners of the Revenue of the counties of Amherst, Arlington, Augusta, Botetourt, Campbell, Chesterfield, Clarke, Culpeper, Dinwiddie, Fauquier, Frederick, Greene, Greensville, Hanover, Henry, Isle of Wight, Loudoun, Louisa, Madison, Montgomery, Nelson, Page, Pittsylvania, Richmond, Rockbridge, Rockingham, Southampton, Stafford, Surry, Warren and York; the Chief of Administration/Taxation of Albemarle County; the Chief Financial Officer of the city of Richmond; the Director of Tax Administration of Fairfax County; the Directors of Finance of the city of Alexandria and the counties of Henrico and Prince William; and the town councils of the towns of Altavista, Branchville, Craigsville, Culpeper, Front Royal, Herndon, Leesburg, Luray, and Warrenton.

(7) Case No. PST-2007-00021 be dismissed with prejudice from the Commission's docket and be placed in closed status in the records maintained by the Commission Clerk.

CASE NOS. PST-2008-00011 and PST-2008-00012
DECEMBER 10, 2008

APPLICATION OF
FIBERLIGHT OF VIRGINIA, LLC

For review and correction of gross receipts certified to the Department of Taxation for Tax Year 2007 and for a Partial Refund of Special Regulatory Revenue Tax

APPLICATION OF
FIBERLIGHT OF VIRGINIA, LLC

For review and correction of gross receipts certified to the Department of Taxation for Tax Year 2008 and for a Partial Refund of Special Regulatory Revenue Tax

FINAL ORDER

On June 2, 2008, FiberLight of Virginia, LLC ("FiberLight" or the "Company"), filed an application with the State Corporation Commission ("Commission"), pursuant to §§ 58.1-2030 and 58.1-2674.1 of the Code of Virginia ("Code"), requesting a review and correction of the Company's gross receipts certified by the Commission to the Virginia Department of Taxation for the twelve months ending December 31, 2006, pursuant to § 58.1-400.1 C of the Code, and for a partial refund of the Company's special regulatory revenue tax assessed pursuant to § 58.1-2660 of the Code.

The Company's application alleges that the amount of gross receipts it reported to the Commission for tax year 2007 erroneously included receipts attributable to business conducted in jurisdictions other than the Commonwealth of Virginia. According to the Company's application,[1] the correct amount of Virginia gross receipts is $4,743,133.37 for tax year 2007, as opposed to the $11,989,451 the Company reported on its Statement of Gross Receipts filed with the Commission. The application therefore requests that the Commission enter an order providing notice to the Virginia Department of Taxation of the Company's application; correcting the Company's gross receipts certified by the Commission to the Virginia Department of Taxation for tax year 2007; granting the Company a partial refund of its special regulatory revenue tax for tax year 2007; and providing such further relief as may be necessary or appropriate.

On June 5, 2008, FiberLight filed a second application with the Commission, pursuant to §§ 58.1-2030 and 58.1-2674.1 of the Code, requesting a review and correction of the Company's gross receipts certified by the Commission to the Virginia Department of Taxation for the twelve months ending December 31, 2007, pursuant to § 58.1-400.1 C of the Code, and for a partial refund of the Company's special regulatory revenue tax assessed pursuant to § 58.1-2660 of the Code.

[1] On June 17, 2008, FiberLight filed a Motion and Amendment to Petition and Application ("Motion") requesting that paragraph (3) of its application be amended to reflect the proper tax year and payment amount for the Company's special regulatory revenue tax.

The Company's second application alleges that the amount of gross receipts it reported to the Commission for tax year 2008 erroneously included receipts attributable to business conducted in jurisdictions other than the Commonwealth of Virginia. According to the Company's application, the correct amount of gross receipts is $2,813,311.07 for tax year 2008, as opposed to the $14,073,331 reported by the Company on its Statement of Gross Receipts filed with the Commission. The application therefore requests that the Commission enter an order providing notice to the Virginia Department of Taxation of the Company's application; correcting the Company's gross receipts certified to the Virginia Department of Taxation by the Commission for tax year 2008; granting the Company a partial refund of its special regulatory revenue tax for tax year 2008; and providing such further relief as may be necessary or appropriate.

On July 2, 2008, the Commission entered an Order for Notice that, among other things, docketed the applications as Case Nos. PST-2008-00011 and PST-2008-00012 for tax years 2007 and 2008, respectively; directed FiberLight to provide public notice of its applications; and established a procedural schedule for the filing of notices of participation.

On July 7, 2008, FiberLight filed with the Commission proof of notice as required by the Commission's July 2, 2008 Order for Notice. No person filed a notice of participation in Case Nos. PST-2008-00011 or PST-2008-00012 in response to the applications or the Commission's July 2, 2008 Order.

On November 3, 2008, FiberLight and the Division of Public Service Taxation ("Division") filed a Joint Stipulations of Fact ("Stipulation") and a Joint Motion for Approval of Stipulation and Dismissal of Applications ("Joint Motion"). In the Stipulation, FiberLight and the Division agree that FiberLight overstated its gross receipts for tax years 2007 and 2008. Under the terms and conditions of the Stipulation, FiberLight and the Division agree that the Commission's amount of gross receipts certified to the Virginia Department of Taxation should be corrected and reduced to $4,743,133.37 for tax year 2007 and corrected and reduced to $2,813,311.07 for tax year 2008. Fiberlight and the Division further request that the Commission enter an order approving the Stipulation, correcting and reducing the Company's gross receipts certified to the Virginia Department of Taxation for tax years 2007 and 2008, and dismissing the applications from the Commission's docket of active proceedings.

NOW THE COMMISSION, having considered the Company's applications, the Stipulation, the Joint Motion, and the applicable law, is of the opinion and finds that the Joint Motion should be granted and that the Company's gross receipts certified to the Virginia Department of Taxation for tax years 2007 and 2008 should be corrected and reduced. Based on the information contained in the Company's applications and the Stipulation submitted by FiberLight and the Division, the Company's Statements of Gross Receipts submitted to the Commission for tax years 2007 and 2008 were overstated because the Company included gross receipts attributable to business conducted in jurisdictions other than the Commonwealth of Virginia. Accordingly, we find the Company's gross receipts certified to the Virginia Department of Taxation for tax year 2007 should be reduced to $4,743,133.37 and that the Company's gross receipts certified to the Virginia Department of Taxation for tax year 2008 should be reduced to $2,813,311.07. We further find that the Company's special regulatory revenue tax for tax years 2007 and 2008 should be reduced based on the corrected gross receipts certified to the Virginia Department of Taxation for tax years 2007 and 2008 and appropriate refunds ordered.

Accordingly, IT IS ORDERED THAT:

(1) The Joint Motion for Approval of Stipulation and Dismissal of Applications filed by FiberLight and the Division is granted.

(2) As provided by § 58.1-2674.1 of the Code of Virginia, the gross receipts certified to the Virginia Department of Taxation for tax year 2007 is reduced and corrected to $4,743,133.37.

(3) As provided by § 58.1-2674.1 of the Code of Virginia, the gross receipts certified to the Virginia Department of Taxation for tax year 2008 is reduced and corrected to $2,813,311.07.

(4) A refund in the amount of $7,246.32 in special regulatory revenue tax assessed pursuant to § 58.1-2660 of the Code of Virginia for tax year 2007 and paid on or about June 1, 2007, by FiberLight of Virginia, LLC, SCC Company No. 6802, Federal Tax Identification No. 34-2042346, shall be certified to the Comptroller of the Commonwealth.

(5) A refund in the amount of $11,260.02 in special regulatory revenue tax assessed pursuant to § 58.1-2660 of the Code of Virginia for tax year 2008 and paid on or about May 30, 2008, by FiberLight of Virginia, LLC, SCC Company No. 6802, Federal Tax Identification No. 34-2042346, shall be certified to the Comptroller of the Commonwealth.

(6) The refunds certified in ordering paragraphs (4) and (5) shall be made without interest.

(7) The Commission's Division of Public Service Taxation and Comptroller of the Commission shall promptly prepare the required documents and provide the necessary information to the Comptroller of the Commonwealth for payment of the refunds certified in ordering paragraphs (4) and (5). All refunds shall be sent to Kevin Coyne, Chief Operating Officer and Executive Vice President, FiberLight, LLC, 3655 Brookside Parkway, Alpharetta, Georgia 30022.

(8) These applications are dismissed from the Commission's docket of active proceedings and placed in closed status in the records maintained by the Commission Clerk.

DIVISION OF COMMUNICATIONS

CASE NOS. PUC-1997-00135 and PUC-2006-00126
OCTOBER 22, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
At the relation of the
STATE CORPORATION COMMISSION

EX PARTE: In re: Implementation of Requirements of § 214(e) of the Telecommunications Act of 1996

APPLICATION OF
NATIONSLINE VIRGINIA, INC.

For designation as an eligible telecommunications carrier under 47 U.S.C. § 214(e)(2)

ORDER

On September 15, 1997, the State Corporation Commission ("Commission") established the docket in Case No. PUC-1997-00135 to consider requests of local exchange carriers ("LECs") to be designated as eligible telecommunications carriers ("ETC designation") to receive universal service support pursuant to § 214(e) of the Telecommunications Act of 1996, 47 U.S.C. § 251 et seq., (the "Act") and associated federal regulations.[1] The Commission has asserted jurisdiction under § 214(e)(2) of the Act to make ETC designations.[2]

On September 19, 2006, NationsLine Virginia, Inc. ("NationsLine"), filed its application for eligible telecommunications carrier ("ETC") designation, which was docketed as Case No. PUC-2006-00126. NationsLine is a CLEC that is certified to provide local exchange telecommunications services in Virginia pursuant to § 56-265.4:4 of the Code of Virginia and the Commission's Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers. 20 VAC 5-417-10 et seq. NationsLine offers service in the service territory of incumbent local exchange carriers ("ILECs") Verizon Virginia Inc., Verizon South Inc., Central Telephone Company of Virginia ("Central"), and United Telephone-Southeast, Inc. ("United"). NationsLine provides local exchange service, intraLATA toll service, and interLATA toll service by using its own facilities and leased facilities. NationsLine requested ETC designation in the exchanges of Verizon Virginia Inc., Verizon South Inc., Central, and United where NationsLine provides or offers eligible telecommunications services.

On November 9, 2006, the Commission entered an Order Requesting Comments, Objections, or Requests for Hearing on NationsLine's application. All such comments, objections, or requests for hearing were to be filed on or before December 15, 2006, and none were received. The Staff filed its Report on January 16, 2007.

NOW THE COMMISSION, having considered the application, is of the opinion and finds that NationsLine's application requesting ETC designation to receive federal universal service support pursuant to § 214(e) of the Act and associated federal regulations should be granted. NationsLine has certified that all requirements of the Act for ETC designation have been met, and the Commission will accept NationsLine's certification and designation.

The Staff Report did not oppose granting ETC designation to NationsLine in its requested service area, based upon the condition that NationsLine file necessary tariffs with the Division of Communications for Lifeline services that conform to the requirement of the Federal Communications Commission, as set out in 47 C.F.R. § 54.405 and § 54.411, and to the Commission's requirements as set out in the Order Amending Virginia Universal Service Plan, Case No. PUC-1997-00167, 1997 S.C.C. Ann. Rept. 323 (December 17, 1997). We grant NationsLine's request, subject to those conditions.

Accordingly, IT IS ORDERED THAT:

(1) NationsLine's request for ETC designation to receive universal service support pursuant to § 214(e) of the Telecommunications Act of 1996 and associated federal regulations is granted, subject to NationsLine's compliance with the conditions set out above.

(2) Case No. PUC-2006-00126 be closed.

(3) Case No. PUC-1997-00135 is continued pending further order of the Commission.

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[1] 47 C.F.R. § 54.201-207.

[2] See Order Granting Waiver, issued December 17, 1997, designating listed LECs as eligible telecommunications carriers. Cox Virginia Telcom, Inc. ("Cox"), is the only Competitive Local Exchange Carrier ("CLEC") that has been granted ETC designation; however, that status was subsequently relinquished upon Cox's request. (See Case No. PUC-2003-00167).

CASE NO. PUC-2000-00203
SEPTEMBER 11, 2008

IN THE MATTER OF
VERIZON VIRGINIA INC.
and
NET-TEL CORPORATION OF VIRGINIA, INC.

For approval of interconnection agreement

ORDER CLOSING CASE

By Order entered August 20, 2008, in Case No. PUC-2008-00066, the State Corporation Commission ("Commission") cancelled the certificate of public convenience and necessity previously issued to NET-Tel Corporation of Virginia, Inc. ("NET-Tel"), for its failure to pay annual registration or other fees. As a result, the Company is no longer authorized to transact business in the Commonwealth of Virginia.

NOW THE COMMISSION, being sufficiently advised, finds that there is nothing further to be acted upon in the instant case, wherein the Commission approved an interconnection agreement between the parties named in the caption (or their legal predecessors), and that the case should be closed.

Accordingly, IT IS ORDERED that Case No. PUC-2000-00203 is hereby closed.

CASE NO. PUC-2000-00257
SEPTEMBER 11, 2008

IN THE MATTER OF
VERIZON SOUTH INC.
and
NET-TEL CORPORATION OF VIRGINIA, INC.

For approval of interconnection agreement

ORDER CLOSING CASE

By Order entered August 20, 2008, in Case No. PUC-2008-00066, the State Corporation Commission ("Commission") cancelled the certificate of public convenience and necessity previously issued to NET-Tel Corporation of Virginia, Inc. ("NET-Tel"), for its failure to pay annual registration or other fees. As a result, the Company is no longer authorized to transact business in the Commonwealth of Virginia.

NOW THE COMMISSION, being sufficiently advised, finds that there is nothing further to be acted upon in the instant case, wherein the Commission approved an interconnection agreement between the parties named in the caption (or their legal predecessors), and that the case should be closed.

Accordingly, IT IS ORDERED that Case No. PUC-2000-00257 is hereby closed.

CASE NO. PUC-2004-00112
MARCH 4, 2008

ALTERNATIVE DISPUTE RESOLUTION
PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, LLC
and
TCG VIRGINIA, INC.

For alternative dispute resolution of interconnection agreements with Verizon Virginia Inc.

FINAL ORDER

On August 24, 2004, AT&T Communications of Virginia, LLC, and TCG Virginia, Inc. (collectively, "AT&T"), filed a notice of intention to file an Alternative Dispute Resolution Petition with the Virginia State Corporation Commission ("Commission") pursuant to the Commission's Alternative Dispute Resolution Rules, 20 VAC 5-405-10 *et seq.* ("ADR Rules").

On September 3, 2004, AT&T filed an Alternative Dispute Resolution Petition and Motion. In its Motion, AT&T requested a waiver of 20 VAC 5-405-20 of the ADR Rules, which requires "at least 30 days' written notice of its intent to file an Alternative Dispute Resolution Petition." AT&T's requested waiver was denied in a Hearing Examiner's Ruling dated September 3, 2004.

On September 23, 2004, AT&T filed its Alternative Dispute Resolution Petition ("ADR Petition") in which it contended that Verizon Virginia Inc. ("Verizon") violated its interconnection agreements with AT&T by refusing to provision new Four Lines or More UNE-P arrangements and by imposing a monthly surcharge of $16.13 per line for each existing customer served via Four Lines or More UNE-P arrangements.

On October 28, 2004, the Hearing Examiner's Report was filed in this matter pursuant to the ADR Rules. On February 10, 2005, the Commission issued an Order Remanding for Further Proceedings ("Order"). Specifically, the Order remanded this case to the Hearing Examiner to determine whether Verizon is providing AT&T access to new enhanced extended links (EELs) on a nondiscriminatory, cost-based basis and to address any other relevant issues raised on remand.

Pursuant to the Hearing Examiner's Ruling dated February 17, 2005, a telephonic pre-hearing conference was scheduled for February 24, 2005. During that conference, AT&T and Verizon indicated that they were engaged in negotiations to settle the remaining issues in this matter. This matter was, therefore, continued generally by Ruling dated February 24, 2005.

On February 26, 2008, AT&T filed a Motion for Permission to Withdraw Petition and to Terminate Proceeding ("Motion"). AT&T asserts it is authorized to state that Verizon has no objection to the granting of this request.

On February 27, 2008, the Hearing Examiner issued a Report finding that AT&T's Motion should be granted and that the exception period to the Report should be waived. The Hearing Examiner recommended that the Commission adopt the findings contained in the Report, dismiss AT&T's Alternative Dispute Resolution Petition with prejudice, and pass the papers herein to the file for ended causes.

NOW THE COMMISSION, upon review of the filings herein and applicable law, is of the opinion that the findings and recommendations in the Hearing Examiner's Report are reasonable and should be adopted without modification.

Accordingly, IT IS ORDERED THAT:

(1) AT&T's Alternative Dispute Resolution Petition is dismissed with prejudice; and

(2) The papers filed herein shall be passed to the Clerk's files for ended causes.

CASE NO. PUC-2005-00007
OCTOBER 2, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the Matter of Investigating Directory Errors and Omissions of Verizon Virginia Inc. and Verizon South Inc.

ORDER EXTENDING SUNSET PERIOD FOR STAFF AUDITS OF VERIZON DIRECTORIES

On February 13, 2007, the State Corporation Commission ("Commission") issued an Order Approving Offer of Settlement ("February 13, 2007 Order"), which approved a settlement proposed by Verizon Virginia Inc., Verizon South Inc. (collectively "Verizon"), and the Division of Communications ("Division" or "Staff") to: (1) resolve this investigation; (2) provide limited relief for past and future customers experiencing directory errors; and (3) establish appropriate financial incentives to assure that future Verizon directories do not experience the same level of errors and omissions as in the past. The Offer of Settlement approved by the Commission also contains, among other things, an Incentive Plan that is designed to create a financial incentive for Verizon to improve the quality of its directories.

Under the Incentive Plan approved by the Commission, the Staff is given the opportunity to audit eighty (80) Verizon directories of its choosing to measure the number of "service affecting errors" proven to be Verizon's responsibility.[1] If Verizon directories fail to meet a 99% accuracy rate (defined as more than 10 "service affecting errors" in a 1000 listing random sample), Verizon will make a $50,000 payment to the Treasurer of Virginia for each directory not meeting the 99% accuracy metric. The Offer of Settlement approved by the Commission also contains a sunset provision, which provides that the requirements imposed on Verizon in the Offer of Settlement will sunset three (3) years from the date of the Commission's Order approving the Offer of Settlement, with the exception of the Staff audits of Verizon directories under the Incentive Plan. The Offer of Settlement provides that the Staff audits under the Incentive Plan will "expire at the earlier of three years after the Commission enters an order approving this settlement proposal or the conclusion of the Staff's 80th directory audit."[2]

On September 22, 2008, the Staff and Verizon filed a Joint Motion to Modify Sunset Period for Division Audits of Verizon Directories ("Motion"), requesting that the Offer of Settlement's sunset period be modified to allow the Staff to audit no more than fourteen (14) additional Verizon directories between February 13 and October 31, 2010. In support of their Motion, Verizon and the Staff represent that Verizon inadvertently failed to pull a spreadsheet of the Company's eListing data on or about the "close date" for fourteen (14) Verizon directories.[3] According to the Motion, this inadvertent oversight by Verizon prevents the Staff from auditing eighty (80) Verizon directories under the Incentive Plan approved by the Commission.

In order to preserve the Staff's ability to audit eighty (80) Verizon directories under the Incentive Plan, the Staff and Verizon request that the Commission modify Sections II and IX of the Offer of Settlement approved by the Commission to read as follows:

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[1] The definition of "service affecting errors" is found in Section II of the Offer of Settlement.

[2] Offer of Settlement at 3.

[3] The "close date" is the date on and after no further changes or modifications to listings will be made to a directory before its annual publication.

Section II. Incentive Plan, first paragraph, second sentence:

> ~~Within three years from the date the Commission approves this settlement proposal~~ By October 31, 2010, the Staff will audit 80 directories of its choosing and measure service affecting errors proven to be Verizon's responsibility.

Section IX. Sunset.

> The requirements imposed herein will automatically sunset in three years after the Commission enters an order approving the settlement proposal with the exception of Section II~~, which will expire at the earlier of three years after the Commission enters an order approving this settlement proposal or the conclusion of the Staff's 80th directory audit~~. The sunset period for Section II of the Offer of Settlement shall be extended until October 31, 2010 to allow the Staff an opportunity to select and audit no more than 14 additional Verizon directories after February 13, 2010, regardless of the number of audits completed by February 13, 2010. However, the Staff shall audit no more than 80 Verizon directories under the Offer of Settlement.

NOW THE COMMISSION, having considered the Motion, is of the opinion and finds that the Motion should be granted, and that the Offer of Settlement approved by the Commission's February 13, 2007 Order should be amended to extend the sunset period for the Staff audits of Verizon directories. The Incentive Plan is a critical component of the strategy adopted by the Commission to improve the quality of Verizon directories, and the inadvertent failure of Verizon to pull the eListing directory data on or about the "close date" for fourteen (14) of its directories would diminish substantially the financial incentives created by the Commission to encourage Verizon to improve the quality of its directories. Extending the sunset period for the Staff audits of Verizon directories, as requested in the Motion, will preserve the Staff's opportunity to audit eighty (80) Verizon directories as contemplated in the Offer of Settlement approved in the Commission's February 13, 2007 Order.

Accordingly, IT IS ORDERED THAT:

(1) The Joint Motion to Modify Sunset Period for Division Audits of Verizon Directories filed by Verizon and the Commission Staff is granted.

(2) The second sentence in Section II of the Offer of Settlement approved by the Commission's February 13, 2007 Order is amended by striking "Within three years from the date the Commission approves this settlement proposal," and inserting in lieu thereof "By October 31, 2010." As amended, the second sentence in Section II of the Offer of Settlement will read:

> By October 31, 2010, the Staff will audit 80 directories of its choosing and measure service affecting errors proven to be Verizon's responsibility.

(3) Section IX of the Offer of Settlement approved by the Commission's February 13, 2007 Order shall be amended by striking "which will expire at the earlier of three years after the Commission enters an order approving this settlement proposal or the conclusion of the Staff's 80th directory audit," and inserting in lieu thereof two additional sentences to Section IX reading "The sunset period for Section II of the Offer of Settlement shall be extended until October 31, 2010 to allow the Staff an opportunity to select and audit no more than 14 additional directories after February 13, 2010, regardless of the number of audits completed by February 13, 2010. However, the Staff shall audit no more than 80 Verizon directories under the Offer of Settlement." As amended, Section IX of the Offer of Settlement will read:

> The requirements imposed herein will automatically sunset in three years after the Commission enters an order approving the settlement proposal with the exception of Section II. The sunset period for Section II of the Offer of Settlement shall be extended until October 31, 2010 to allow the Staff an opportunity to select and audit no more than 14 additional Verizon directories after February 13, 2010, regardless of the number of audits completed by February 13, 2010. However, the Staff shall audit no more 80 Verizon directories under the Offer of Settlement.

(4) This proceeding shall be continued generally, pending further Order of the Commission.

Commissioner Shannon participated in this matter.

Commissioners Jagdmann and Dimitri did not participate in this matter.

CASE NO. PUC-2007-00008
JANUARY 4, 2008

APPLICATION OF
VERIZON VIRGINIA INC.
and
VERIZON SOUTH INC.

For a Determination that Retail Services are Competitive and Deregulating and Detariffing of the Same

ORDER GRANTING RECONSIDERATION

On December 14, 2007, the State Corporation Commission ("Commission") issued an Order on Application in this docket. On December 28, 2007, Verizon Virginia Inc. and Verizon South Inc. (collectively, "Verizon") filed a Petition for Reconsideration ("Petition").

NOW THE COMMISSION, upon consideration of this matter, grants reconsideration for the purpose of continuing our jurisdiction over this matter and considering the above-referenced Petition.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing our jurisdiction over this matter and considering the above-referenced Petition.

(2) On or before January 11, 2008, any party to this case may file comments on Verizon's Petition. Any such comments shall be served on Verizon electronically.

(3) On or before January 17, 2008, Verizon may reply to any comments filed.

(4) This matter is continued pending further order of the Commission.

CASE NO. PUC-2007-00008
FEBRUARY 1, 2008

APPLICATION OF
VERIZON VIRGINIA INC.
and
VERIZON SOUTH INC.

For a Determination that Retail Services are Competitive and Deregulating and Detariffing of the Same

ORDER ON RECONSIDERATION

On December 14, 2007, the State Corporation Commission ("Commission") issued an Order on Application ("Order") in this docket. On December 28, 2007, Verizon Virginia Inc. and Verizon South Inc. (collectively, "Verizon" or "Company") filed a Petition for Reconsideration ("Petition"). On January 4, 2008, the Commission issued an Order Granting Reconsideration for the purpose of continuing our jurisdiction over this matter and considering the Petition.

On or before January 11, 2008, the following participants filed comments in opposition to Verizon's Petition: Division of Consumer Counsel, Office of the Attorney General ("Attorney General"); Fairfax County Board of Supervisors; Communications Workers of America; Cox Virginia Telcom, Inc. ("Cox Telcom"); and XO Virginia, LLC, and Cavalier Telephone, LLC. On January 17, 2008, Verizon filed a reply.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Commission's December 14, 2007 Order shall be modified as described herein.

Verizon's Petition sets forth four separate requests, which we consider *seriatim*:

A. Verizon Requests that "Cable Providers That Have Upgraded Their Networks to Provide Digital Broadband Service Should Count as Facilities-based Providers."

For the reasons discussed in our Order[1] and for the additional reasons discussed herein, we deny Verizon's request. We add the following: Verizon Witness Eisenach labeled a cable company that had upgraded its networks but was not offering local telephone service as an "uncommitted entrant."[2] Nevertheless, Verizon wants such a cable company considered as a *facilities-based* provider of local telephone service, asserting that the threat of entry can act as a restraint on Verizon's prices.[3] We need not find that Dr. Eisenach's description of such a cable company is either correct or incorrect as a matter purely of economic theory, because we must apply Virginia law. The Virginia law governing this case allows us to consider economic theory and apply it where appropriate to the facts before us, but the statute is not simply a recitation of a specific economic theory of competition (and economists, like lawyers, often disagree on the correct theory to apply to a given set of facts or the likely outcomes). A consistent principle contained in our Order was that Va. Code § 56-235.5(F) ("Subsection F") requires this Commission to consider the actual options for local telephone service that are available to consumers when making a finding of competitiveness. We found that the "potential for competition" standard in Subsection F meant that other providers such as cable, competitive local exchange carrier ("CLEC"), or wireless did not have to offer the same array of local telephone services at approximately the same price as Verizon to be considered as competitors to Verizon, but that to be considered a competitor or potential competitor to Verizon, a provider at least had to offer local telephone service in some package and at some price. A cable company that does not offer *any* local telephone service, by definition, cannot be an option "reasonably meeting the needs of consumers" as required by Subsection F.

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[1] *See* Order at 19 ("We find, however, that the capital and human resources investments necessary for a cable company to offer local telephone service are *significant barriers to entry under Subsection F* ….") (emphasis added); Order at 36 ("… we do require in our competitiveness test that at least two competitors already are substantially present in the telephone exchange area *offering residential telephone service.* We find that the statute does not allow us to include in our competitiveness determination *the mere threat* that a cable company … not already present in an exchange will decide to make the substantial capital investment necessary to enter a market simply in response to price increases for [Basic Local Exchange Telephone Services ('BLETS')] by Verizon.") (emphases added).

[2] Verizon's January 17, 2008 Reply at 3.

[3] *Id*. at 3-4.

Further, Verizon asks us to consider such a cable company as a *facilities-based* provider under our market competitiveness test. Such a request misunderstands the purpose of the facilities-based provider in our competitiveness test. The purpose of this prong of our competitiveness test is to ensure that *at least one* competitor to Verizon with significant presence in the exchange is *both* a close substitute to Verizon's landline service in terms of service quality and 911 reliability (thereby meeting our statutory obligation under Subsection F to consider "the presence of other providers reasonably meeting the needs of consumers") *and* has sufficient control over its own wireline network facilities so that it can aggressively compete with Verizon for local telephone service (thereby meeting our statutory obligation under Subsection F to determine when competition or potential competition "can be an effective regulator of the price" of local telephone services). Obviously, a cable company that does not even offer local telephone service cannot fulfill the first key purpose of the facilities-based competitor.

Verizon says that "where cable companies have upgraded their networks to digital broadband service, it is only a matter of time before they offer cable telephony."[4] We need not dispute this statement, because assuming it is true, then our competitiveness test is already applicable to this eventuality. Just as soon as a cable company begins offering local telephone service, it will automatically be considered a facilities-based competitor under our competitiveness test.

B. Verizon Requests that "UNE-Loop CLECs Are Facilities-Based Providers."

We recognized in our Order that CLECs were a close substitute for Verizon's local telephone service because CLECs "represent a type of local telephone service closely comparable in price, service quality and reliability to that offered by Verizon's traditional landline network."[5] Nevertheless, we did not include in our residential or business competitiveness tests as facilities-based competitors to Verizon those CLECs that were either resellers of Verizon's products and services, that were customers of Verizon's "Wholesale Advantage" leasing program, or that were dependent on Verizon for leasing UNE-L (loop) facilities from Verizon. With regard to CLECs that leased UNE-P (platform) facilities from Verizon, we explained that the Federal Communications Commission's ("FCC") 2005 action reducing Verizon's obligation to lease such facilities to CLECs at total element long run incremental cost ("TELRIC") prices had adversely affected those CLECs' ability to compete aggressively with incumbent local exchange carriers ("ILECs") such as Verizon.[6] We regarded CLECs that lease UNE-loops from Verizon to be potentially vulnerable to similar FCC action; however, we take judicial notice that the FCC recently denied a forbearance petition in which Verizon sought to be freed from its obligation to lease UNE-loops at TELRIC prices to CLECs in several markets, including Virginia Beach.[7] The FCC's denial of Verizon's forbearance request is consistent with Verizon's representation in its Petition that

> [f]ederal law requires Verizon to lease the last mile UNE-loop facility to [CLECs that lease UNE-loops] at federally mandated rates under the Telecommunications Act of 1996 and the FCC's unbundling rules, which puts the loops under the effective control of the CLEC… Furthermore, with the recent FCC decision in the Verizon forbearance case that Verizon must continue to provide UNE-loops in the Virginia Beach area, the likelihood that Verizon will be relieved from providing UNE-loops at TELRIC rates *in any part of the state appears slim*.[8]

Interestingly, in Verizon's Reply Comments, it acknowledges that it is appealing the FCC's denial of its forbearance petition,[9] so Verizon, in effect, seems to be saying "trust us to fail" in our continuing efforts to be relieved of our obligation to lease UNE-loops at TELRIC prices to competitors.

Nevertheless, Verizon is correct that it continues to have the legal obligation to lease UNE-loops at TELRIC prices throughout its Virginia service territory given the FCC's recent denial of its forbearance petition. Verizon is also correct that should it some day achieve forbearance in Virginia Beach or elsewhere in Virginia, our continuing duty under Va. Code § 56-235.5(G) to monitor prior determinations of competitiveness can take such changed circumstances into account and competitors previously deemed to be facilities-based can be reclassified.[10]

Accordingly, upon reconsideration we grant Verizon's request that CLECs which lease UNE-loops from Verizon be considered as facilities-based competitors to Verizon for purposes of the residential and business market competitiveness tests in our Order.

Verizon has not requested, and we make no changes to, our determination in the Order that CLECs which are resellers of Verizon's services and products or CLECs which are dependent upon Verizon's "Wholesale Advantage" leasing program, shall not be considered facilities-based competitors in the residential and business competitiveness tests set forth in our Order.

C. Verizon Requests that "Wireless Providers are Facilities-Based."

In both our residential and business competitiveness tests in the Order we require that at least one competitor to Verizon in the telephone exchange area be facilities-based and be available to at least 50% of the households/businesses in the exchange.[11] As discussed above, the purpose of this

[4] *Id*. at 2-3.

[5] Order at 17.

[6] *Id.* at 16-17 (citing, *inter alia*, NRRI Report, Exh. 271 at 48, n.141; *In the Matter of Unbundled Access to Network Elements; Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, WC Docket No. 04-313, FCC 04-290 (Released Feb. 4, 2005)).

[7] *In the Matter of Petitions of the Verizon Telephone Companies for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Boston, New York, Philadelphia, Pittsburgh, Providence and Virginia Beach Metropolitan Statistical Areas*, Memorandum Opinion and Order, WC Docket No. 06-172, FCC 07-172 (Adopted Dec. 5, 2007; Released Dec. 5, 2007).

[8] Petition at 3-4 (emphasis added).

[9] Verizon's January 17, 2008 Reply at 7 n.19.

[10] *Id*. at 6-7.

[11] Order at 33, 42.

prong of our competitiveness test is to ensure that *at least one* competitor to Verizon with significant presence in the exchange is *both* a close substitute to Verizon's landline service in terms of service quality and 911 reliability (thereby meeting our statutory obligation under Subsection F to consider "the presence of other providers reasonably meeting the needs of consumers") *and* has sufficient control over its own wireline network facilities so that it can aggressively compete with Verizon for local telephone service (thereby meeting our statutory obligation under Subsection F to determine when competition or potential competition "can be an effective regulator of the price" of local telephone services).

As we pointed out in our Order, a cable company that offers local telephone service exemplifies our definition of facilities-based provider because it offers both a close substitute in terms of service quality to Verizon's landline service *and* it owns its own landline network and thus is not dependent on Verizon for lease-access to major elements of Verizon's network facilities.

As we also explained in our Order, CLECs generally provide a close substitute to Verizon's landline service in terms of service quality, but the ability of CLECs which lease UNE-P from Verizon to provide aggressive competition to Verizon was negatively affected by the FCC's 2005 decision to reduce ILEC's UNE-P leasing obligations. Consequently, we did not include such CLECs in our competitiveness test as facilities-based competitors (although we did include them as non-facilities-based competitors).

Wireless providers are the reverse side of the coin from CLECs who lease UNE-P from Verizon. Even assuming that a wireless competitor such as AT&T or Sprint Nextel owns its own network facilities, we found in our Order that wireless service at this time does not provide the same consistent level of service quality and 911 reliability as Verizon's landline service for us to fulfill Subsection F's mandate to consider other providers "reasonably meeting the needs of consumers"[12] in determining competitiveness. Verizon implicitly acknowledges the gap in service quality and 911 reliability in its Petition.[13] Accordingly, we excluded wireless providers from the definition of facilities-based competitors in our Order. We did, of course, find that wireless, while not a perfect substitute for Verizon's landline service, could still act as a price regulator under Subsection F and we did include wireless providers as non-facilities-based competitors.[14]

We agree with Verizon that technological improvements to wireless service will, in all likelihood, continue to close the current gap in service quality and 911 reliability between landline and wireless service. As technological improvements continue to be made, the time may well come when there will be no material distinction between landline and wireless telephone service in terms of 911 service or general reliability. At the present time, however, the record in front of us demonstrates that there remains a material gap in service quality and 911 dependability between landline and wireless telephone service that we cannot ignore. In accordance with the statute, we therefore deny Verizon's request to consider wireless providers as facilities-based competitors, although they will be included in our competitiveness test as non-facilities-based competitors.

D. Verizon Requests that "The Threshold for Including Over-the-Top VoIP Providers as Competitors Should Be Based On Availability, Not Subscribership" of Broadband.

Verizon asks us to count over-the-top Voice over Internet Protocol ("VoIP") providers as competitors to Verizon wherever broadband is *available* to 75% of the households or businesses in a telephone exchange area.[15] The practical result of granting Verizon's request would be to count over-the-top VoIP as a competitor to Verizon anywhere in Verizon's service territory in Virginia where Verizon itself offered either DSL or FIOS (its fiber-based platform), and anywhere in Virginia where a cable company offered cable modem broadband service, even when a cable company was not offering local telephony itself.

Such a result would overstate the actual degree of competition that over-the-top VoIP providers such as Vonage currently pose to Verizon for local telephone service and fatally undermine a key purpose of our competitiveness test, which is to deter the exercise of market power by Verizon in exchanges determined to be competitive.[16] We discussed in our Order that the record evidence in this proceeding demonstrated that the market share of over-the-top VoIP providers in Virginia was so small that such providers could not be considered serious competitors to Verizon in Virginia at this time.[17] Looking toward the future and recognizing the potential for growth in competition from this service, in our Order we did include over-the-top VoIP as a competitor in any exchange in which Verizon can provide evidence that broadband subscribership has reached 75% in the exchange. The market share of over-the-top VoIP providers in Virginia is currently so insignificant, however, that we cannot accept Verizon's request as it has been submitted in its Petition.[18]

Verizon's request presumes that Virginians who simply want local telephone service at a price they can afford should be forced to undergo the monthly expense of purchasing a broadband internet subscription – a *non*-telephone service that they may not want – in order to obtain local telephone service. Moreover, in some areas of Virginia the only choice consumers will have to purchase a broadband connection will be from Verizon itself, if Verizon's DSL service is their only broadband option. Granting Verizon's request would not only undermine the efficacy of our competitiveness test at deterring Verizon from exercising market power, but it would also gut an important criterion of our competitiveness test, which requires that for a provider to be considered a competitive option to Verizon, the consumer must be able to purchase local telephone service from that provider without being forced also

[12] *See id.* at 21-22, 34-35.

[13] Petition at 6 ("The wireless industry, however, is rapidly addressing both of these issues" (referring to service reliability and 911 service).).

[14] Order at 22, 35.

[15] Petition at 12.

[16] *See* Order at 37 ("[W]e find that the competitiveness test described herein is sufficient to protect consumers in an exchange area from the exercise of market power by Verizon for BLETS. … We believe that this market test will deter the exercise of market power in exchanges declared competitive.").

[17] *See id*. at 23-24.

[18] For example, Cox Telcom notes that "Verizon's own data shows that less than 4% of the survey respondents subscribed to any VoIP service." Cox Telcom's January 11, 2008 Comments at 6 (citations omitted).

to purchase a non-telecommunications service such as video or internet service.[19] This criterion is based on the statutory mandate in Subsection F to consider "the presence of other providers reasonably meeting the needs of consumers." Further, as the Attorney General stated, "the cost of the broadband connection plus the subscription cost to over-the-top VoIP would be substantially more expensive than wireline service, and thus would not be an effective regulator of Verizon's price of wireline."[20] As discussed above and in our Order, while we do not require that another telephone service provider offer local telephone service at roughly the same price as Verizon to be considered a competitor, we do require that a consumer have the option to purchase local telephone services from that provider without being required also to purchase non-telephone services such as video or internet subscription in order to include that provider in our competitiveness test.[21] The rationale for that requirement was precisely as stated by the Attorney General, *i.e.*, that if a consumer was forced to purchase non-telephone services in addition to the cost of telephone, that provider could not act as a price regulator of Verizon's landline telephone service, as required by the statute.

On the other hand, we agree with Verizon that over-the-top VoIP should factor into our competitiveness test in some fashion, certainly to take into account future growth in competition from it. The difficulty with measuring over-the-top VoIP as a competitor to Verizon at this point in time is that we appear to be faced with two extreme options: either count over-the-top VoIP wherever broadband is simply available, as Verizon requests, or count it not at all. Neither extreme accurately reflects the state of the market in Virginia. Verizon's option would grossly overstate the actual amount of competition that over-the-top VoIP presently represents to Verizon (certainly for residential service, as discussed below); not counting it at all would understate it and ignore the fact that over-the-top VoIP could develop as a more substantial competitor to Verizon in the future.

Both the Attorney General and Cox Telcom offer proposals that could represent a middle ground between the "all or nothing" options. Both agree with Verizon that the FCC does not keep data on broadband subscribership by local telephone exchange but does keep broadband subscribership data on a statewide basis.[22] The Attorney General and Cox Telcom propose that over-the-top VoIP could thus be considered as a competitor in a local telephone exchange when the FCC-calculated statewide broadband penetration rate reaches a threshold percentage and the broadband availability in a given exchange reaches a threshold percentage.[23]

We believe that the Attorney General's and Cox Telcom's proposals contain merit as a starting point for finding a method of measuring competition to Verizon from over-the-top VoIP that is more accurate than either of the "all or nothing" options. Verizon dismisses these proposals by stating that it "begs the question of why statewide data would be sufficient for this indicator of competition, but not others."[24] The answer is that it depends on how the FCC data is used. We do not find that the FCC data, alone, should be used to find either statewide or local competition to Verizon from over-the-top VoIP.

We do find, however, that the FCC data can reasonably be used in combination with other available data to produce a practical and usable rough indicator of actual broadband penetration (subscribership) in Virginia. This information can then logically be used as a prerequisite to finding that competition from over-the-top VoIP exists in certain local telephone exchanges based on availability of broadband, as requested by Verizon. Verizon argues that over-the-top VoIP should be counted as a competitor in any exchange in which broadband *availability* has reached 75% of households or businesses.[25] Yet granting Verizon's request would grossly overstate the actual amount of competition posed to Verizon from over-the-top VoIP for residential service. If, however, the latest available FCC broadband subscribership data and data on Virginia households are first used in combination as a prerequisite to determine that broadband subscribership has reached a threshold penetration level statewide, then it would be a far more accurate indicator of actual competition to find over- the-top VoIP to be a competitor in any local exchange in which broadband is available to 75% of the homes. There is a logical nexus between statewide broadband penetration levels, even if roughly determined, and local exchange broadband availability. To reach the former threshold, broadband subscribership must be taking place in local exchanges that have the higher percentages of broadband availability. The statewide broadband penetration could not otherwise be taking place. Requiring evidence of sufficient statewide broadband penetration before using local broadband availability gives us assurance that broadband availability in a local exchange can be a valid proxy for the existence of over-the-top VoIP competition to Verizon robust enough to restrain Verizon's prices, as required by the statute.

Accordingly, we grant Verizon's request that over-the-top VoIP will be considered as a non-facilities based competitor to Verizon for residential services in any local exchange in which broadband is *available* to at least 75% of the households in that exchange, provided that FCC data shows that broadband *subscribership* in Virginia,[26] compared to total Virginia households, has reached a ratio of 3:4. Specifically, we find that reaching this threshold ratio is evidence of sufficient statewide broadband penetration such that using the 75% broadband *availability* test for residential BLETS (as requested by Verizon) serves as a valid proxy for the existence of over-the-top VoIP competition.[27]

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[19] Order at 33, 42.

[20] Attorney General's January 11, 2008 Comments at 9.

[21] Order at 33, 42.

[22] Petition at 11; Attorney General's January 11, 2008 Comments at 9; Cox Telcom's January 11, 2008 Comments at 6-7.

[23] Attorney General's January 11, 2008 Comments at 9; Cox Telcom's January 11, 2008 Comments at 7.

[24] Verizon's January 17, 2008 Reply at 11.

[25] Petition at 12.

[26] *See* High-Speed Services for Internet Access: Status as of December 31, 2006, Industry Analysis and Technology Division, Wireline Competition Bureau, FCC, October 2007 (*http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-277784A1.pdf*) ("High-Speed Services Report").

[27] The implementation of this test will occur as part of the streamlined administrative process set forth in the Order. For example: (1) Table 13 of the High-Speed Services Report shows Virginia residential broadband subscribership at 1.451 million lines, and (2) federal census data lists 2.905 million households in Virginia (*see* American Community Survey, Census Bureau Factfinder, 2006 American Community Survey, Data Profile Highlights (*http://factfinder.census.gov/servlet/ACSSAFFFacts?_event=Search&geo_id=&_geoContext=&_street=&_county=&_cityTown=&_state=04000US51&_zip=&_lang=en&_sse=on&pctxt=fph&pgsl=010*). Thus, the ratio of residential broadband subscribership compared to total Virginia households would be about 1:2 (1.451 million : 2.905 million) at the present time.

Next, we find that business broadband penetration in Virginia has already reached a sufficient level such that using the 75% broadband *availability* test (as requested by Verizon) serves as a valid proxy for the existence of over-the-top VoIP competition. We conclude that business broadband penetration is far more advanced in Virginia than residential and is sufficient to give us assurance that using Verizon's broadband availability test in individual exchanges for business services will not overstate the potential competition from over-the-top VoIP to Verizon.[28] Thus, we find that Verizon may use its requested 75% *availability* test for business BLETS.

As a result, for purposes of treating over-the-top VoIP as a non-facilities based competitor: (1) for residential BLETS, Verizon can use (a) its requested 75% availability test if the 3:4 ratio set forth herein is met, or (b) the 75% subscribership test set forth in the Order; and (2) for business BLETS, Verizon can use (a) its requested 75% availability test, or (b) the 75% subscribership test set forth in the Order. We conclude that such findings satisfy the relevant statutory standards discussed herein and in the Order.

E. Summary

As a practical matter, granting all four of Verizon's requests in full would give Verizon what it requested in its original Application, which is statewide deregulation of essentially all local telephone services. Yet Verizon failed to prove that it faced competition sufficient to restrain prices in all areas of its Virginia service territory. We found in our Order that such competition or the potential for competition did exist in most of the more densely populated urban and suburban areas of Virginia and we granted Verizon deregulation of approximately more than 62% of all residential lines and 57% of business lines, plus statewide deregulation of bundled and some other services. Our Order also found, however, that the evidence demonstrated there were some remaining areas of Virginia, mostly rural areas and in smaller towns and cities, where consumers do not have realistic alternatives to Verizon for reliable local telephone service sufficient to restrain Verizon's ability to raise prices.

Verizon has repeatedly argued that in those areas of Virginia, the threat from "uncommitted entrants," *i.e.*, other providers who do not presently offer local telephone service but theoretically could decide to offer telephone service some day if Verizon raised prices high enough, would restrain Verizon's price increases.[29] We need not agree or disagree with Verizon's argument purely from the standpoint of economic theory, for our duty is to apply Virginia law. We do not find that current Virginia law allows deregulation if the result will be that Verizon receives the legal authority to raise prices for telephone services in local areas where it still retains dominant market power (market power it inherited from decades as a state-granted monopoly). For example, as we noted in our original Order, it is unrealistic to expect a cable company to invest millions of dollars to build a network in an area of Virginia where it does not currently provide cable service just to offer local telephone service in response to an increase in Verizon's prices.[30] Further, Virginia law requires us to ensure that deregulation takes place where the facts show that Virginians have realistic options to Verizon's local telephone service, not theoretical options, and that these options "reasonably meet the needs of consumers."

Accordingly, IT IS HEREBY ORDERED THAT:

(1) The December 14, 2007 Order on Application in this docket is modified as set forth herein.

(2) This matter is dismissed.

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[28] For example, Table 13 of the High-Speed Services Report shows Virginia business broadband subscribership at 732,003 lines, compared to about 400,000 active business entities currently registered with the Clerk of the Commission.

[29] *See, e.g.,* Verizon's January 17, 2008 Reply at 3; Eisenach, Tr. at 516-17, 1680, 1716.

[30] *See* Order at 19.

CASE NO. PUC-2007-00040
FEBRUARY 29, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VERIZON VIRGINIA INC.
and
VERIZON SOUTH INC.,
Defendants

ORDER

On May 10, 2007, the Staff ("Staff") of the Virginia State Corporation Commission ("Commission") filed a Motion for a Rule to Show Cause ("Motion") requesting that the Commission issue a Rule to Show Cause directing Verizon Virginia Inc. and Verizon South Inc. ("Verizon" or "Company") to show cause why the Company should not be sanctioned for violations of 20 VAC 5-427-130 D of the Rules for Local Exchange Telecommunications Company Service Quality Standards ("Service Quality Rules"), 20 VAC 5-427-10 *et seq*.

On June 8, 2007, the Commission issued an order granting the Motion and issuing a Rule to Show Cause. Verizon filed a response on August 17, 2007. On August 24, 2007, the Commission issued an Order Scheduling Hearing, and the hearing was held on September 25-26, 2007. Lydia R. Pulley, Esquire, David A. Hill, Esquire, and William D. Smith, Esquire, appeared on behalf of Verizon. Robert M. Gillespie, Esquire, appeared on behalf of the Staff. The following witnesses testified for Verizon: Robert W. Woltz, Jr.; Stephen D. Spencer; Tyrone "Ty" Stephenson; Christopher M. Creager; and David W. Ogburn. Steven C. Bradley testified for the Staff. Verizon and the Staff filed post-hearing briefs on October 26, 2007.

NOW THE COMMISSION, having considered this matter, finds as follows.

20 VAC 5-427-150 B states as follows:

> A [local exchange carrier ('LEC')] subject to the provisions of this chapter shall, upon request of the commission or the staff, submit a corrective action plan to address any area of demonstrable and continuing concern for service quality performance or to address recurring commission complaints. Such action plan shall be submitted to the staff within 30 days unless otherwise requested by the staff. An action plan shall at a minimum contain:
>
> 1. A complete identification of the cause of unsatisfactory performance or commission complaints;
> 2. An explicit remedy or corrective action and a schedule of implementation of the remedial or corrective action to be taken by a LEC; and
> 3. A date by which a LEC will complete the remedial or corrective action identified.

While the Staff did not allege a violation of this Rule, it was an issue discussed in the hearing. We find that Verizon submitted a corrective action plan as set forth in Rule 20 VAC 5-427-150 B and, thus, has not violated such Rule.

We turn next to the issue of whether Verizon should be sanctioned for violating 20 VAC 5-427-130.D. This Rule states as follows:

> Out-of-service trouble reports repaired within 24 and 48 hours is a measure of a LEC's ability to restore network service in a timely manner. Out-of-service trouble reports should generally be cleared within 24 hours. The standard for satisfactory performance shall be that, without exception other than as permitted in this chapter, no less than 80% of out-of-service trouble reports are cleared within 24 hours, and that, without exception other than as permitted in this chapter, no less than 95% are cleared within 48 hours, per calendar month, excluding Sundays and LEC-recognized holidays.

Verizon admits that it has not met the specific service quality metrics in 20-VAC 5-427-130 D since the current Service Quality Rules ("Rules") went into effect on November 1, 2005. (Verizon's post-hearing brief at 2).

Verizon offers multiple defenses, but the essence of Verizon's defense is to assert that the service metrics contained in Rule 130 D are merely "advisory." (Verizon's post-hearing brief at 3). We disagree.

We find that the language of 130 D clearly sets forth the standard of service that Verizon and all LECs are expected to meet when clearing out-of-service trouble reports—that is, per calendar month, "no less than 80% of out-of-service trouble reports" should be cleared within 24 hours and "no less than 95%" should be cleared within 48 hours excluding Sundays and holidays—and we reject Verizon's assertion that this standard is in any way vague. The problem with Rule 130 D, however, is not any ambiguity in the standard of service Verizon is expected to meet or the Staff's efforts to require Verizon to comply with the service quality standard. Instead, the problem is that Rule 130 D lacks language specifically directing compliance with the standard, as contrasted with other service quality rules,[1] or a specific penalty for failure to comply with the standard. Accordingly, we conclude that the imposition of a specific fine against Verizon is not supported by the language of Rule 130.D.

In addition, the evidence shows Verizon's failures to comply with the standard were not caused by *force majeure* events such as hurricanes or floods (the Staff is not alleging a violation in the month of September 2006 due to Hurricane Ernesto), but were affected by a deliberate decision by Verizon's top management to prioritize the allocation of resources to the installation of Verizon's fiber-to-the-premises network in those geographic areas in which Verizon plans to offer its fiber product ("FIOS").[2] Although we find that Rule 130 D does not support the imposition of a specific fine against Verizon, we note that the use of FIOS deployment as an excuse for non-compliance with the standard set forth in Rule 130 D is not persuasive since Verizon's service quality obligations extend to all of its Virginia customers, not just those to whom FIOS is made available.

Finally, the lack of language in Rule 130 D specifically directing compliance with the standard or setting forth a specific penalty for failure to comply with the standard leads to the conclusion that modifications to the Service Quality Rules should be considered. These matters, however, must be considered in a legislative rulemaking, not an adjudicatory proceeding such as this. We intend to initiate a rulemaking on the Service Quality Rules.

Finally, we need not rule on Verizon's November 1, 2007 Motion to Strike, as we have not relied herein on the material sought to be stricken.

Accordingly, IT IS ORDERED THAT this matter be dismissed.

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[1] *See, e.g.*, 20 VAC 5-427-30.A-E, 20 VAC 5-427-40.A-C, 20 VAC 5-427-50, 20 VAC 5-427-60.A-E, 20 VAC 5-427-70.A-D, 20 VAC 5-427-80.A-B, 20 VAC 5-427-90.A-D, 20 VAC 5-427-100, 20 VAC 5-427-110, and 20 VAC 5-427-120.A-I.

[2] *See* Verizon's Response to Rule to Show Cause at 1-2, 4-7, 14-15. As stated by Verizon, "as a matter of competitive survival, Verizon has no choice but to deploy a multi-billion dollar overlay fiber network as quickly as possible. . . Constructing a new fiber network while maintaining the legacy copper network is challenging, complex and expensive, and *doing so affects Verizon* [sic] *ability to meet the numeric metrics in Rule 130.D*." *Id.* at 14-15 (emphasis added). Furthermore, during questioning at the hearing, Robert W. Woltz, Jr., Verizon's president, made the following statement: "[A]re there resources being diverted from the core work to the fiber optic work, those resources are being balanced between them, and so, *sometimes, that means putting priority on the fiber optic network. . ."* (Woltz Tr. at 184-85) (emphasis added).

CASE NO. PUC-2007-00041
FEBRUARY 29, 2008

APPLICATION OF
VERIZON VIRGINIA INC.
and
VERIZON SOUTH INC.

For a waiver of Rule 20 VAC 5-427-130(D)

ORDER

On May 10, 2007, Verizon Virginia Inc. and Verizon South Inc. ("Verizon") filed an application with the State Corporation Commission ("Commission") for a waiver of the standard for out-of-service trouble reports set forth in 20 VAC 5-427-130 D of the Rules for Local Exchange Telecommunications Company Service Quality Standards ("Service Quality Rules"). Verizon requests a waiver pursuant to 20 VAC 5-427-170 of the Service Quality Rules, which provides that the Commission may, at its discretion, waive or grant exceptions thereto.

On May 22, 2007, the Commission issued an Order for Notice and Inviting Comments and Requests for Hearing. The Commission received fifteen written or electronic public comments on or before July 3, 2007, and no request for hearing was filed. The Staff filed comments on August 3, 2007. Verizon filed a response on August 17, 2007.

NOW THE COMMISSION, upon consideration of this matter, denies Verizon's request for waiver. In an Order issued today in Case No. PUC-2007-00040, the Commission found that 20 VAC 5-427-130 D lacks language specifically directing compliance with the standard for satisfactory performance or establishing a specific penalty for failure to comply with the standard. Having made such finding, we do not find good cause for waiving 20 VAC 5-427-130 D.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Verizon's Application is denied.

(2) This case is dismissed.

CASE NO. PUC-2007-00063
APRIL 1, 2008

JOINT APPLICATION OF
YTV, INC.,
YIPES ENTERPRISE SERVICES, INC.,
and
FLAG TELECOM GROUP SERVICES LIMITED

For approval of transfer of control of YTV, Inc., from Yipes Holdings, Inc., to FLAG Telecom Group Services Limited

DISMISSAL ORDER

By Commission Order dated November 6, 2007, YTV, Inc. ("YTV"), Yipes Enterprise Services, Inc. ("Yipes"), and FLAG Telecom Group Services Limited ("FLAG") (collectively, the "Joint Applicants") were granted approval to consummate a transaction to allow for the transfer of control of YTV from Yipes to FLAG, conditioned upon approval by the Federal Communications Commission, United States Department of Homeland Security, and United States Department of Justice. The Joint Applicants were required to file with the Commission proof of such approvals. The required report providing such proof was filed with the Commission on January 7, 2008. On consideration whereby,

IT IS ORDERED THAT there appealing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUC-2007-00077
JANUARY 29, 2008

ALTERNATIVE DISPUTE RESOLUTION
PETITION OF
UNITED TELEPHONE-SOUTHEAST, INC. d/b/a EMBARQ
and
CENTRAL TELEPHONE COMPANY OF VIRGINIA d/b/a EMBARQ
v.
CAT COMMUNICATIONS INTERNATIONAL, INC.

DISMISSAL ORDER

On August 27, 2007, United Telephone-Southeast, Inc. and Central Telephone Company of Virginia, both d/b/a Embarq ("Petitioners" or "Embarq") filed a notice of intention to file an Alternative Dispute Resolution Petition with the Office of Hearing Examiners, a division of the Virginia State

Corporation Commission ("Commission"), regarding a dispute over the application of certain provisions in its interconnection agreement with Cat Communications International, Inc ("CCI"). On October 3, 2007, Petitioners filed their Alternative Dispute Resolution Petition with the Commission. In accordance with the Commission's alternative dispute resolution process ("ADRP") for telecommunication carriers, Rule 20 VAC 5-405-10 et seq. ("ADR Rules"), a prehearing conference was scheduled and convened on October 4, 2007, "to determine whether the petition qualifies for [ADRP] and, if so, to determine the schedule for the proceeding and other matters relevant to management and resolution of the dispute."[1] It was determined that the issue raised in the Petition fell within the scope of the ADR Rules and the issue could reasonably be tried or developed on an expedited basis. A schedule for an evidentiary hearing and the filing of briefs was established.

Thereafter, CCI filed a Petition for Authority for Discontinuance of All Local Exchange Telecommunications Services[2] and the parties and the Staff agreed that such filing rendered this matter moot. The Chief Hearing Examiner cancelled the evidentiary hearing and issued her report on October 23, 2007, recommending that the Commission dismiss this proceeding and place the matter in the file for ended causes. No comments have been filed regarding the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of the Hearing Examiner's recommendation and the absence of any comments, finds that this proceeding should be dismissed as moot.

Accordingly, IT IS ORDERED THAT this case is dismissed from the Commission's docket of active cases and the record developed herein should be placed in the file for ended causes.

[1] 20 VAC 5-405-60.

[2] Case No. PUC-2007-00092

CASE NO. PUC-2007-00088
JANUARY 22, 2008

JOINT APPLICATION OF
SHENANDOAH TELEPHONE COMPANY
SHENANDOAH TELECOMMUNICATIONS COMPANY
SHENANDOAH CABLE TELEVISION COMPANY
SHENTEL SERVICE COMPANY
SHENANDOAH VALLEY LEASING COMPANY
SHENANDOAH MOBILE COMPANY
SHENANDOAH LONG DISTANCE COMPANY
SHENANDOAH NETWORK COMPANY
SHENTEL FOUNDATION
SHENANDOAH PERSONAL COMMUNICATIONS COMPANY
SHENTEL COMMUNICATIONS COMPANY
SHENTEL MANAGEMENT COMPANY
SHENTEL CONVERGED SERVICES, INC.
SHENTEL CONVERGED SERVICES OF WEST VIRGINIA, INC.

For approval to amend affiliates agreement to modify cost allocation factors as to certain cost centers

ORDER GRANTING APPROVAL

On October 9, 2007, Shenandoah Telephone Company ("Shenandoah"), along with its affiliates listed above (collectively, the "Joint Applicants"), filed a joint application with the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code") for approval to amend affiliate agreements to modify cost allocation factors as to certain cost centers. The application was deemed complete as of October 24, 2007.

Shenandoah is a regulated utility that provides incumbent telecommunications services in the northern Shenandoah Valley of Virginia and is a wholly owned subsidiary of Shenandoah Telecommunications Company ("ShenCom"). Shentel Converged Services of West Virginia, Inc. ("SCSWVA"), is a West Virginia telecommunications company that provides voice, data, and video services to business and residential customers in West Virginia and is a subsidiary of ShenCom as well. ShenCom is the holding company for the following affiliates: Shenandoah, SCSWVA, Shenandoah Cable Television Company, Shentel Service Company, Shenandoah Valley Leasing Company, Shenandoah Mobile Company, Shenandoah Long Distance Company, Shenandoah Network Company, Shentel Foundation, Shenandoah Personal Communications Company, Shentel Communications Company, Shentel Management Company, and Shentel Converged Services, Inc.

The Joint Applicants are currently operating under an affiliates agreement entitled Shenandoah Management Company Services Agreement ("SMC Agreement") approved and on file with the Commission in Case No. PUC-2004-00125. The SMC Agreement was amended with Amendment No. 1 in Case No. PUC-2005-00102 to update allocation procedures as to the factor for allocating the Accounting/Finance Cost Center and to establish an intra-holding company funding mechanism to allow funds to be used more efficiently among the affiliated companies. The SMC Agreement was further amended with Amendment No. 2 in Case No. PUC-2005--0127 to include SCSWVA as a signatory to the SMC Agreement. In the instant joint application, the Joint Applicants request Commission approval to amend the SMC Agreement by modifying allocation factors as to certain cost centers through Amendment No. 3.

The first proposed allocation change will modify the allocation factor for Information Technology Management ("IT Management") costs. Currently, the allocation factor for IT Management is based on 50% revenue/50% total assets for each of the Joint Applicants. The Joint Applicants have

determined that the current allocation method improperly favors those affiliates that have higher demand for IT Management but have lower asset or revenue balances. The proposed allocation factor will allocate costs on a direct labor hour factor to ensure that those affiliates that demand and receive more of the IT Management resources appropriately receive their share of the costs.

The second proposed allocation change will modify the allocation factor for the Personal Communications Services ("PCS") Stores and their related activities. Currently, the allocation factor for the PCS Stores is based on a direct allocation to Shenandoah's PCS affiliate. The Joint Applicants have determined that this allocation factor does not properly reflect the allocation of expenses in situations when employees within the PCS cost centers spend time working in other areas that are not related to PCS. The proposed allocation factor will allocate costs on a direct labor hour factor to ensure that those affiliates that benefit from and receive more of the employee's services appropriately receive their share of the costs.

The third proposed allocation change will modify the allocation factor for CFO General Management. Currently, the allocation factor for this function is based on revenue earned by each affiliate. The Joint Applicants have found that the current allocation factor improperly allocates expenses to affiliates that do not benefit from the services performed by the employees in the cost center. The proposed allocation factor will allocate costs on a direct labor hour factor to ensure that only the affiliates for which the employees work receive the allocation for the costs associated with that work. The Joint Applicants state that this was a new cost center in 2007. The Joint Applicants further state that in 2006 the function was performed within another cost center that was already using direct labor hours.

The fourth proposed allocation change will modify the allocation factor for Internet Customer Service. Currently, the allocation factor is based on the number of Internet customers. The Joint Applicants have found that the current allocation factor reflects neither the recent reassignment of employees, nor the expanding function of those employees, who support both the internal users of the Internet as well as provide technical support to external customers. The proposed allocation factor will allocate external costs across the affiliates based on the number of each affiliate's Internet customers and other customers that otherwise require technical support with respect to enhanced and additional services, and will allocate internal support costs within Shenandoah Management Company's ("SMC") cost centers based on the number of peripheral devices used by employees from each cost center. The Joint Applicants state that this change in allocation method will result in fewer costs being charged to Shenandoah.

The fifth proposed allocation change will modify the allocation factor for depreciation of property. Currently, the allocation factor is based on the square footage of buildings used by each cost center within ShenCom. The Joint Applicants have found that the current allocation factor improperly allocates the depreciation of assets other than buildings, such as vehicles, computers and equipment. The proposed allocation factor will allocate depreciation of other assets within SMC cost centers based on the number of employees that utilize such assets. This will more accurately allocate depreciation of computers and office equipment assigned to employees.

The Joint Applicants represent that the proposed amendment to the SMC Agreement is in the public interest. The Joint Applicants farther represent that the modifications to the allocation procedures will allocate costs more accurately and efficiently and will likely have a favorable impact on Shenandoah's expenses over the current allocation methods.

NOW THE COMMISSION, upon consideration of the joint application and representations of the Joint Applicants and having been advised by its Staff, is of the opinion and finds that requested Amendment No. 3 to the SMC Agreement appears to be in the public interest and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code, the Joint Applicants are hereby granted approval to amend the SMC Agreement with Amendment No. 3 under the terms and conditions and for the purposes described herein.

2) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code.

3) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

4) Shenandoah Telephone Company shall include the transactions in connection with Amendment No. 3 to the SMC Agreement in its Annual Report of Affiliate Transactions submitted to the Director of Public Utility Accounting of the Commission.

5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUC-2007-00090
JANUARY 23, 2008

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, LLC

For a waiver of the price ceilings for residential local exchange service of its Call Plan Unlimited Plus

ORDER GRANTING WAIVER

On October 12, 2007, AT&T Communications of Virginia, LLC ("AT&T" or the "Company"), filed a petition with the State Corporation Commission ("Commission") for a waiver of the price ceilings applicable to its residential local exchange service known as AT&T's Call Plan Unlimited Plus, in order for AT&T to increase prices for the service effective February 1, 2008. All affected customers reside in areas of Virginia where Verizon Virginia Inc. and Verizon South Inc. (collectively, "Verizon") are the incumbent local exchange carriers ("ILEC").

Specifically, AT&T requests a waiver of 20 VAC 5-417-50 D of the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, 20 VAC 5-417-10 et seq. ("CLEC Rules"), which provides that prices for basic telephone service not purchased as part of a bundled service shall not exceed the highest prices of the comparable tariffed or applicable ceiling rates of an ILEC in the same local serving area. AT&T requests a waiver pursuant to 20 VAC 5-417-50 G of the CLEC Rules, which provides that the Commission may permit alternative pricing structures and rates if the public interest will not be harmed. AT&T's petition represents that the most directly comparable Verizon flat rate local exchange service is priced at $16.37 per month.

AT&T states that it faces a disparity between its costs and the prices the Company can charge under the price ceilings because of a series of court and Federal Communications Commission ("FCC") decisions. A March 2004 ruling vacated the FCC rule requiring unbundled network element platform availability. As a result, in September 2005, AT&T entered into a commercial agreement with Verizon that substantially increased AT&T's costs for offering its Call Plan Unlimited Plus service.

In support of its request, AT&T also asserts that a waiver of the price ceilings will not harm the public interest. The Company's Petition states that affected customers have other choices for obtaining local exchange services from carriers that continue to market aggressively to wireline mass market customers.

On November 1, 2007, the Commission entered its Order for Notice and Inviting Comments and Requests for Hearing ("Notice Order"). Pursuant to the Notice Order, AT&T published in newspapers providing notice to the public of its proposal and advising that interested persons could file comments, requests for hearing, or both on or before November 26, 2007. The Notice Order also directed the Commission Staff ("Staff") to file comments upon the issues associated with the Petition no later than December 11, 2007.

On December 11, 2007, the Staff filed its Comments. Overall, the Staff does not oppose a limited waiver of the price ceiling applicable to AT&T's Call Plan Unlimited Plus service offering.[1] AT&T no longer actively markets services to residential customers; and if the waiver is granted, plans to grandfather this service offering as the proposed increase is implemented. The Staff believes that it is in the public interest for AT&T to continue offering this service to its existing customers even at a higher price. The Staff recommends that if the waiver is granted, that at a minimum, AT&T should be subject to three conditions. The waiver should apply only to Call Plan Unlimited Plus service; $18.82 per month should be established as the new price ceiling for the service; and the waiver should not be viewed as an "automatic" precedent for granting any future price ceiling waivers for the service. In addition, the Staff Comments noted that only one comment opposing the increase was received.

NOW THE COMMISSION, upon consideration of the Staff Comments and the one objection, finds that AT&T's price ceiling waiver request will not harm the public interest and should be granted subject to the conditions stated below.

(1) AT&T's price ceiling waiver request for its residential local exchange service, Call Plan Unlimited Plus, is granted subject to the following conditions: (i) the waiver applies only to AT&T's Call Plan Unlimited Plus service; (ii) the new price ceiling applicable to AT&T's Call Plan Unlimited Plus service shall be $18.82 per month; and (iii) approval of the request should not be viewed as a precedent for any future price ceiling waiver requests for the service.

(2) There being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

[1] This is the second request by AT&T for a price ceiling waiver for its Call Plan Unlimited Plus service. The previous request was approved in Case No. PUC-2007-00001.

CASE NO. PUC-2007-00094
JANUARY 29, 2008

APPLICATION OF
BANDWIDTH.COM CLEC, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On October 18, 2007, Bandwidth.com CLEC, LLC ("Bandwidth" or the "Company"), filed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order for Notice and Comment dated November 14, 2007, the Commission directed the Company to provide notice to the public of its application and directed the Commission Staff to conduct an investigation and file a Staff Report. On December 17, 2007, the Company filed proof of publication and proof of service as required by the November 14, 2007 Order.

On January 9, 2008, the Staff filed its Report finding that Bandwidth's application was in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, 20 VAC 5-417-10 et seq., and the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-411-10 et seq. Based upon its review of Bandwidth 's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the following conditions: Bandwidth should notify the Division of Economics and Finance no less than thirty (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 deems it is no longer necessary.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1 of the Code of Virginia, the Commission further finds that the Company may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Bandwidth.com CLEC, LLC is hereby granted a certificate of public convenience and necessity, No. TT-239A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Bandwidth.com CLEC, LLC is hereby granted a certificate of public convenience and necessity, No. T-674, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Bandwidth.com CLEC, LLC shall notify the Division of Economics and Finance 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 deems it is no longer necessary.

(6) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC-2007-00097
MARCH 21, 2007

APPLICATION OF
INTER-TEL NETSOLUTIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On October 19, 2007, Inter-Tel NetSolutions of Virginia, Inc., ("Inter-Tel" or the "Company"), filed an application for a certificate of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order for Notice and Comment dated November 19, 2007, the Commission directed the Company to provide notice to the public of its application and directed the Commission Staff to conduct an investigation and file a Staff Report. On December 18, 2007, the Company filed proof of publication and proof of service as required by the November 19, 2007 Order.

On January 28, 2008, the Staff filed its Report finding that Inter-Tel's application was in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, 20 VAC 5-417-10 et seq. Based upon its review of Inter-Tel's application, the Staff determined it would be appropriate to grant the Company a certificate to provide local exchange telecommunications services subject to the following condition: Inter-Tel should notify the Division of Economics and Finance no less than thirty (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 the application and the Staff Report, finds that the Company should be granted a certificate to provide local exchange telecommunications services.

Accordingly, IT IS ORDERED THAT:

(1) Inter-Tel NetSolutions of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-675, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(3) Inter-Tel shall notify the Division of Economics and Finance 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) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC-2007-00100
APRIL 17, 2008

APPLICATION OF
ADERA, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services

ORDER DISMISSING WITHOUT PREJUDICE

On January 7, 2008, Adera, LLC ("Adera" or "Applicant"), completed 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.

On January 23, 2008, the Commission entered its Order for Notice and Comment which directed Adera to provide public notice of its application; required Adera to post a surety bond; and established further procedures for this proceeding. On February 26, 2008, Adera filed a Motion for Continuance requesting that the matter be continued generally. The Commission issued an Order Extending Procedural Schedule on March 13, 2008, in response to the Applicant's request.

On April 15, 2008, Adera filed a letter advising the Commission that it wished to withdraw its application for a certificate of public convenience and necessity to provide local exchange telecommunications services.

NOW THE COMMISSION, having considered the applicable law, is of the opinion and finds that Adera's request should be granted and that this matter should be dismissed without prejudice to Adera's refiling in the future.

Accordingly, IT IS ORDERED THAT:

(1) This case is dismissed without prejudice to the refiling of same.

(2) The record developed herein shall be placed in the file for ended causes.

CASE NO. PUC-2007-00101
APRIL 17, 2008

APPLICATION OF
WHOLESALE CARRIER SERVICES OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On October 30, 2007, Wholesale Carrier Services of Virginia, Inc. ("WCS" or "Applicant") filed an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("certificates") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

On December 10, 2007, the Commission issued an Order for Notice and Comment ("Notice Order") that docketed the Application as Case No. PUC-2007-00101 and established a procedural schedule in which the Applicant was required to provide public notice of its application by December 19, 2007, and file proof of such notice by January 16, 2008. The Commission invited the public to provide written comments and/or request a hearing by January 2, 2008; the Commission Staff was instructed to review the Application and file a Staff Report summarizing its investigation January 30, 2008; and the Applicant was allowed to respond to Staff's Report and any public comments or requests for hearing by February 6, 2008. On January 11 2008, WCS filed a Motion to Extend Procedural Dates, requesting an additional sixty days to provide the required bond. By Order dated January 23, 2008, the Commission extended the date by which the performance or surety bond was to be provided until March 7, 2008. The Order also extended the dates of the Staff Report until March 28, 2008, and WCS's response until April 6, 2008. All other provisions of the Notice Order remained in full force and effect.

No party filed written comments responding to the Applicant's request, and no requests for hearing were received by the Commission. The Staff filed its Report on March 28, 2008, in which the Staff recommended that the Commission approve WCS's application for certificates of public convenience and necessity, subject to a requirement that WCS be required to notify the Commission no less than thirty (30) days prior to the cancellation or lapse of its surety bond and should be required to provide a replacement bond at that time. To date, the Applicant has not filed a response to the Staff Report.

NOW THE COMMISSION, in consideration of the foregoing, and having considered the application, the Staff Report, and all applicable law, is of the opinion and finds as follows:

Pursuant to § 56-265.4:4 of the Code, 20 VAC 5-411 (the Rules Governing the Certification of Interexchange Carriers) and 20 VAC 5-417 (the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers), we find that the Applicant should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1 of the Code of Virginia, the Commission further finds that the Company may price its interexchange telecommunications services competitively. We will, therefore, issue the requested certificates to Wholesale Carrier Services of Virginia, Inc., subject to the conditions set forth herein.

Accordingly, IT IS ORDERED THAT:

(1) Certificate of Public Convenience and Necessity No. TT-240A shall be issued to Wholesale Carrier Services of Virginia, Inc., authorizing it to provide interexchange telecommunications services throughout Virginia, subject to the restrictions set forth in the Rules Governing the Certification of Interexchange Carrier, § 56-26 5.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Certificate of Public Convenience and Necessity No. T-676 shall be issued to Wholesale Carrier Services of Virginia, Inc., authorizing it to provide local exchange telecommunications services throughout Virginia, subject to the restrictions set forth in the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Wholesale Carrier Services of Virginia, Inc. shall notify the Commission's Division of Economics and Finance no less than thirty (30) days prior to the cancellation or lapse of its bond and shall be required to 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) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active cases.

CASE NO. PUC-2007-00102
APRIL 28, 2008

JOINT PETITION OF
DSLNET COMMUNICATIONS VA, INC.,
DSLNET COMMUNICATIONS, LLC,
AND
DSL.NET, INC.

For authority to transfer control of DSLnet Communications VA, Inc., to its affiliate DSLnet Communications, LLC

ORDER DISMISSING WITHOUT PREJUDICE

On October 31, 2007, DSLnet Communications VA, Inc. ("DSLnet-VA"), DSLnet Communications, LLC ("DSLnet LLC"), and DSL.net, Inc. ("DSL.net Inc.") (collectively, the "Joint Petitioners"), filed a joint petition with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code") for authority to transfer control of DSLnet-VA from DSL.net Inc. to its affiliate DSLnet LLC.

On April 15, 2008, the Joint Petitioners filed a Notice of Withdrawal withdrawing their joint petition and asking that the Commission close the docket in this proceeding without prejudice to the requested relief.

NOW THE COMMISSION, having considered the applicable law, is of the opinion and finds that this matter should be dismissed without prejudice to the Joint Petitioners' re-filing in the future.

Accordingly, IT IS ORDERED THAT this matter is dismissed without prejudice to the re-filing of same. The record developed herein shall be placed in the file for ended causes.

CASE NO. PUC-2007-00108
FEBRUARY 15, 2008

PETITION OF
SPRINT NEXTEL

For reductions in the intrastate carrier access rates of Central Telephone Company of Virginia and United Telephone-Southeast, Inc.

ORDER ESTABLISHING INVESTIGATION

On November 7, 2007, Sprint Communications Company of Virginia, Inc., Sprint Spectrum L.P., Sprintcom, Inc., Nextel Communications of the Mid-Atlantic, Inc., and NPCR, Inc. d/b/a Nextel partners (collectively, "Sprint Nextel"), filed a Petition with the State Corporation Commission ("Commission") seeking a reduction in the intrastate carrier switched access rates charged by Central Telephone Company of Virginia and United Telephone-Southeast Inc. (collectively, "Embarq").

On November 16, 2007, AT&T Communications of Virginia, LLC and TCG Virginia, Inc. filed their Comments ("AT&T Comments") requesting that the Commission ". . . open a proceeding to reduce Embarq's intrastate switched access rates and to rebalance Embarq's rates . . . ."

On November 28, 2007, Embarq filed a Motion to Dismiss the Sprint Nextel Petition or, in the alternative, Motion to Allow Embarq to Seek Modification to its Alternative Regulation Plan and to open a Further Generic Proceeding to address Universal Service Policies in Virginia, and Answer and Affirmative Defense ("Embarq Response").[1]

On December 6, 2007, Embarq filed its Response and Memorandum in Support of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. opposing the Comments of AT&T Communications of Virginia LLC and TCG Virginia, Inc. ("Embarq's Opposition to AT&T Comments") and requesting the Commission disregard the comments or afford Embarq an opportunity to address the merits of the same within an established procedural schedule.

On December 12, 2007, Sprint Nextel filed its Response ("Sprint Nextel's Reply") to the Embarq Response (reproduction errors were corrected by a filing December 13, 2007), asking the Commission to deny Embarq's motions, to commence an expedited investigation, and to reduce Embarq's intrastate switched carrier access rates to an appropriate level.

By letter dated December 27, 2007, Embarq stated its intention of filing a further response to Sprint Nextel's Reply. On January 2, 2008, Embarq filed its pleading which it styled a Reply to the Response of Sprint Nextel, which again urged dismissal of Sprint Nextel's Petition.

NOW THE COMMISSION, upon consideration of the pleadings and applicable law, finds as follows. The Commission grants Sprint Nextel's Petition for purposes of initiating an investigation into the proper level of Embarq's intrastate switched access rates. However, we deny Sprint Nextel's request for an immediate reduction in Embarq's intrastate switched carrier access rates. We deny Embarq's November 28, 2007 Motion to Dismiss, as well as Embarq's Motion to investigate universal service policies generically in Virginia. We assign this case to a Hearing Examiner to conduct all further proceedings in this matter and to prepare a report and recommendations that address, at a minimum, the proper level of intrastate switched access rates for the Embarq companies. The Hearing Examiner may consider any issues that are relevant to achieving the proper level of intrastate switched access rates such as whether any transition and/or revenue recovery mechanisms are necessary or warranted.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC-2007-00108.

(2) We grant Sprint Nextel's Petition for purposes of initiating an investigation into the proper level of Embarq's intrastate switched access rates.

(3) We deny Embarq's Motion to Dismiss or, in the alternative, Motion to Allow Embarq to Seek Modification to its Alternative Regulation Plan and to open a Further Generic Proceeding to address Universal Service Policies in Virginia.

(4) This case is assigned to a Hearing Examiner, pursuant to 5 VAC 5-20-120 to conduct all further proceedings.

(5) This matter is continued generally.

[1] On January 8, 2008, Embarq filed an Application for a new Alternative Regulation Plan ("Application") and by Order dated January 14, 2008, the Commission docketed Embarq's Application as Case No. PUC-2008-00008. Thus, Embarq's request for modification to its Alternative Regulation Plan will be considered in Case No. PUC-2008-00008.

CASE NO. PUC-2007-00110
MARCH 11, 2008

JOINT PETITION OF
RNK VA, LLC,
RNK, INC.,
and
WAVE2WAVE COMMUNICATIONS, INC.

For approval of change in ownership of an authorized telecommunications provider in connection with a transaction and for authority to provide security in connection with new financing

ORDER GRANTING APPROVAL

On November 20, 2007, RNK VA, LLC ("RNK VA"), RNK, Inc. ("RNK"), and Wave2Wave Communications, Inc. ("Wave2Wave") (collectively, the "Joint Petitioners"), filed a joint petition with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code") for approval of a change in ownership of an authorized telecommunications provider and for authority to provide security in connection with a new financing transaction. On December 19, 2007, the Joint Petitioners submitted additional information to the joint petition, and the joint petition was deemed complete. On February 11, 2008, the Joint Petitioners filed a supplement to the joint petition, which constituted an amendment, and the statutory time period for review was restarted.

RNK is a Massachusetts corporation whose sole shareholder is RNK Holding Company ("Holding"), also a Massachusetts corporation. RNK VA is a Virginia limited liability company and is wholly owned by RNK. RNK serves a range of communications service providers, including international tier one carriers, domestic competitive local exchange carriers, and broadband service providers. RNK VA is certificated to provide local exchange and interexchange telecommunications services pursuant to certificate of public convenience and necessity Nos. T-671 and TT-236A, respectively, issued on August 21, 2007, in Case No. PUC-2007-00038. Although RNK VA is authorized to provide regulated telecommunications services in Virginia, it has yet to commence its operations in the Commonwealth of Virginia.

Wave2Wave is a Delaware corporation headquartered in Hackensack, New Jersey. Wave2Wave is the parent company of Wave2Wave VoIP Communications, LLC, a provider of voice over Internet Protocol ("VoIP") or IP-enabled services to business customers, Wave2Wave Data Communications, LLC, and Wave2Wave Mid-West Region Communications, LLC, providers of resold dedicated transport services. Wave2Wave is one of the nation's largest providers of high speed wired and wireless broadband services to universities, hospitals, and communities and also provides VoIP services to business customers.

On October 12, 2007, RNK, Holding, and its shareholders entered into an Amended and Restated Stock Purchase Agreement ("Agreement") with Wave2Wave wherein Wave2Wave will purchase for cash, and pursuant to promissory notes, all of the issued and outstanding common shares of the capital stock of RNK. Following the proposed transaction, RNK and, therefore, RNK VA will become wholly owned subsidiaries of Wave2Wave.

In connection with the proposed transaction, RNK and RNK VA will join in a subsidiary security agreement where RNK and RNK VA will pledge their assets as security to guarantee an outstanding Wave2Wave loan. The Joint Petitioners state that, following the proposed transaction, RNK VA will offer the same services as before. The Joint Petitioners further state that the proposed transaction will not result in an assignment of authority, customers, or assets.

Wave2Wave will finance the proposed transaction with loans from Greystone Business Credit II, L.L.C. ("Greystone"). Wave2Wave and Wilmington Trust Company and Jeff Mennen as co-trustees borrowed $34 million from Greystone pursuant to a loan and security agreement ("Greystone Loan") dated October 12, 2007. The Greystone Loan has a maturity date of October 11, 2008, and bears interest at a fluctuating rate equal to the prime rate plus 3.25 percent per year. The Greystone Loan is secured by a security interest in all assets of Wave2Wave and certain assets of the Mennen Trust consisting of securities. Wave2Wave's subsidiaries have guaranteed the Greystone Loan pursuant to a subsidiary guarantee and a subsidiary security agreement by pledging their assets. In addition to the Greystone Loan, Wave2Wave, RNK VA, and RNK have entered into a Loan Agreement with Greystone to obtain up to $12 million in revolving loans. Any amount loaned pursuant to the Loan Agreement will be secured by a security interest in all of the assets of Wave2Wave, RNK VA, and RNK.

The Joint Petitioners represent that the proposed transaction is in the public interest. They further represent that RNK VA will continue to offer services at the same rates, terms, and conditions to Virginia residents. In addition, the Joint Petitioners represent that the proposed transaction will enhance RNK's and RNK VA's ability to compete through the financial benefit derived from increased income and cash flow.

NOW THE COMMISSION, upon consideration of the joint petition and representations of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. The Joint Petitioners' request for approval to provide security in connection with a related financing transaction is interpreted as the guarantees as part of the transfer of control transaction and not any specific financing authority since such financing does not require Commission approval.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code, the Joint Petitioners are hereby granted approval to consummate the transaction to allow for the transfer of indirect control of RNK VA to Wave2Wave, as described herein.

(2) The Joint Petitioners shall file a report of the action taken pursuant to the approval granted herein within thirty (30) days of consummation of the transfer of control, subject to administrative extension by the Commission's Director of Public Utility Accounting. Such report shall include the date the transaction took place.

(3) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUC-2007-00112
FEBRUARY 14, 2008

PETITION OF
INTRADO COMMUNICATIONS OF VIRGINIA, INC.

For Arbitration to Establish an Interconnection Agreement with Central Telephone Company of Virginia d/b/a Embarq and United Telephone - Southeast, Inc. d/b/a Embarq, under Section 252(b) of the Telecommunications Act of 1996

ORDER OF DISMISSAL

On November 27, 2007, Intrado Communications of Virginia, Inc. ("Intrado"), filed a Petition for Arbitration ("Petition") with the State Corporation Commission ("Commission") pursuant to 47 U.S.C. § 252(b)(1) ("Telecommunications Act"),[1] asking the Commission to resolve the disputes arising from Intrado's attempts to negotiate an interconnection agreement ("ICA") with Central Telephone Company of Virginia d/b/a Embarq and United Telephone - Southeast, Inc. d/b/a Embarq (collectively "Embarq").

In its Petition, Intrado requests that the Commission arbitrate the disputed issues identified in the attachments to its Petition, adopt Intrado's proposed contract language on those issues and order the parties to sign an ICA reflecting Intrado's proposed language and the parties' agreed-upon language.

On December 26, 2007, Embarq filed its response to Intrado's Petition ("Response"). Embarq's Response addressed 34 issues, but also noted a crucial threshold matter of whether Intrado had included interconnection issues that are not within the scope of § 251(c) of the Telecommunications Act.

[1] 47 U.S.C. § 151 et seq.

In a separate Motion to Dismiss, filed on December 27, 2007, Embarq argues that Intrado has failed to negotiate in good faith, that Intrado's Petition is procedurally deficient, and that Intrado has included issues that are not subject to arbitration. On January 14, 2008, Intrado filed its Opposition to Motion to Dismiss and Motion for Oral Argument, asserting that it had negotiated and sought arbitration in good faith, that its Petition meets the procedural requirements of § 252(b), and that the items included within its proposed ICA are within the purview of § 251(c).

Embarq filed its Reply on January 24, 2008. Embarq attached copies of motions to dismiss or to hold in abeyance filed by various AT&T operating companies in Ohio, Florida, and North Carolina. Embarq reiterated its allegations that Intrado sought to arbitrate issues that it had not sought to negotiate and noted that Intrado had apparently sought arbitration prematurely in Ohio, Florida, and North Carolina.

NOW THE COMMISSION, upon consideration of the pleadings and the applicable statutes and rules, finds that the Petition should be dismissed.

Section 56-265.4:4 B 4 of the Code of Virginia provides that the Commission shall discharge the responsibilities of state commissions pursuant to the Telecommunications Act and applicable law and regulations, including, but not limited to, the arbitration of interconnection agreements. However, the statute goes on to provide that the Commission may exercise its discretion to defer selected issues. In this case, we find there is a threshold issue that should be determined by the Federal Communications Commission ("FCC"). Therefore, we believe the FCC is the more appropriate agency to determine whether Intrado is entitled to interconnection pursuant to § 251(c) of the Telecommunications Act.[2] As a result, based upon the potential conflict that may arise should the Commission attempt to determine the rights and responsibilities of the parties under state law or through application of the federal standards embodied in the Telecommunications Act, we find that this arbitration proceeding should be deferred to the FCC.

Accordingly, IT IS ORDERED THAT the Petition is hereby dismissed. There being nothing further to come before the Commission, the papers shall be transferred to the files for ended causes.

[2] We note that until such time as this threshold issue is resolved that it would be inappropriate to resolve the other disputed issues. Therefore, we will defer resolution of all issues in Intrado's Petition to the FCC.

CASE NO. PUC-2007-00114
MAY 1, 2008

APPLICATION OF
TELCOVE OPERATIONS, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On December 11, 2007, TelCove Operations, LLC ("TelCove" 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. The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order for Notice and Comment dated January 14, 2008, the Commission directed the Company to provide notice to the public of its application and directed the Commission Staff to conduct an investigation and file a Staff Report. On February 6, 2008, TelCove filed proof of publication and proof of service as required by the January 14, 2008, Order.

On April 14, 2008, the Staff filed its Report finding that TelCove's application was in compliance with 20 VAC 5-417-10 et seq., the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers and 20 VAC 5-411-10 et seq., the Rules Governing the Certification of Interexchange Carriers. Based upon its review of TelCove's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the following condition: TelCove should notify the Division of Economics and Finance no less than thirty (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 the application and the Staff Report, finds that the Company should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that the Company may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) TelCove is hereby granted a certificate of public convenience and necessity, No. TT-241A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) TelCove is hereby granted a certificate of public convenience and necessity, No. T-677, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) TelCove shall notify the Division of Economics and Finance 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) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC-2007-00118
JANUARY 10, 2008

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of its new plan for Alternative Regulation

ORDER OF DISMISSAL

On December 12, 2007, Central Telephone Company of Virginia and United Telephone-Southeast, Inc. (collectively, "Embarq" or "Applicant"), filed an application with the State Corporation Commission ("Commission") for approval of a newly proposed alternative regulatory plan ("New Plan") pursuant to Virginia Code § 56-235.5 B.

Embarq maintains that the New Plan is necessary to address competition (to include municipalities and cable television), the decline in access lines, and the growing use of other technologies (wireless, VoIP, and Internet). Embarq represents that its New Plan satisfies all applicable statutory requirements and is in the public interest.

On December 20, 2007, Embarq's counsel mailed the Commission a letter (received by the Commission on December 26, 2007) noting that Embarq was evaluating the effects that the Commission's Order on Application, entered in Case No. PUC-2007-00008 on December 14, 2007,[1] might have upon Embarq's New Plan. As a result, Embarq stated that it would amend its pending application and anticipated doing so within the next several weeks.

NOW UPON CONSIDERATION of the application, Embarq's December 20, 2007 letter, and the abbreviated time for evaluation and determination specified in Virginia Code § 56-235.5 C 1, the Commission is of the opinion and finds that Embarq's current application should be dismissed in order to allow the Commission, Embarq, and all interested persons an opportunity to use all available time for reviewing Embarq's new application.

Accordingly, IT IS ORDERED THAT this case is dismissed without prejudice to Embarq's filing a revised application.

[1] *See Case No. PUC-2007-00008, Application of Verizon Virginia Inc. and Verizon South Inc., for a Determination that Retail Services are Competitive and Deregulating and Detariffing of the Same*, Order on Application, December 14, 2007.

CASE NO. PUC-2007-00120
MARCH 3, 2008

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC

For cancellation of and reissuance of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services to reflect the company name change to United Telephone Southeast, LLC

ORDER REISSUING CERTIFICATES

On December 17, 2007, United Telephone-Southeast, Inc. ("UTSE" or the "Applicant") filed an application requesting that UTSE's certificates of public convenience and necessity on file with the Division of Communications be amended to reflect the change in UTSE's status from a corporation to a limited liability company. On November 9, 2007, pursuant to § 13.1-722, et seq., UTSE was converted from a Virginia corporation to a Virginia limited liability company, United Telephone Southeast, LLC ("UTSELLC").

NOW THE COMMISSION, having considered the application and applicable law is of the opinion and finds that the existing certificates in the name of UTSE should be cancelled and reissued in the name of UTSELLC.

Accordingly, IT IS ORDERED THAT:

(1) Each certificate of public convenience and necessity heretofore issued to United Telephone-Southeast, Inc., is hereby cancelled and reissued to United Telephone Southeast, LLC, using the same certificate number and the next sequential alphabetical suffix.

(2) United Telephone Southeast, LLC shall provide revised tariffs to the Division of Communications reflecting the name change by May 20, 2008.

(3) There being nothing further to come before the Commission, this case is dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC-2007-00121
FEBRUARY 20, 2008

PETITION OF
SBC LONG DISTANCE, LLC d/b/a AT&T LONG DISTANCE

For approval to partially discontinue local exchange service

ORDER PERMITTING PARTIAL DISCONTINUANCE OF SERVICE

On December 21, 2007, SBC Long Distance, LLC d/b/a AT&T Long Distance ("SBC Long Distance" or "Company"), filed a Petition for Approval to Partially Discontinue Local Exchange Service ("Petition") with the State Corporation Commission ("Commission") requesting approval to discontinue its provision of local exchange telecommunications services to business customers in Virginia as of April 30, 2008.[1]

According to the Petition, the Company currently provides local exchange telecommunications services to forty-six business customers in Virginia. SBC Long Distance states that its decision to discontinue provisioning local exchange services to the affected customers was made to consolidate resources and ensure that the Company is operating in a manner that is most efficient and cost effective. The Company states that, subject to regulatory approval by the Commission, the customers will not be transferred to an acquiring carrier but will be transferred to other carriers pursuant to the routine migration process as each customer chooses a new local exchange carrier. The Company proposes to begin disconnecting customers on March 17, 2008.

Pursuant to Rule 20 VAC 5-423-30 of the Commission's Rules Governing Discontinuance of Local Exchange Telecommunications Services Provided by Competitive Local Exchange Carriers ("Discontinuance Rules"), a competitive local exchange carrier must furnish a minimum of thirty days' notice to customers in the prescribed manner before any services may be discontinued. The Commission's primary concern with authorizing discontinuance is providing adequate notice to the affected customers. SBC Long Distance states that it will provide notice in the form of two letters mailed directly to the affected subscribers, one delivered more than sixty days before service is discontinued and the other approximately thirty days before service is discontinued.[2] The notice appears to be adequate in substance. Rule 20 VAC 5-423-30 B of the Discontinuance Rules provides that "[c]ustomers shall be provided at least 30 days' written notice of the proposed partial discontinuation of service."

NOW THE COMMISSION, having considered the pleading and applicable law, is of the opinion and finds SBC Long Distance's Petition to partially discontinue local exchange telecommunications services should be granted with the limitations discussed herein.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC-2007-00121.

(2) SBC Long Distance's request to discontinue local exchange telecommunications services to its business customers in Virginia, effective April 30, 2008, is hereby granted. In no event, however, shall such approval be effective until thirty days after the notice to customers is actually delivered.

(3) SBC Long Distance shall provide to the Division of Communications dated copies of the notice letters provided to the affected customers.

(4) On or before April 23, 2008, SBC Long Distance shall report to the Commission's Division of Communications the number of remaining business customers in Virginia, if any.

(5) Any tariff revisions required by this partial discontinuance of service shall be provided to the Division of Communications prior to April 23, 2008.

(6) SBC Long Distance shall provide a copy of this Petition upon written request by any interested parties to the Company's representative, Michelle Painter, Esquire, Painter Law Firm, PLLC, 13017 Dunhill Drive, Fairfax, Virginia 22030. The Petition is also available for public inspection Monday through Friday, 8:15 a.m. to 5:00 p.m., at the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia, or may be downloaded from the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

(7) This case shall be closed, and the papers herein shall be placed in the file for ended causes.

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[1] The Company is not abandoning the provisioning of all local telecommunications services in Virginia and is not requesting cancellation of its local certification. In addition, the Company plans to continue to offer interexchange services in Virginia. The Commission previously approved the Company's discontinuance of local exchange services to residential customers in Virginia, effective May 9, 2007. SBC Long Distance, LLC, Case No. PUC-2007-00019. The Commission also previously approved the Company's discontinuance of local exchange services to five business customers in Norfolk, Virginia, effective August 31, 2007. SBC Long Distance, LLC, Case No. PUC-2007-00037.

[2] A copy of the notice letter was provided to the Commission and attached to the Petition as an exhibit.

CASE NO. PUC-2007-00122
FEBRUARY 11, 2008

JOINT PETITION OF
DIECA COMMUNICATIONS, INC. d/b/a COVAD COMMUNICATIONS COMPANY,
COVAD COMMUNICATIONS GROUP, INC.,
CCGI HOLDING CORPORATION
and
PLATINUM EQUITY, LLC

For approval of an indirect transfer of control of DIECA Communications, Inc. d/b/a Covad Communications Company

ORDER GRANTING APPROVAL

On December 21, 2007, DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad"), Covad Communications Group, Inc. ("CCGI"), CCGI Holding Corporation ("Holding"), and Platinum Equity, LLC ("Platinum"), filed a Joint Petition and Request for Streamlined Review ("Joint Petition") with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code") for approval of an indirect transfer of control of Covad to Holding.[1] Covad, CCGI, Holding, and Platinum are referred to herein collectively as the "Joint Petitioners." The Joint Petitioners filed a Joint Application with the Federal Communications Commission under its streamlined review process.

CCGI is a publicly held Delaware company that holds no regulatory licenses from the Commission or any other regulatory authority. CCGI is headquartered in San Jose, California. Covad is a Virginia public service corporation with a principal business office also located in San Jose, California. Covad, a wholly owned subsidiary of CCGI, offers DSL, Voice Over IP, TI, web hosting, managed security, IP and dial-up, wireless broadband, and bundled voice and data services directly through Covad's network and through Internet Service Providers, value-added resellers, telecommunications carriers, and affinity groups to small and medium-sized businesses and residential customers. In Virginia, Covad is certificated to provide local exchange and interexchange telecommunications services pursuant to the Commission's Final Order in Case No. PUC-1997-00177 dated April 29, 1998.

Platinum is a privately held Delaware limited liability company with its principal business office in Beverly Hills, California. Platinum is a global firm specializing in the merger, acquisition, and operation of companies that provide services and solutions to customers in a broad range of business markets including information technology, telecommunications, logistics, manufacturing, and entertainment distribution.

Holding, formerly known as Blackberry Holding Corporation, is a Delaware corporation headquartered in Beverly Hills, California. Holding is ultimately controlled by Platinum and does not offer any regulated telecommunications services. CCGI Merger Corporation ("Merger") is a newly created subsidiary of Platinum and is a direct subsidiary of Holding.

The Joint Petitioners request approval to consummate a transaction which will result in the transfer of indirect control of Covad to Holding and, thereby, Platinum. Pursuant to an Agreement and Plan of Merger entered into by Merger, Holding, and CCGI, subject to requisite regulatory and shareholder approvals, Merger will merge with CCGI, with CCGI surviving. Upon completion of the proposed transaction, Covad will become an indirect, wholly owned subsidiary of Holding, and Platinum will become the ultimate parent company of Covad. The Joint Petitioners state that the proposed transaction will not result in a change in Covad's service offerings or the rates, terms, or conditions of such services. The Joint Petitioners further state that Covad will continue to operate under the same name and that the proposed transaction will be seamless and transparent to consumers in Virginia.

NOW THE COMMISSION, upon consideration of the Joint Petition and representations of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code, the Joint Petitioners are hereby granted approval to consummate the transaction to allow for the transfer of indirect control of Covad to Holding and, thereby, Platinum, as described herein.

(2) The Joint Petitioners shall file a report of the action taken pursuant to the approval granted herein within thirty (30) days of consummation of the transfer of control, subject to administrative extension by the Commission's Director of Public Utility Accounting. Such report shall include the date the transaction took place.

(3) There appearing nothing further to be done in this matter, it hereby is dismissed.

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[1] The Joint Petition mistakenly requested approval for control of Covad to be transferred to CCGI. Through responses to Staff data requests, The Joint Petitioners clarified this error and corrected the entity to which control of Covad will be transferred as Holding.

CASE NO. PUC-2007-00123
MARCH 6, 2008

PETITION OF
CITIZENS COMMUNICATIONS CORPORATION

For discontinuance of local exchange service and cancellation of tariffs and certificate of public convenience and necessity

ORDER PERMITTING DISCONTINUANCE OF SERVICE AND CANCELING TARIFFS AND CERTIFICATE

On December 21, 2007, Citizens Communication Corporation ("Citizens" or "Petitioner"), filed a Petition ("Petition") with the State Corporation Commission ("Commission") requesting permission to cancel its certificate of public convenience and necessity to provide local exchange telecommunications services in Virginia and to withdraw its intrastate tariff on file with the Commission as of April 21, 2008.

According to the Petition, the Petitioner currently provides local exchange telecommunications services to seven business customers and twenty-eight residential customers over 58 access lines and/or contractual arrangements of IP Centrex and PRI connections. The Petition states that Citizens is a wholly owned subsidiary of Citizens Telephone Cooperative, Inc. (the "Cooperative"), a Virginia telephone cooperative that currently serves over 20,000 accounts in 17 southwest Virginia counties. Citizens proposes to transfer the affected customers to the Cooperative in order to streamline and better organize the business and operations of the Cooperative.

Pursuant to Rule 20 VAC 5-423-30 of the Commission's Rules Governing Discontinuance of Local Exchange Telecommunications Services Provided by Competitive Local Exchange Carriers ("Discontinuance Rules"), a competitive local exchange carrier must furnish a minimum of thirty days' notice to customers in the prescribed manner before any services may be discontinued. The Petitioner originally requested a waiver of this requirement pursuant to 20 VAC 5-423-90. However, after consultation with Commission Staff, the Petitioner amended its Petition on February 28, 2008, and agreed to provide notice to the customers no less than thirty (30) days prior to the transfer.

The Commission's primary concern with authorizing discontinuance is providing adequate notice to the affected customers. The notice contained in Citizens' Motion to Amend Petition appears to be adequate in substance and, because Citizens commits to providing such notice on March 10, 2008, timely for purposes of approving discontinuance effective April 21, 2008. Rule 20 VAC 5-423-30 B of the Discontinuance Rules provides that customers must be provided at least 30 days' written notice of the proposed discontinuation of service.

NOW THE COMMISSION, having considered the pleading and applicable law, is of the opinion and finds Citizens' Petition to discontinue local exchange telecommunications services and cancel its certificate of public convenience and necessity and tariffs should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC-2007-00123.

(2) Citizens' request to discontinue local exchange telecommunications services to its customers, effective April 21, 2008, is hereby granted.

(3) Citizens shall provide to the Division of Communications a dated copy of the notice letter mailed to the affected customers.

(4) Certificate No. T-400 authorizing Citizens Communications Corporation to provide local exchange telecommunications services is hereby cancelled effective April 21, 2008.

(5) All tariffs associated with Citizens Communications Corporation on file at the Commission are hereby cancelled effective April 21, 2008.

(6) Citizens shall provide a copy of this Petition upon written request by any interested parties to the Petitioner's counsel, Eric M. Page, Esquire, LeClairRyan, PC, P.O. Box 2499, Richmond, Virginia 23218-2499. The Petition is also available for public inspection Monday through Friday, 8:15 a.m. to 5:00 p.m., at the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia, or may be downloaded from the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

(7) This case shall be closed, and the papers herein shall be placed in the file for ended causes.

CASE NO. PUC-2008-00007
FEBRUARY 15, 2008

JOINT PETITION OF
CITYNET VIRGINIA, LLC,
CITYNET, LLC,
ZAYO BANDWIDTH, INC.,
COMMUNICATIONS INFRASTRUCTURE INVESTMENTS, LLC,
OAK INVESTMENT PARTNERS XII, LIMITED PARTNERSHIP,
and
M/C VENTURE PARTNERS VI, L.P.

For approval of the indirect transfer of control of Citynet Virginia, LLC to Zayo Bandwidth, Inc., and Communications Infrastructure Investments, LLC

ORDER GRANTING APPROVAL

On January 4, 2008, Citynet Virginia, LLC ("Cityrret-VA"), Citynet, LLC ("Citynet"), and Zayo Bandwidth, Inc. ("Zayo"), filed a Joint Petition with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code") for approval of the indirect transfer of control of Citynet-VA from Citynet to Zayo. The Joint Petition requested streamlined treatment under the Commission's *Guidelines for Streamlined Review of Certain Applications by Telephone Companies Under Title 56, Chapter 5 of the Code of Virginia*. The Joint Petition was also filed with the Federal Communications Commission ("FCC") under the FCC's streamlined review process. On January 17, 2008, a supplement was filed to the Joint Petition that provided verifications for Oak Investment Partners XII, Limited Partnership ("Oak XII") and M/C Venture Partners VI, L.P. ("MCVP VI") and requested that, to the extent necessary, Oak XII and MCVP VI be added as petitioners.[1] Citynet-VA, Citynet, Zayo, Oak XII and MCVP VI are referred to herein collectively as the "Joint Petitioners."

Citynet-VA is a Delaware limited liability company, which is a wholly owned subsidiary of Citynet Fiber Network, LLC ("CFN"), which in turn is wholly owned by Citynet. Citynet-VA and CFN are Delaware limited liability companies, while Citynet is a West Virginia limited liability company. Citynet, Citynet-VA, and CFN have a principal business office located in Bridgeport, West Virginia. Citynet operates as an integrated communications provider that, through various subsidiaries including CFN and Citynet-VA, provides telecommunications services to wholesale and retail customers. Citynet-VA comprises Citynet's wholesale division in Virginia. Citynet-VA currently provides high-end bandwidth solutions to points-of-presence throughout Virginia and leverages dedicated interconnection facilities that serve carriers, carrier hotels, and key data switching centers. In Virginia, Citynet-VA is authorized to provide interexchange telecommunications services pursuant to an order issued by the Commission in Case No. PUC-2003-00174 on March 5, 2004.

Zayo is a Delaware corporation that is wholly owned by CII, a Delaware limited liability company. Oak XII and MCVP VI are both investment companies, each holding more than a twenty-five percent interest in CII. Zayo and CII have a principal business office located in Louisville, Colorado. Zayo and CII were organized to acquire and support long-term development of fiber-based bandwidth solutions-oriented businesses and have made a number of acquisitions to further that business plan. Specifically, they have recently completed acquisitions of: (1) Memphis Networx, LLC (now known as Zayo Bandwidth Tennessee, LLC); (2) PPL Telcom, LLC (now known as Zayo Bandwidth Northeast, LLC) ("Zayo-NE") and PPL Prism, LLC (now known as Zayo Bandwidth Northeast Sub, LLC) ("Zayo-NE Sub"); (3) Indiana Fiber Works LLC (now known as Zayo Bandwidth Indiana, LLC); and (4) Onvoy, Inc., and Minnesota Independent Equal Access Corporation. Zayo does not provide telecommunications services in any state. In Virginia, Zayo-NE and Zayo-NE Sub hold certificates of public convenience and necessity to provide local exchange and/or interexchange telecommunications services. In addition, Zayo-NE and Zayo-NE Sub are authorized by the FCC to provide interstate and intrastate telecommunications services, and Zayo-NE is authorized by the FCC to provide international telecommunications services.

The Petitioners request approval from the Commission to consummate a transaction in which Zayo, CII, Oak XII and MCVP VI will acquire indirect control of Citynet-VA.[2] Pursuant to the Membership Unit Purchase Agreement dated as of December 7, 2007, by and among Zayo, CFN, and Citynet, Zayo will acquire from Citynet all of its membership interests in CFN. As a result, CFN and, therefore, Citynet VA will become wholly owned subsidiaries of Zayo, and CII will become the ultimate parent company of Citynet VA. Within 45 days after completing the transaction, and following notices to customers, Citynet-VA will change its name to a name selected by Zayo, which will be consistent with the "Zayo Bandwidth" brand.[3] The Petitioners state that, following the closing of the proposed transaction, Citynet-VA will continue to operate as before with no change in its services provided or the rates, terms or conditions of such services as a result of the transaction.

The Joint Petitioners represent that, under new ownership, Citynet-VA will continue to provide high-quality telecommunications services to consumers while gaining access to the additional resources and operational expertise of Zayo and CII. The Joint Petitioners further represent that the transfer of control will give Citynet-VA the ability to become a stronger competitor in Virginia to the ultimate benefit of Virginia's consumers and telecommunications marketplace. Further, the Joint Petitioners represent Citynet-VA's network complements Zayo and CII's existing metro and regional networks and the acquisition will increase Zayo and CII's existing fiber footprint in the Mid-Atlantic and Midwest regions, giving the combined companies greater market depth and breadth.

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[1] Since Oak XII and MCVP VI each control more than twenty-five percent (25%) of CII, following the transaction, Oak and MCVP also will have indirect control of Citynet-VA pursuant to Section 56-88.1 of the Code.

[2] As stated above, Oak and MCVP each control slightly more than twenty-five percent (25%) of CII, and therefore will have the same indirect interest in Citynet-VA following the transaction.

[3] The Petitioners state that once the new name has been chosen, Citynet-VA will file an application to request that the Commission authorize the name change.

NOW THE COMMISSION, upon consideration of the Joint Petition and representations of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code, the Joint Petitioners are hereby granted approval to consummate the transaction to allow for the transfer of control of Citynet Virginia, LLC from Citynet, LLC to Zayo Bandwidth, Inc., as described herein.

(2) The Petitioners shall file a report of the action taken pursuant to the approval granted herein within thirty (30) days of consummation of the transaction, subject to administrative extension by the Commission's Director of Public Utility Accounting. Such report shall include the date the transaction took place.

(3) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUC-2008-00008
JUNE 20, 2008

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
UNITED TELEPHONE-SOUTHEAST, INC.

For Approval of its New Plan for Alternative Regulation

FINAL ORDER

On January 8, 2008, Central Telephone Company of Virginia and United Telephone-Southeast, Inc. (collectively, "Embarq," "Company," or "Companies") filed an Application with the State Corporation Commission ("Commission") for approval, pursuant to § 56-235.5 B of the Code of Virginia ("Code"), of a new alternative regulatory plan ("New Plan" or "Proposed Plan") to replace its existing plan.[1]

In its Application, Embarq states that the fundamental provisions of its proposed New Plan are as follows:

> 1. The New Plan establishes four classifications for the Companies' local telecommunications services: Competitive Services, Basic Local Exchange Telephone Services ('BLETS'), Other Local Exchange Telephone Services ('OLETS') and Bundled Services. Appendix A to the New Plan details the service classifications of the individual services.
>
> 2. The New Plan establishes new pricing parameters for BLETS and OLETS. The initial price ceiling for each Company-specific BLETS shall be the higher of: (1) the January 1, 1995 rate for each Company-specific BLETS as adjusted by the Gross Domestic Product Price Index ('GDPPI') through the last quarter before the effective date of the New Plan, or (ii) the highest tariffed price in effect for the BLETS in either Company on the effective date of the [New] Plan. BLETS price ceilings will be adjusted annually by GDPPI. However, BLETS prices for residential and business individual access lines during the first two years of the New Plan shall be subject to a $3.00 annual price increase restriction. Beginning in year three and thereafter, the annual restriction shall be $1.50 for residential individual access lines and $3.00 for business individual access lines.
>
> 3. The monthly prices for private line and special access services, even though classified as OLETS, will be subject to a 15% annual price increase restriction under the New Plan. All other OLETS will not be subject to price regulation but will remain tariffed services.
>
> 4. The New Plan allows for revenue neutral changes to be made in the price of any BLETS, OLETS or switched access service notwithstanding other provisions of the New Plan when the Commission finds the price changes to be in the public interest. If a Company is required to make switched access reductions, then the Company may make revenue neutral price changes notwithstanding other provisions of the New Plan so long as the [sic] all rates remain affordable pursuant to Va. Code § 56-235.5.
>
> 5. The New Plan imposes upon the Companies a price floor for Competitive Services and services priced on an individual-case-basis ('ICB') equal to the incremental cost of producing the retail service. A Company shall submit data demonstrating the price for such services are [sic] above incremental cost upon complaint.
>
> 6. Tariffing and reporting requirements under the New Plan will be equal to the Commission's new competitive local exchange carrier rules.[2]

[1] Embarq states that "United Telephone, Inc. was converted to a limited liability company on November 9, 2007. As a result of the conversion, United Telephone-Southeast, Inc. changed its name to United Telephone Southeast LLC and also filed its Application for Approval of a Name Change with the [Commission] on December 14, 2007 in Case No. PUC-2007-00120." Application at 1 n.1.

[2] Application at 6-7.

On January 14, 2008, the Commission issued an Order for Notice and Comment that, among other things: (1) docketed the Application; (2) provided interested persons an opportunity to comment and/or request a hearing on the Application; and (3) required Embarq to give notice to the public of its Application and of the opportunity to file comments and/or requests for hearing.

The following filed comments on or before February 29, 2008: C. James Ervin, Town Manager, Town of Rocky Mount; City of Bristol, d/b/a Bristol Virginia Utilities ("BVU"); Sprint Communications Company of Virginia, Inc., Sprint Spectrum, L.P., Sprintcom, Inc., Nextel Communications of the Mid-Atlantic, Inc., and NPCR, Inc. d/b/a Nextel Partners (collectively, "Sprint Nextel"); AT&T Communications of Virginia, LLC, and TCG Virginia, Inc.; and the Office of the Attorney General, Division of Consumer Counsel. On March 28, 2008, the Commission's Staff ("Staff") filed a Staff Report. On April 11, 2008, Embarq filed a "Response to Staff Report and Comments Filed with the Commission."

No party, including the Company, requests a hearing on this Application.[3]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.

We deny the Application as filed. We approve the Application with the specific modifications contained in the Central Telephone Company of Virginia and United Telephone Southeast LLC Plan for Alternative Regulation ("Plan") attached hereto as Attachment A. Thus, in accordance with § 56-235.5 C 2 of the Code, Embarq may, at its option: (1) adopt the Plan approved herein; or (2) withdraw its Application and continue to be regulated under its existing alternative regulatory plan.

Code of Virginia

Section 56-235.5 B of the Code states as follows:

> In regulating telephone services of any telephone company, and notwithstanding any provision of law to the contrary, the Commission, after giving notice and an opportunity for hearing, may replace the ratemaking methodology set forth in § 56-235.2 with any alternative form of regulation which: (i) protects the affordability of basic local exchange telephone service, as such service is defined by the Commission; (ii) reasonably ensures the continuation of quality local exchange telephone service; (iii) will not unreasonably prejudice or disadvantage any class of telephone company customers or other providers of competitive services; and (iv) is in the public interest. Alternatives may differ among telephone companies and may include, but are not limited to, the use of price regulation, ranges of authorized returns, categories of services, price indexing or other alternative forms of regulation. A hearing under this section shall include the right to present evidence and be heard. Prior to any hearing under this section, the Commission shall provide parties an opportunity to conduct discovery.

Section 56-235.5 C of the Code provides that the "Commission shall approve the application if it finds, after notice to all affected parties and hearing, that the proposal meets the standards for an alternative form of regulation set forth in subsection B."

Section 56-235.5 H of the Code further states that "[w]henever the Commission adopts an alternative form of regulation pursuant to subsection B or C above, . . . the Commission shall adopt safeguards to protect consumers and competitive markets. At a minimum these safeguards must ensure that there is no cross subsidization of competitive services by monopoly services."

In addition, § 56-235.5:1 of the Code provides as follows:

> The Commission, in resolving issues and cases concerning local exchange telephone service under the federal Telecommunications Act of 1996 (P.L. 104-104), this title, or both, shall, consistent with federal and state laws, consider it in the public interest to, as appropriate, (i) treat all providers of local exchange telephone services in an equitable fashion and without undue discrimination and, to the greatest extent possible, apply the same rules to all providers of local exchange telephone services; (ii) promote competitive product offerings, investments, and innovations from all providers of local exchange telephone services in all areas of the Commonwealth; and (iii) reduce or eliminate any requirement to price retail and wholesale products and services at levels that do not permit providers of local exchange telephone services to recover their costs of those products and services.

If the Commission approves the Application with modifications, Embarq is not required to implement the alternative regulatory plan as modified by the Commission. Specifically, § 56-235.5 C 2 of the Code directs as follows: "If the Commission approves the application with modifications, the telephone company . . . may, at its option, withdraw its application and continue to be regulated under the form of regulation that existed immediately prior to the filing of the application, unless it is modified for a telephone company by the Commission pursuant to subsection B."

New Plan

We find that Embarq's proposed New Plan does not meet the standards for an alternative form of regulation set forth in § 56-235.5 B of the Code and, thus, deny the Application as filed. We also find, however, that with the modifications contained in the Plan, the proposed plan meets the standards for an alternative form of regulation set forth in § 56-235.5 B of the Code.

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[3] BVU previously requested a hearing. On March 24, 2008, Embarq filed a response and asserted that "there is no need for the Commission to conduct an evidentiary hearing to address BVU's concerns." Embarq's March 24, 2008 Response at 5. On March 24, 2008, BVU filed a Motion to Withdraw Hearing Request, which we grant below.

Classification of Services as Competitive

Embarq notes that its "current plan calls for the Commission to decide a competitive classification request within 150 days. . .."[4] Embarq, however, proposes to shorten this period: In subsection D 2 of the New Plan, "Embarq's proposed language establishes a 90-day timeframe in which to conduct proceedings for the classification of new or existing services as competitive."[5] Conversely, the Staff "find[s] no reason to support a mandated time constraint for the Commission's determination; however, if the Commission wishes to include such, [the Staff] suggest[s] that at least 180 days from the date of the application should be required."[6] We find that the current 150-day guideline should only be shortened by 30 days. Accordingly, we conclude that, to permit reasonable public participation and to be in the public interest, such time frame as referenced in the plan should be 120 days.[7]

Embarq erroneously contends, in support of its proposal, that the Commission has established a 90-day period for these purposes for Verizon Virginia Inc. and Verizon South Inc. (collectively, "Verizon") in Case No. PUC-2007-00008.[8] The Verizon case, however, was for a distinctly different purpose — under different statutory provisions — than the instant proceeding. Specifically, Verizon requested *deregulation* of certain services under §§ 56-235.5 E and F of the Code, whereas Embarq requests an *alternative regulatory plan* under § 56-235.5 B of the Code. In approving price deregulation for certain BLETS and OLETS for Verizon, the Commission established a competitiveness test based on the record in that case and created a 45-day administrative process (which can be extended an additional 45 days) through which to apply such test on the basis of telephone exchange areas. Embarq could have, but has not, filed for determinations of competitiveness and deregulation as Verizon did. Likewise, Embarq could have, but has not, requested a competitiveness test, and its concomitant administrative process, for deregulating certain services. The 45-day administrative process resulting from Verizon's application for deregulation is wholly distinct from, and thus inapplicable to, the case at bar.

Prices for BLETS and OLETS

Section F of Embarq's Proposed Plan governs price changes for BLETS and OLETS. As discussed in more detail below, we find that in order to protect affordability, to not unreasonably prejudice or disadvantage any class of telephone company customers, and to be in the public interest, Embarq's proposal must be modified such that prices for BLETS and OLETS are governed as discussed below.[9]

We recognize at the outset that to support its requested pricing flexibility, the Company contends that it "has confidence that market forces will control Embarq's pricing decisions as it considers the flexibility it receives."[10] As noted above, however, this is not a deregulation case such as filed by Verizon in Case No. PUC-2007-00008. Contrary to Embarq's apparent reliance on market forces, the Company did not file an application to deregulate or to declare services competitive under the requirements and statutory standards set forth in §§ 56-235.5 E and F of the Code. Rather, Embarq filed the instant Application — seeking an alternative regulatory plan under § 56-235.5 B of the Code — and we must apply the statutory standards attendant thereto.

In addition, the Company asserts that "Dr. Brian Staihr, Embarq's chief economist and a director of policy, presents in his affidavit, which accompanies the Proposed Plan, a detailed study demonstrating that both the proposed affordable price ceilings and annual pricing constraints for BLETS are patently reasonable."[11] As discussed below, however, we do not find that Embarq's Application, including the affidavits attached thereto, establish that the entirety of the pricing flexibility proposed in the New Plan protects affordability, does not unreasonably prejudice or disadvantage any class of telephone company customers, and is in the public interest.

Price Ceilings

Embarq proposes to set the price ceiling for each Company-specific BLETS, including Company-specific BLETS on a rate group basis, at the higher of: (1) the January 1, 1995 rate adjusted by GDPPI through the last quarter prior to the effective date of the New Plan; or (2) the highest tariffed price currently in effect for the BLETS in either Company.

We find that (1), above, protects the affordability of BLETS and is in the public interest. When we approved Embarq's regulatory plan in 1994, we found that the 1994 BLETS rates (which were in effect on January 1, 1995) were affordable.[12] We now further conclude that GDPPI represents an appropriate inflationary gauge with which to measure affordability over time.[13] We also find, however, that Embarq has not established that a price ceiling above the GDPPI-adjusted rate satisfies the statutory standards in this case. Thus, we reject Embarq's proposal to increase a price ceiling — above the GDPPI-adjusted level — to the highest tariffed price currently in effect for the BLETS in either Company. Embarq has not established that such a higher ceiling protects affordability, does not unreasonably disadvantage classes of telephone company customers, and is in the public interest.

[4] Embarq's April 11, 2008 Response at 6.

[5] Embarq's April 11, 2008 Response at 5.

[6] Staff's March 28, 2008 Report at 13.

[7] The specific modifications approved in this Final Order are reflected in the Plan attached hereto as Attachment A.

[8] Embarq's April 11, 2008 Response at 7.

[9] *See* Va. Code §§ 56-235.5 B i, iii, and iv.

[10] Embarq's April 11, 2008 Response at 9.

[11] Embarq's April 11, 2008 Response at 9.

[12] *See Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of investigating telephone regulatory methods pursuant to Virginia Code § 56-235.5, etc.*, Case No. PUC-1993-00036, 1994 S.C.C. Ann. Rep. 262 (Oct. 18, 1994).

[13] Specifically, subsection F 4 shall provide that the GDPPI utilized herein "shall be the final estimate of the Chain-Weighted GDPPI as prepared by the U.S. Department of Commerce and published in the Survey of Current Business, or its successor." *See, e.g.*, Staff's March 28, 2008 Report, Exhibit 2 at 3.

Accordingly, we find that in order to meet the statutory standards attendant hereto, the price ceiling for each Company-specific BLETS must not exceed the January 1, 1995 rate adjusted annually for inflation as measured by the GDPPI. In addition, having approved the use of GDPPI as a determination of affordability, we approve Embarq's proposal to increase the price ceiling for BLETS in the future on an annual basis by an amount equal in percentage terms to the increase in GDPPI during the prior twelve months.[14]

Price Increases

Embarq proposes to limit BLETS price increases for individual access lines to $3.00 per year for the first two years of the New Plan and, thereafter, to the higher of (i) 10%, or (ii) $1.50 for residential customers and $3.00 for business customers.[15] In addition, "[a]fter the first two years in the [New] Plan, the Company may accumulate allowable price increases beyond a twelve month period . . . but in no event may the Company increase the price for a BLETS that exceeds 25% in a single twelve month period."[16]

We find that the proposals to limit (1) average annual price increases to 10%, and (2) any BLETS increase to 25% in a single twelve month period, are in the public interest and protect affordability. We do not find, however, that average annual price increases above this amount likewise satisfy the necessary statutory standards. Specifically, Embarq has not established that its requested $3.00 and $1.50 increases — which could greatly exceed an average annual increase of 10% for some customers — are in the public interest and protect affordability. For example, the Staff explains that under Embarq's proposal, some customers could see a rate increase of more than 60% over the first thirteen months, and more than 80% over the first twenty-five months, of the New Plan.[17]

Accordingly, under subsection F 5 of the Plan approved herein, BLETS price increases shall be governed as follows:

> During the first twelve months following the effective date of this Plan, BLETS price increases may not exceed 10%. Thereafter, the increase may not exceed a percentage amount calculated by multiplying .0083 times the number of months (equates to 10% per twelve month period) since the most recent increase. The Company may accumulate allowable price increases beyond a twelve month period as described above but in no event may the Company increase the price for a BLETS that exceeds 25% in a single twelve month period.

OLETS

Embarq proposes (1) to limit price increases for two OLETS, *i.e.*, private line and special access services, and (2) to deregulate the remaining OLETS as to price. First, Embarq proposes to limit price increases for private line and special access services as follows: (i) "[a] Company may not increase the monthly price for private line or special access services in the OLETS classification by more than 15% in any twelve month period;" and (ii) "[t]he Company may accumulate allowable monthly price increases beyond a twelve month period . . . but in no event may the Company increase monthly prices for these specific OLETS by more than 25% in any single twelve month period.[18] Second, for all other OLETS, Embarq proposes to increase or decrease prices "as the Company deems appropriate;" that is, "[a]ll other OLETS will not be subject to price regulation. . . ."[19]

We find that Embarq has not established in this proceeding that all OLETS (excluding private line and special access services) are sufficiently competitive to warrant price deregulation. We do not find that it is in the public interest to deregulate these OLETS as to price. Moreover, as discussed above, Embarq did not file an application to deregulate or to declare OLETS competitive under the requirements set forth in §§ 56-235.5 E and F of the Code. We find that it is in the public interest to apply Embarq's proposed 15% and 25% limitations to *all* OLETS (not just private line and special access services) in subsection F 6 of the Plan as follows:

> During the first twelve months following the effective date of this Plan, price increases for OLETS may not exceed 15%. Thereafter, the increase may not exceed a percentage calculated by multiplying .0125 times the number of months (equates to 15% per twelve month period) since the most recent increase. The Company may accumulate allowable price increases beyond a twelve month period as described above but in no event may the Company increase prices for OLETS that exceed 25% in a single twelve month period.

Local Measured or Message Service

The price of measured or message services ("measured service") consists of (1) a monthly flat rate component, and (2) a usage component.[20] Embarq also has customers that pay only a flat rate — with no usage component — for unlimited service; this is referred to as a single party flat rated access line or trunk ("flat rate service").[21] This distinction between measured service and flat rate service is relevant herein because Embarq proposes an exception to the pricing limits that would otherwise be permitted for measured service. Specifically, the Company requests authority to increase the price of the flat

[14] We also note that the price ceiling may be adjusted pursuant to a revenue neutral rate change under section G of the plan.

[15] Application, Attachment A at 3.

[16] Application, Attachment A at 3-4.

[17] *See* Staff's March 28, 2008 Report at 17.

[18] Application, Attachment A at 4.

[19] Application at 6, Attachment A at 4.

[20] *See, e.g.*, Staff's March 28, 2008 Report at 18.

[21] *See* Staff's March 28, 2008 Report at 18-19; Embarq's April 11, 2008 Response at 9-10.

rate component of measured service to match the price permitted for the comparable flat rate service.[22] We do not find that this proposal protects affordability or is in the public interest.

Embarq asserts that the "Staff Report provides no evidence — empirical or anecdotal — to support its concern" regarding the affordability of measured service under the Company's proposal.[23] The Staff explains, however, that Embarq's proposed exception for the flat rate component of measured service "would result in a ceiling rate for measured or message service that would be considerably higher than the ceilings that would otherwise be determined" under the plan.[24] Indeed, Embarq's proposal could result in rate increases for measured service that greatly exceed the price limits approved above. Specifically, we have determined herein that the use of GDPPI for price ceilings, along with price increases limited to 10% per twelve month period, are necessary to protect the affordability of BLETS. Measured service is a BLETS under the plan. Embarq has not established that exceeding the BLETS pricing limits approved herein protects the affordability of measured service.

Embarq argues, however, that "[a]ffordable is affordable" and "[t]his is not an affordability issue."[25] Rather, the Company asserts that its proposal for measured service "simply afford[s] Embarq the flexibility to design service portfolios and pricing strategies that make sense in today's telecommunications market," and that this "is about pricing flexibility, not endangering the affordability of basic local service."[26] In this regard, and in addition to our finding on affordability, we further conclude that Embarq's proposal for additional measured service pricing flexibility is not in the public interest. This proposal would allow the Company to reduce significantly, and ultimately to eliminate, measured service.[27] Indeed, Embarq contends as follows: (1) "[i]t would be unusual for a customer to continue subscribing to [measured service] if the flat-priced component of [measured service] were equal to the price for non-usage-sensitive BLETS;" but, (2) "[f]rankly, whether to do this should be a decision of Embarq's as it considers the needs of its customers and whether to simplify its overall pricing strategy and portfolio of services;" and, ultimately, (3) "[i]f Embarq does so and customers are dissatisfied with the value and price of [measured] service, [measured service] customers could then choose to rely solely on wireless service, switch to another wireline local service provider. . ., or subscribe to the non-usage BLETS equivalent."[28]

As discussed above, this is not a deregulation case. Embarq has not established that measured service customers have competitive alternatives — either within or without the Company — to the specific measured service that they now receive. Embarq also has not established that measured service is somehow an obsolete offering. Embarq has not shown that it is in the public interest, and that it will not unreasonably disadvantage any class of telephone company customers, to allow the Company, at its option, to price measured service out of existence.

Revenue Neutral Rate Changes

We reject Embarq's proposed subsection G 2. That subsection states, in part, that the "Companies shall not be required to reduce intrastate switched access rates without also being permitted, at their discretion, to increase BLETS and/or OLETS rates and/or other support being made available to the Companies to recover in total the revenue lost as a result of the required access rate reduction."[29] We are not persuaded that proposed subsection G 2 protects the affordability of basic local exchange telephone service and is in the public interest. The level, if any, of any future switched access charge reductions, and the timing of the same, is unknown. Approving — now — an unknown increase in rates for some undefined point in the future does not protect the affordability of basic local exchange telephone service and is not in the public interest. Further, we reject the premise of Embarq's proposed subsection G 2, that reductions in intrastate switched access rates must necessarily be connected to, and must automatically result in, dollar-for-dollar increases to BLETS and/or OLETS rates.

We approve Embarq's proposed subsection G 3, with the modifications recommended by the Staff. The Staff explains this subsection as follows:

> Subsection G 3 is a new provision whose concept originated from the Staff. It is a proposed administrative mechanism that would allow the Companies to implement certain restructuring proposals without having to seek approval from the Commission pursuant to Subsection G 1. It is intended to allow the Staff to review and accept restructures of individual BLETS or OLETS that have minimal impact on customers. An example of such a proposal might involve restructuring the message component of a measured exchange service from a distance or time of day sensitive pricing to a single postalized usage rate.[30]

The Staff, however, recommends specific changes to the text of this subsection, which are shown below:

> A Company may submit tariff revisions to the Division of Communications to restructure a BLETS or OLETS that does not result in a net increase in operating revenues for the Company and ~~either~~ has only ~~a~~ minimal impact on consumers ~~or benefits a majority of customers~~. A proposed filing may involve a restructure or reconfiguration of rate elements for a BLETS or OLETS ~~offering~~. The Company must provide justification and

[22] *See, e.g.*, Application, Attachment A at 4; Embarq's April 11, 2008 Response at 9-11; Staff's March 28, 2008 Report at 18-20.

[23] Embarq's April 11, 2008 Response at 10.

[24] Staff's March 28, 2008 Report at 18-20.

[25] Embarq's April 11, 2008 Response at 10-11.

[26] Embarq's April 11, 2008 Response at 11.

[27] *See, e.g.*, Staff's March 28, 2008 Report at 19.

[28] Embarq's April 11, 2008 Response at 10-11.

[29] Application, Attachment A at 4.

[30] Staff's March 28, 2008 Report at 26.

> documentation that there is only a minimal impact on any individual ~~affected~~ customer~~s or the restructure benefits a majority of the customers impacted and is, thus,~~ and that the restructure is in the public interest. The Division of Communications, at its discretion, may determine whether a restructure shall be considered under this Subsection. The restructure may become effective 60 days after filing unless the Division of Communications advises the Company that it is still reviewing the ~~restructure~~ filing; however, completion of that review shall take no longer than 75 days. ~~The Division of Communications will advise the Company that the proposed tariff revisions do not meet the necessary requirements for consideration under this provision or that sufficient documentation was not provided.~~[31]

We find that Staff's recommendations for this subsection are necessary to protect the affordability of basic local exchange telephone service and to be in the public interest. For example, if a filing hereunder simply benefits a majority of customers (as proposed in the New Plan), we do not conclude that such would necessarily be in the public interest. Since this is an *optional* administrative mechanism that will be implemented by the Staff, (*i.e.*, under subsection G 1, Embarq also can file formal requests for revenue neutral rate changes with the Commission), we further conclude that it is necessary, and in the public interest, for the plan explicitly to set forth that "[t]he Division of Communications, at its discretion, may determine that a specific request is not appropriate for resolution under this Subsection."

In addition, we find that it is in the public interest for subsection G 1 to reflect that both switched access services and special access services are subject to revenue neutral filings. We note that this modification was recommended by the Staff and subsequently accepted by Embarq.[32]

Individual-Case-Basis Pricing, Contract Service Arrangements, and Promotions

Under the express terms in subsection H 1, "Individual-Case-Base ('ICB') contract pricing is allowed for BLETS and OLETS when a competitive alternative exists for an individual customer but where the service does not otherwise satisfy the requirements of [subsection C 2 a]" (*i.e.*, the competitive services classification) of the plan.[33] The Staff proposes a reporting requirement for these ICBs. Embarq, however, "opposes the Staff's proposed reporting of [ICBs]," and asserts that the reporting "process proposed by Staff, while somewhat more flexible than the standard set for Verizon, is still cumbersome to provisioning services in an already competitive market."[34] We find that ICBs are used to provide off-tariff, competitive pricing – for services that have *not* been classified as competitive. Accordingly, we find that in order for it to be in the public interest to grant Embarq such competitive pricing discretion, the Company must report these transactions as follows:

> The Company must file semi-annually with the Staff a proprietary report listing the names of customers with whom new ICB contracts have been executed, the BLETS and OLETS sold under each new contract, and the competitive threat for each of these offerings. Upon written request by another party, the Company will disclose to that party the number of customers included in the semi-annual report.

In addition, we find that it is in the public interest: (1) in subsection H 1, to clarify that the Staff may request Embarq to provide documentation demonstrating that the conditions of subsection K 1 (*i.e.*, price floors) are met for any ICB; and (2) in subsection H 2 (Contract Service Arrangements), to reference explicitly a "request for proposal ('RFP') or other specific procurement request from a customer."[35]

Pricing for Bundled Services

We find that it is in the public interest in section I, Pricing for Bundled Services, to clarify that bundled services found competitive by the Commission under the Code shall also be treated as competitive services under the plan as follows: "A Bundled Service that is determined by the Commission to be competitive pursuant to Va. Code § 56-235.5 F shall be a Competitive Service under this Plan."[36]

Competitive Safeguards

We find that Embarq's proposed section K must be significantly modified, as set forth below, in order to "not unreasonably prejudice or disadvantage … other providers of competitive services,"[37] "to protect . . . competitive markets [and] ensure that there is no cross subsidization of competitive services by monopoly services,"[38] and to be "in the public interest."[39]

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[31] *See, e.g.*, Staff's March 28, 2008 Report, Exhibit 2 at 4.

[32] *See* Staff's March 28, 2008 Report at 24; Embarq's April 11, 2008 Response at 5.

[33] Application, Attachment A at 5.

[34] Embarq's April 11, 2008 Response at 16-17.

[35] Plan, subsection H 2. We note that this clarification in subsection H 2 was recommended by the Staff and subsequently accepted by Embarq. *See* Staff's March 28, 2008 Report at 30-31; Embarq's April 11, 2008 Response at 16.

[36] Plan, Section I. We note that this was recommended by the Staff and subsequently accepted by Embarq. *See* Staff's March 28, 2008 Report at 31-32; Embarq's April 11, 2008 Response at 5.

[37] Va. Code § 56-235.5 B iii.

[38] Va. Code § 56-235.5 H.

[39] Va. Code § 56-235.5 B iv.

Price Floors

Subsection K 1 addresses price floors. We agree with the Staff that under this subsection as proposed by Embarq, "there is little, if any, Commission oversight," "it is unlikely that [the proposed safeguards] could be properly monitored by the Staff or other parties," and "several of the provisions are confusing, circular in nature, and potentially conflicting with each other."[40]

In subsection K 1 b Embarq proposes "a Competitive Service and ICB price floor that equals or exceeds the incremental cost of the service, or in the alternative, the lower of incremental cost or the tariffed rate for the access line when the line is (or is an essential part of) the Competitive Service or ICB."[41] The Staff explains, however, some of the deficiencies in Embarq's proposed price floor standard:

> [T]he price floor standard in the Proposed Plan does not recognize that, because competitors often must obtain network services from Embarq, it controls many of the input (*i.e.*, incremental) costs of essential components of many of its competitors' services. Those components can range from access charges (virtually unavoidable) to wholesale services such as unbundled loops or resale discounts. Those service or network components are not priced to competitors at Embarq's incremental cost, so under this Subsection, it would be able to sell its services to customers for less than it sells the same services (or network components) to its competitors. . . . [Subsection K 1 b also] provides Embarq an automatic 'out' when it can't show that a 'competitive' retail access line covers its incremental cost; then it only has to cover the tariffed price of the line. This is a circular premise as it would require only that Embarq 'lower' the tariffed price of the access line service if it wanted to offer the service at below incremental cost.[42]

In addition, and as further discussed by the Staff:

> [A] price floor for a Competitive Service should equal or exceed the cost of the service components (*i.e.*, access charges, [unbundled network elements ('UNEs')], wholesale discounts) that a competitor must pay (*i.e.*, their incremental cost) to offer the comparable service to not 'unreasonably prejudice' other providers of competitive services as required by § 56-235.5 B (iii). However, . . . when competitors are not reliant on the service or network components of the [incumbent local exchange carrier ('ILEC')], it is then reasonable to establish the price floor at the ILEC's incremental cost.[43]

Subsection K 1 c, as proposed in the New Plan, further allows Embarq to price a Competitive Service or ICB below the price floor upon waiver by the Commission and whenever a competitor is "actively offering a comparable service to comparably situated customers at a lower price than the price floor prescribed by this Plan."[44] As noted by the Staff, however, this provision should be clarified (1) to set forth the standards for waiver of this subsection, and (2) to require Embarq to obtain the Commission's approval prior to pricing below the price floor under this subsection.[45]

In sum, based on our findings herein, subsection K 1 of the Plan approved herein shall include the price floor provisions recommended by the Staff.[46]

Cross Subsidy

Section 56-235.5 H of the Code requires the Commission to "ensure that there is no cross subsidization of competitive services by monopoly services." To satisfy this statutory requirement, we find that subsection K 2 of the Plan approved herein shall require that: (1) Competitive Services in the aggregate must cover their direct incremental costs; (2) Embarq shall annually file data to demonstrate (1); and (3) unless otherwise permitted, the price of an individual Competitive Service must cover its incremental costs.

Investigations

Finally, section K shall explicitly provide that "[a]ny party may request a Commission investigation of any rate to ensure that it complies with the competitive safeguards in this Section."[47]

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[40] Staff's March 28, 2008 Report at 32.

[41] Staff's March 28, 2008 Report at 32.

[42] Staff's March 28, 2008 Report at 33 (footnote omitted).

[43] Staff's March 28, 2008 Report at 35 (footnote omitted).

[44] Application, Attachment A at 6.

[45] *See, e.g.*, Staff's March 28, 2008 Report at 34-37 and Exhibit 2.

[46] *See, e.g.*, Staff's March 28, 2008 Report, Exhibit 2 at 5-6. In addition, we find that subsection K 1 should reference "direct" incremental costs to ensure that the appropriate costs are used to implement these safeguards.

[47] Plan, subsection K 3. We note that this was recommended by the Staff and subsequently accepted by Embarq. *See* Staff's March 28, 2008 Report, Exhibit 2 at 6; Embarq's April 11, 2008 Response at 5.

Access Services

We find that section L should be modified to state that both "switched" access and "special" access services will be considered separately by the Commission. As noted by the Staff, Embarq's current regulatory plan "does not make a distinction between switched and special access services so both are currently excluded from the plan for pricing purposes, and both are to be considered separately by the Commission."[48] Embarq's Proposed Plan, however, omits special access services from section L. The Staff and Sprint Nextel oppose this omission and assert that special access should continue to be addressed separately by the Commission outside of the regulatory plan.

For example, the Staff explains that "[g]enerally, carriers that rely on special access service to serve their customers have limited, if any, alternatives to purchasing special access from the incumbent carrier."[49] In addition, Sprint Nextel states that "[a]s the Commission is aware, many service providers and wireless providers in particular are highly dependent on special access services as essential inputs to their retail services," and Sprint Nextel "respectfully requests that the Commission not permit Embarq to increase its special access rates until it makes a showing that its present rates and any proposed increases are just and reasonable."[50]

We find that carriers and other customers that may purchase special access services may be unreasonably disadvantaged by permitting Embarq to increase special access prices as part of the plan, *i.e.*, without separate consideration and approval by the Commission. Accordingly, under the Plan approved herein, Embarq has the opportunity — as it currently does under its existing plan — to seek price increases to special access services as part of a separate application filed with the Commission, and the Commission will rule on such applications based on the specific record developed in those proceedings. In sum, we find that in order to not unreasonably prejudice or disadvantage any class of telephone company customers or other providers of competitive services, and to be in the public interest, Embarq's proposal must be modified such that prices for "special" access services will be considered separately by the Commission outside of the Company's plan for alternative regulation.[51]

Appendix A

In Appendix A of Embarq's Proposed Plan, the Company classifies its existing services into the following categories: BLETS, OLETS, Competitive Services, and Bundled Services. The Staff notes, however, that "Embarq is proposing to reclassify all service charges as OLETS *regardless* of the underlying service's classification."[52] The Staff objects to such reclassification and explains as follows:

> Service charges should be classified in the same category with the associated service. This is particularly troubling for service charges associated with BLETS. For example, a customer purchasing a basic dial tone service or moving an existing service to a new location would need to pay certain service charges as a result of initiating service (*i.e.*, service ordering, connection charge). The 'unavoidable' cost of any required service charge could impact the affordability of the basic telephone service.[53]

We find that in order to protect affordability, and to be in the public interest, Embarq's proposal must be modified such that service charges are classified in the same category as the underlying service.[54] Appendix A of the Plan approved herein shows the classification categories for Embarq's services.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Embarq's Application For Approval of its New Plan for Alternative Regulation is denied as filed.

(2) Embarq's Application For Approval of its New Plan for Alternative Regulation is approved as modified by this Final Order.

(3) The "Central Telephone Company of Virginia and United Telephone Southeast LLC Plan for Alternative Regulation," as approved herein and attached to this Final Order as Attachment A, shall become effective as of August 1, 2008, should Embarq elect to adopt it.

(4) On or before July 18, 2008, Embarq shall notify the Commission, by letter filed with the Clerk of the Commission, of its election to adopt the "Central Telephone Company of Virginia and United Telephone Southeast LLC Plan for Alternative Regulation" approved herein.

(5) If Embarq elects to adopt the "Central Telephone Company of Virginia and United Telephone Southeast LLC Plan for Alternative Regulation" approved herein, on or before July 18, 2008 Embarq shall submit a compliance filing with the Clerk of the Commission, with supporting documentation, identifying for each company-specific BLETS, including company-specific BLETS on an individual rate group basis: (a) the January 1, 1995 rate; (b) the January 1, 1995 rate in (a) adjusted by the final GDPPI through the last quarter before the effective date of this plan; (c) the current rate under the existing regulatory plan; and (d) the price ceiling to be effective as of August 1, 2008.

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[48] Staff's March 28, 2008 Report at 38.

[49] Staff's March 28, 2008 Report at 23.

[50] Sprint Nextel's February 29, 2008 Comments at 12.

[51] *See* Va. Code §§ 56-235.5 B iii and iv.

[52] Staff's March 28, 2008 Report at 39 (emphasis added).

[53] Staff's March 28, 2008 Report at 39.

[54] Va. Code §§ 56-235.5 B i and iv.

(6) BVU's March 24, 2008 Motion to Withdraw Hearing Request is granted.

(7) This matter is dismissed.

NOTE: A copy of Attachment A entitled "Central Telephone Company of Virginia and United Telephone-Southeast, Inc. Plan for Alternative Regulation" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUC-2008-00011
FEBRUARY 11, 2008

APPLICATION OF
CHOICE ONE COMMUNICATIONS OF VIRGINIA, INC.

For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services and to reissue certificates reflecting new corporate name of FiberNet of Virginia, Inc.

FINAL ORDER

On January 4, 2001, in Case No. PUC-2000-00184, the State Corporation Commission ("Commission") issued certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services, Certificate Nos. T-525 and TT-121A respectively, to Choice One Communications of Virginia, Inc. ("Choice One").

On January 4, 2008, the Commission issued a Certificate of Amendment changing Choice One's name to FiberNet of Virginia, Inc. ("FiberNet").

On January 15, 2008, Choice One filed an application notifying the Commission that the Company had changed its corporate name and requesting that the Commission cancel the current certificates issued to Choice One and reissue the certificates in the name of FiberNet. Choice One included documentation from the Clerk of the Commission effecting the change in the corporate name in the Commonwealth.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services issued to Choice One should be cancelled and new certificates should be issued reflecting the new corporate name, FiberNet.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC-2008-00011.

(2) Certificate No. T-525 authorizing Choice One Communications of Virginia, Inc. to provide local exchange telecommunications services throughout the Commonwealth is hereby cancelled.

(3) FiberNet of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, Certificate No. T-525a, to provide local exchange telecommunications services subject to all restrictions and conditions imposed on Certificate No. T-525.

(4) Certificate No. TT-121A authorizing Choice One Communications of Virginia, Inc. to provide interexchange telecommunications services throughout the Commonwealth is hereby cancelled.

(5) FiberNet of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, Certificate No. TT-121B, to provide interexchange telecommunications services subject to all restrictions and conditions imposed on Certificate No. TT-121A.

(6) FiberNet of Virginia, Inc. shall provide revised tariffs reflecting its new corporate name to the Commission's Division of Communications within sixty (60) days of the date of this Order.

(7) There being nothing further to be done, this matter shall be dismissed from the Commission's docket of active cases and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC-2008-00011
MARCH 4, 2008

APPLICATION OF
CHOICE ONE COMMUNICATIONS OF VIRGINIA, INC.

For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services and to reissue certificates reflecting new corporate name of FiberNet of Virginia, Inc.

AMENDING ORDER

On January 4, 2001, in Case No. PUC-2000-00184, the State Corporation Commission ("Commission") issued certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services, Certificate Nos. T-525 and TT-121A respectively, to Choice One Communications of Virginia, Inc. ("Choice One").

On January 4, 2008, the Commission issued a Certificate of Amendment changing Choice One's name to FiberNet of Virginia, Inc. ("FiberNet").

On January 15, 2008, Choice One filed an application notifying the Commission that the Company had changed its corporate name and requesting that the Commission cancel the current certificates issued to Choice One and reissue the certificates in the name of FiberNet. Choice One included documentation from the Clerk of the Commission effecting the change in the corporate name in the Commonwealth.

On February 11, 2008, the Commission entered a Final Order that granted Choice One's application. Ordering Paragraph (6) of that Final Order directed FiberNet to provide revised tariffs reflecting its new corporate name. It has now been confirmed that FiberNet's predecessor, Choice One, had no tariffs on file as yet with the Commission's Division of Communications. Hence, there are no tariffs on which to effect the name change, making Ordering Paragraph (6) superfluous.

NOW THE COMMISSION, upon consideration of the lack of tariffs, is of the opinion and finds that Ordering Paragraph (6) should be deleted from our Final Order dated February 11, 2008.

Accordingly, IT IS ORDERED THAT:

(1) Ordering Paragraph (6) shall be deleted from the Final Order of February 11, 2008, and the final Ordering Paragraph shall be renumbered as (6).

(2) In all other respects, the Final Order of February 11, 2008, remains unaltered.

CASE NO. PUC-2008-00014
JULY 21, 2008

APPLICATION OF
METROPOLITAN NETWORK SERVICES, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On March 7, 2008, Metropolitan Network Services, Inc. ("Metropolitan" or the "Company"), completed an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order for Notice and Comment dated April 2, 2008, the Commission directed the Company to provide notice to the public of its application and directed the Commission Staff to conduct an investigation and file a Staff Report. Metropolitan requested an extension to the procedural schedule on May 20, 2008. The Commission issued an Order extending the schedule on May 21, 2008. Metropolitan filed proof of service and publication on May 5, 2008, and proof of additional publication on June 13, 2008, as required by the April 2, 2008 and May 21, 2008 Orders.

On June 27, 2008, the Staff filed its Report finding that Metropolitan's application was in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, 20 VAC 5-417-10 et seq., and the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-411-10 et seq. Based upon its review of Metropolitan's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the following condition: Metropolitan should notify the Division of Economics and Finance no less than thirty (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 July 3, 2008, Metropolitan filed a response to the Staff Report stating that it concurs with the Staff's conclusion as to the granting of certificates to Metropolitan.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1 of the Code of Virginia, the Commission further finds that the Company may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Metropolitan Network Services, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-243A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Metropolitan Network Services, Inc. is hereby granted a certificate of public convenience and necessity, No. T-680, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) The Company shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(5) Metropolitan shall notify the Division of Economics and Finance 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) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC-2008-00016
MARCH 4, 2008

APPLICATION OF
ACC TELECOMMUNICATIONS OF VIRGINIA, LLC

To cancel existing certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER CANCELING CERTIFICATES

On February 19, 2008, ACC Telecommunications of Virginia, LLC ("ACC" or "Company"), filed a letter application with the State Corporation Commission ("Commission") requesting the cancellation of its certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services. The Commission granted Certificate Nos. T-585 and TT-177A to ACC in Case No. PUC-2002-00011.

In its application, ACC states that it no longer provides local and interexchange telecommunications services to any customer.

NOW UPON CONSIDERATION of the matter, the Commission finds that the Certificates issued to ACC should be cancelled. The Commission further finds that any local exchange or interexchange telecommunications tariffs on file with the Division of Communications should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUC-2008-00016.

(2) Certificate of public convenience and necessity, No. T-585, issued to ACC Telecommunications of Virginia, LLC to provide local exchange telecommunications services throughout the Commonwealth is hereby cancelled.

(3) Certificate of public convenience and necessity, No. TT-177A, issued to ACC Telecommunications of Virginia, LLC, to provide interexchange telecommunications services throughout the Commonwealth is hereby cancelled.

(4) Any tariffs associated with Certificate Nos. T-585 or TT-177A on file with the Division of Communications are hereby cancelled.

(5) There being nothing further to be done in this matter, this case shall be removed from the Commission's docket of active proceedings and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC-2008-00018
MARCH 14, 2008

APPLICATION OF
GATEWAY COMMUNICATIONS SERVICES OF VIRGINIA, INC.

For waiver of surety bond

ORDER

By Final Order entered July 28, 2006, in Case No. PUC-2006-00037, the State Corporation Commission ("Commission") granted Gateway Communications Services of Virginia, Inc. ("Gateway"), certificates of public convenience and necessity ("certificates") numbers T-659 and TT-225A to furnish, respectively, local exchange and interexchange telecommunications services in the Commonwealth.

By letter application submitted February 22, 2008, Gateway requested "… a temporary waiver of the surety bond associated with…" Gateway's local exchange certificate. The letter states that Gateway has not offered services in Virginia and that it plans to reconsider offering services in Virginia in another twelve to eighteen months.

NOW THE COMMISSION, having considered the application and the applicable law, finds that Gateway should be granted a temporary waiver of Rule 20 VAC 5-417-20 G 1 b and not be required to provide a continuous performance or surety bond in a minimum amount of $50,000 until it files a Virginia tariff for review and acceptance to offer telecommunications services in Virginia.

Accordingly, IT IS ORDERED THAT:

(1) Gateway is hereby granted a temporary waiver of Rule 20 VAC 5-417-20 B 1 b requiring the Company to provide a continuous performance or surety bond in the amount of $50,000.

(2) At such time as Gateway anticipates offering telecommunications services in Virginia, and prior to the provisioning of any such services, the Company shall provide tariffs to the Division of Communications that conform with all applicable commission rules and regulations.

(3) Staff of the Division of Economics and Finance shall return the bond currently on file with the Division to Gateway Communications Services of Virginia, Inc.

(4) At such time as Gateway Communications Services of Virginia, Inc., files a Virginia tariff for review and acceptance, Gateway Communications Services of Virginia Inc., shall provide a $50,000 bond to the Division of Economics and Finance, as specified by the Staff.

(5) All other provisions of the July 28, 2006 Final Order remain in effect.

(6) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC-2008-00019
MAY 30, 2008

APPLICATION OF
ATC OUTDOOR DAS, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On March 14, 2008, ATC Outdoor DAS, LLC ("ATC Outdoor" or the "Company"), completed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order for Notice and Comment dated April 2, 2008, the Commission directed the Company to provide notice to the public of its application and directed the Commission Staff to conduct an investigation and file a Staff Report. On May 16, 2008, the Company filed proof of publication and proof of service as required by the April 2, 2008 Order.

On May 21, 2008, the Staff filed its Report finding that ATC Outdoor's application was in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, 20 VAC 5-417-10 et seq., and the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-411-10 et seq. Based upon its review of ATC Outdoor's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the following conditions: ATC Outdoor should notify the Division of Economics and Finance no less than thirty (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 the application and the Staff Report, finds that the Company should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1 of the Code of Virginia, the Commission further finds that the Company may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) ATC Outdoor is hereby granted a certificate of public convenience and necessity, No. TT-242A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) ATC Outdoor is hereby granted a certificate of public convenience and necessity, No. T-678, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) ATC Outdoor shall notify the Division of Economics and Finance 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) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC-2008-00021
JUNE 16, 2008

PETITION OF
INTRADO COMMUNICATIONS OF VIRGINIA, INC.

For Arbitration to Establish an Interconnection Agreement with Verizon Virginia Inc. and Verizon South Inc. under Section 252(b) of the Telecommunications Act of 1996

ORDER OF DISMISSAL

On March 5, 2008, Intrado Communications of Virginia, Inc. ("Intrado"), filed a Petition for Arbitration ("Petition") with the State Corporation Commission ("Commission") pursuant to 47 U.S.C. § 252(b)(1) ("Telecommunications Act"),[1] asking the Commission to resolve the disputes arising from Intrado's attempts to negotiate an interconnection agreement ("ICA") with Verizon Virginia Inc., and Verizon South Inc., (collectively "Verizon").

In its Petition, Intrado requests that the Commission arbitrate the disputed issues identified in the attachments to its Petition, adopt Intrado's proposed contract language on those issues and order the parties to sign an ICA reflecting Intrado's proposed language and the parties' agreed-upon language.

On March 31, 2008, Verizon filed its response to Intrado's Petition ("Response") together with its Motion to Hold in Abeyance ("Motion"). In both its Response and its Motion, Verizon noted a crucial threshold matter of whether Intrado is a telecommunications carrier entitled to interconnection and arbitration within the scope of § 251(c) of the Telecommunications Act.

Verizon's Motion asks that the Commission hold this proceeding in abeyance while the Federal Communications Commission ("FCC") is resolving the threshold issue—whether Intrado is furnishing telecommunications services that entitle it to interconnection and arbitration as a telecommunications carrier as contemplated by §§ 251(c) and 252 of the Telecommunications Act.[2]

NOW THE COMMISSION, upon consideration of this matter, finds that the Petition should be dismissed.

Section 56-265.4:4 B 4 of the Code of Virginia provides that the Commission shall discharge the responsibilities of state commissions pursuant to the Telecommunications Act and applicable law and regulations, including, but not limited to, the arbitration of interconnection agreements. However, the statute goes on to provide that the Commission may exercise its discretion to defer selected issues.

In this case, we find there is a threshold issue that should be determined by the FCC. Therefore, we believe the FCC is the more appropriate agency to determine whether Intrado is entitled to interconnection pursuant to § 251 (c) of the Telecommunications Act.

We note further that the Commission chose not to resolve the same threshold issue regarding Intrado's entitlement to interconnection in Case No. PUC-2007-00112[3], choosing instead to dismiss the arbitration petition so that this crucial federal question could be resolved by the FCC, the more appropriate agency for such a statutory interpretation of jurisdiction. The FCC has docketed that matter as Docket WC No. 08-33 and has now assumed

[1] 47 U.S.C. § 151 et seq.

[2] *See* Motion at 1-2. Page 3 of the Motion also refers to Intrado's petition seeking FCC arbitration of the earlier Embarq matter that the Commission had dismissed February 14, 2008, in Case No. PUC-2007-00112. *See also FCC* Docket No. 08-33.

[3] *See Petition of Intrado Communications of Virginia, Inc. For Arbitration to Establish Interconnection Agreement with Central Telephone Company of Virginia, d/b/a Embarq and United Telephone—Southeast, Inc., d/b/a Embarq, under Section 252(b) of the Telecommunications Act of 1966*, Case No. PUC-2007-00112, Final Order, February 14, 2008.

jurisdiction over that dispute.[4] Nothing distinguishes the jurisdictional nature of this arbitration petition from the Embarq matter above. The FCC has initiated its proceeding to resolve the threshold issue in the Embarq matter, and should be able to apply a similar determination for these two parties.

Therefore, based upon the potential conflict that may arise should the Commission attempt to determine the rights and responsibilities of the parties under state law or through application of the federal standards embodied in the Telecommunications Act, we find that this arbitration proceeding should be deferred to the FCC.[5]

Moreover, dismissal of this matter does not prevent the parties from voluntarily pursuing a mutually agreeable ICA or other commercial agreement that meets the needs of both without involving the mandatory and tight arbitration schedule that the Telecommunications Act imposes upon parties and upon state commissions.

Accordingly, IT IS ORDERED THAT the Motion to Hold in Abeyance is denied and the Petition is hereby dismissed. There being nothing further to come before the Commission, the papers shall be transferred to the files for ended causes.

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[4] *See Petition of Intrado Communications of Virginia Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Arbitration of an Interconnection Agreement with Central Telephone Company of Virginia and United Telephone—Southeast, Inc. (collectively, "Embarq")*, WC Docket No. 08-33 Memorandum Opinion and Order, released June 4, 2008.

[5] We note that until such time as the threshold jurisdictional issue is resolved, it would be inappropriate to resolve the other disputed issues. Therefore, we will defer resolution of all issues in Intrado's Petition to the FCC.

CASE NO. PUC-2008-00022
MARCH 14, 2008

APPLICATION OF
EGIX NETWORK SERVICES OF VIRGINIA, INC.

For cancellation of certificates of public convenience and necessity

ORDER

By Order dated June 15, 2000, in Case No. PUC-2000-00064, the State Corporation Commission ("Commission") granted EGIX Network Services of Virginia, Inc. ("EGIX" or the "Company"), Certificate Nos. T-491 to provide local exchange telecommunications services and TT-97A to provide interexchange telecommunications services in Virginia.

By letter application filed March 6, 2008, EGIX requested that its Certificates T-491 and TT-97A be cancelled. EGIX states that it does not provide any regulated telecommunications services to any customers in Virginia.

NOW THE COMMISSION, having considered the matter, is of the opinion that EGIX's certificates to provide local exchange and interexchange telecommunications services should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC-2008-00022.

(2) Certificate No. T-491 granting authority to provide local exchange telecommunications services is hereby cancelled.

(3) Certificate No. TT-97A granting authority to provide interexchange telecommunications services is hereby cancelled.

(4) Any tariffs associated with EGIX Network Services of Virginia, Inc. are hereby cancelled.

(5) The captioned matter is hereby dismissed.

CASE NO. PUC-2008-00023
MAY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the Matter of Interstate Rates, Terms, and Conditions for Verizon Communications Inc., MCI, Inc., and MCImetro Access Transmission Services of Virginia, Inc.

ORDER

On October 6, 2005, the State Corporation Commission ("Commission") issued an Order Granting Approval in Case No. PUC-2005-00051 ("Order Granting Approval").[1] That order granted approval of an agreement and plan of merger jointly filed by Verizon Communications Inc. ("Verizon") and MCI, Inc. ("MCI"), which resulted in the transfer of indirect control of MCImetro Access Transmission Services of Virginia, Inc. ("MCImetro") to Verizon. The Order Granting Approval further required, among other things, as follows:

> MCI shall continue to offer to wholesale customers in Virginia its available intrastate and *interstate* special access, private line or its equivalent, and high capacity loop and transport facilities, without undue discrimination, at pre-merger terms and conditions and at prices that do not exceed pre-merger rates. Existing and future wholesale customers of MCI in Virginia shall be entitled to purchase these services at like rates, terms, and conditions as those for comparable services pre-merger.[2]

On November 17, 2005, the Federal Communications Commission ("FCC") released a Memorandum Opinion and Order that also approved the merger of Verizon and MCI.[3] The FCC had received notice of the Commission's Order Granting Approval prior to the FCC's action approving the merger. In approving the merger, the FCC did not declare that the above requirement on interstate rates, terms, and conditions contained in the Commission's Order Granting Approval is preempted by federal regulation, and the FCC expressly endorsed the preservation of state regulations relating to the merger.[4]

On March 27, 2007, the Honorable James R. Spencer, Chief United States District Judge, confirmed that the FCC was aware of the above requirement on interstate rates, terms, and conditions contained in the Commission's Order Granting Approval, and that the FCC had not declared that such requirement is preempted by federal regulation.[5]

On February 19, 2008, at the request of the United States Court of Appeals for the Fourth Circuit, the United States Department of Justice ("DOJ") and the FCC jointly filed an amicus curiae brief in *MCImetro Access Transmission Services of Virginia, Inc., d/b/a Verizon Access Transmission Services of Virginia v. Christie*, No. 07-1401 (4th Cir.). Therein, the DOJ and FCC declared that the above requirement on interstate rates, terms, and conditions contained in the Commission's Order Granting Approval is preempted by federal regulation.

UPON CONSIDERATION of the foregoing, IT IS HEREBY ORDERED THAT:

(1) The condition quoted above from the Commission's October 6, 2005 Order Granting Approval in Case No. PUC-2005-00051 is rescinded insofar as it applies to *interstate* special access, private line or its equivalent, and high capacity loop and transport facilities.

(2) The condition quoted above from the Commission's October 6, 2005 Order Granting Approval in Case No. PUC-2005-00051 remains in full force and effect insofar as it applies to *intrastate* special access, private line or its equivalent, and high capacity loop and transport facilities.

(3) This matter is dismissed.

Judge Jagdmann did not participate in the consideration of this case.

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[1] *Joint Petition of Verizon Communications Inc. and MCI, Inc., for approval of agreement and plan of merger*, Case No. PUC-2005-00051, Order Granting Approval, 2005 S.C.C. Ann. Rept. 260 (Oct. 6, 2005).

[2] *Id.* at 270 (emphasis added).

[3] *In the Matter of Verizon Communications Inc. and MCI, Inc., Applications for Approval of Transfer of Control*, 20 FCC Rcd 18433 *et seq.* (FCC 2005).

[4] *See id.* at Appendix G.

[5] *MCImetro Access Transmission Services of Virginia, Inc., d/b/a Verizon Access Transmission Services of Virginia v. Christie*, 2007 U.S. Dist. LEXIS 21708, Civil Action No. 3:06CV740, Memorandum Opinion, slip op. at 11-12 (E.D.Va. 2007).

CASE NO. PUC-2008-00024
JULY 8, 2008

APPLICATION OF
FIRST COMMUNICATIONS, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On April 3, 2008, First Communications, LLC ("First Communications" or the "Company"), completed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order for Notice and Comment dated April 17, 2008, the Commission directed the Company to provide notice to the public of its application and directed the Commission Staff to conduct an investigation and file a Staff Report. On May 20, 2008, First Communications filed proof of publication and proof of service as required by the April 17, 2008 Order.

On June 17, 2008, the Staff filed its Report finding that First Communications' application was in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, 20 VAC 5-417-10 et seq. Based upon its review of First Communications' application, the Staff determined it would be appropriate to grant the Company a certificate to provide local exchange telecommunications services subject to the following condition: First Communications should notify the Division of Economics and Finance 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 the application and the Staff Report, finds that the Company should be granted a certificate to provide local exchange telecommunications services.

Accordingly, IT IS ORDERED THAT:

(1) First Communications, LLC, is hereby granted a certificate of public convenience and necessity, No. T-679, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) The Company shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(3) First Communications shall notify the Division of Economics and Finance 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) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC-2008-00025
APRIL 17, 2008

PETITION OF
COMCAST PHONE OF VIRGINIA, INC.

For partial discontinuance of local exchange telecommunications services

ORDER PERMITTING PARTIAL DISCONTINUANCE OF SERVICE

On March 14, 2008, Comcast Phone of Virginia, Inc. ("Comcast" or "Company"), filed a Petition for Partial Discontinuance of Service ("Petition") with the State Corporation Commission ("Commission") requesting approval to discontinue its provision of local exchange telecommunications services known as Comcast Digital Phone ("CDP") to customers in Richmond, Virginia on or after April 21, 2008.

According to the Petition, the Company currently provides CDP to approximately 6,500 local exchange customers in the Richmond area. Comcast states that its decision to discontinue providing CDP in the Richmond area was made to concentrate its resources in the provision of other services, including its interconnected voice over Internet protocol ("VoIP") service marketed to the public under the brand name Comcast Digital Voice ("CDV").

Pursuant to Rule 20 VAC 5-423-30 of the Commission's Rules Governing Discontinuance of Local Exchange Telecommunications Services Provided by Competitive Local Exchange Carriers ("Discontinuance Rules"), a competitive local exchange carrier must furnish a minimum of thirty days' notice to customers in the prescribed manner before any services may be discontinued. The Commission's primary concern with authorizing discontinuance is providing adequate notice to the affected customers. Comcast provided customer notice in the form of letters mailed directly to the affected subscribers on

February 19, 2008.[1] The notice appears to be adequate in substance and timely for purposes of approving discontinuance effective on or after April 21, 2008.[2]

Comcast is not requesting that its certificates of convenience and necessity to provide local exchange or interexchange telecommunications services in Virginia be canceled. The Company will continue to provide other local exchange and interexchange telecommunications services in Virginia.

NOW THE COMMISSION, having considered the pleading and applicable law, is of the opinion and finds Comcast's Petition to partially discontinue local exchange telecommunications services in the Richmond area should be granted with the limitations discussed herein.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC-2008-00025.

(2) Comcast's request to discontinue Comcast Digital Phone telecommunications services to its local exchange customers in the Richmond area, effective on or after April 21, 2008, is hereby granted.

(3) On or before April 18, 2008, Comcast shall report to the Commission's Division of Communications the number of any remaining Comcast Digital Phone customers in the Richmond area of Virginia.

(4) Comcast shall provide to the Commission's Division of Communications within thirty (30) days after the date of this Order revised tariffs reflecting the discontinuance of its Comcast Digital Phone local exchange telecommunications services in the Richmond, Virginia area.

(5) Comcast shall provide a copy of this Petition upon written request by any interested parties to the Company's representative, Brian J. Hurh, Esquire, and Michael C. Sloan, Esquire, Davis, Wright, Tremaine, L.L.P., 1919 Pennsylvania Avenue, NW, Suite 200, Washington, D.C. 20005. The Petition is also available for public inspection Monday through Friday, 8:15 a.m. to 5:00 p.m., at the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia, or may be downloaded from the Commission's website: http://www.scc.virginia.gov/case.

(6) This case shall be closed, and the papers herein shall be placed in the file for ended causes.

[1] A copy of an undated notice letter was attached to Comcast's Petition. The Staff obtained a dated copy of the notice.

[2] One customer submitted electronic comments opposing the discontinuance of service.

CASE NO. PUC-2008-00029
APRIL 17, 2008

APPLICATION OF
TIME WARNER TELECOM OF VIRGINIA LLC

For amended and reissued Certificates of Public Convenience and Necessity to reflect new name: tw telecom of virginia llc

ORDER

On March 26, 2008, Time Warner Telecom of Virginia LLC ("Time Warner" or "Applicant"), filed an application with the State Corporation Commission ("Commission") requesting that the Commission amend and reissue its Certificates of Public Convenience and Necessity ("Certificates") to reflect Time Warner's new name, tw telecom of virginia llc ("tw telecom").

In Virginia, Time Warner is authorized to provide local exchange and interexchange telecommunications services pursuant to the Certificates most recently revised by the Commission in Case No. PUC-2007-00071 (September 12, 2007). Time Warner's interexchange certificate is No. TT-182D and its local exchange certificate is No. T-592c. Time Warner filed documents showing that the Commission has approved its name change.

NOW UPON CONSIDERATION of the matter, the Commission finds that the Applicant's Certificates for local exchange and interexchange telecommunications services should be updated to reflect the Applicant's new name.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUC-2008-00029.

(2) Certificate No. TT-182D authorizing Time Warner to provide interexchange telecommunications services throughout the Commonwealth is hereby cancelled and shall be reissued as amended Certificate No. TT-182E in the name of tw telecom of virginia llc.

(3) Certificate No. T-592c authorizing Time Warner to provide local exchange telecommunications services throughout the Commonwealth is hereby cancelled and shall be reissued as amended Certificate No. T-592d in the name of tw telecom of virginia llc.

(4) The Applicant shall provide revised tariffs to the Division of Communications reflecting its new name within forty-five (45) days of the issuance of this Order.

(5) There being nothing further to be done, this matter shall be dismissed from the Commission's docket of active cases and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC-2008-00030
APRIL 8, 2008

APPLICATION OF
MY TEL CO, INC.

To cancel existing certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER CANCELING CERTIFICATES

On March 25, 2008, My Tel Co, Inc. ("My Tel" or "Company"), filed a letter application with the State Corporation Commission ("Commission") requesting the cancellation of its certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services. The Commission granted Certificate Nos. T-664 and TT-229A to My Tel in Case No. PUC-2006-00152.

In its application, My Tel states that it is currently not providing local and interexchange telecommunications services to any customer in the Commonwealth, and has no plans to do so.

NOW UPON CONSIDERATION of the matter, the Commission finds that the Certificates issued to My Tel should be cancelled. The Commission further finds that any local exchange or interexchange telecommunications tariffs on file with the Division of Communications should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUC-2008-00030.

(2) Certificate of public convenience and necessity, No. T-664, issued to My Tel Co, Inc. to provide local exchange telecommunications services throughout the Commonwealth is hereby cancelled.

(3) Certificate of public convenience and necessity, No. TT-229A, issued to My Tel Co, Inc. to provide interexchange telecommunications services throughout the Commonwealth is hereby cancelled.

(4) Any tariffs associated with Certificate Nos. T-664 or TT-229A on file with the Division of Communications are hereby cancelled.

(5) There being nothing further to be done in this matter, this case shall be removed from the Commission's docket of active proceedings and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC-2008-00031
JUNE 25, 2008

APPLICATION OF
VERIZON SOUTH INC.

For exemption from physical collocation at its Arcola Central Office

ORDER GRANTING EXEMPTION

On March 28, 2008, Verizon South Inc. ("Verizon South") filed with the State Corporation Commission ("Commission") a request for exemption (hereinafter "Application") from the requirement to provide physical collocation for expanded interconnection in its Arcola central office. In its Application, Verizon South stated that the information provided to support the request fulfills the requirements set out in the Commission's rules governing collocation exemptions, 20 VAC 5-421-10 and 20 VAC 5-421-20.

On April 22, 2008, the Commission entered a Preliminary Order granting interested parties an opportunity to comment on Verizon South's request and further directed the Commission's Staff to investigate the request and file a Report.

On June 4, 2008, the Staff filed its Report in this case. Based upon its investigation, the Staff recommends that Verizon South's requested exemption from the requirement to provide physical collocation in this central office should be granted, provided that the exemption for this location terminate once space becomes available.

No comments were received, and Verizon South did not respond to the Staff Report.

NOW THE COMMISSION, having considered the Application, the Staff Report, and the applicable law, is of the opinion and finds that Verizon South's request for exemption from the requirement to provide physical collocation at its Arcola central office should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Verizon South's request for exemption from the requirement to provide physical collocation at its Arcola central office is hereby granted, provided that the exemption for this location may be terminated if space becomes available.

(2) This case shall remain open for any subsequent requests to terminate the exemption that may be necessary in the future.

CASE NO. PUC-2008-00032
JUNE 19, 2008

APPLICATION OF
CITYNET VIRGINIA, LLC

For amended and reissued certificates of public convenience and necessity to reflect its new name

ORDER

On April 2, 2008, CityNet Virginia, LLC ("CityNet" or "Applicant"), filed an application with the State Corporation Commission ("Commission") requesting that the Commission amend and reissue its Certificates of Public Convenience and Necessity ("Certificates") to reflect CityNet's new name, Zayo Bandwidth Central (Virginia), LLC. The Applicant states that the name change is the final step of the transfer of control of Applicant to Zayo Group, LLC, which was approved by the Commission on February 15, 2008 in Case No. PUC-2008-00007.

In Virginia, CityNet is authorized to provide local exchange and interexchange telecommunications services pursuant to Certificate Nos. T-621 and TT-200A, respectively, each issued by the Commission in Case No. PUC-2003-00174 (March 5, 2004). Currently, CityNet provides wholesale access to collocation space, pole attachments, and conduit leases in Virginia but does not provide any retail telecommunications services. The Applicant's sole customer is its parent company, Citynet Fiber Network, LLC, which is concurrently changing its name to Zayo Bandwidth Central, LLC. CityNet currently has no accepted tariff on file with the Division of Communications for the provision of retail telecommunications services.

CityNet's bond, pursuant to 20 VAC 5-417 20 G1b, has been updated to reflect the new name, Zayo Bandwidth Central (Virginia), LLC and provided to the staff of the Division of Economics and Finance.

NOW UPON CONSIDERATION of the matter, the Commission finds that the Applicant's Certificates for local exchange and interexchange telecommunications services should be updated to reflect the Applicant's new name.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUC-2008-00032.

(2) Certificate No. TT-200A authorizing CityNet to provide interexchange telecommunications services throughout the Commonwealth is hereby cancelled and shall be reissued as amended Certificate No. TT-200B in the name of Zayo Bandwidth Central (Virginia), LLC.

(3) Certificate No. T-621 authorizing CityNet to provide local exchange telecommunications services throughout the Commonwealth is hereby cancelled and shall be reissued as amended Certificate No. T-621a in the name of Zayo Bandwidth Central (Virginia), LLC.

(4) There being nothing further to be done, this matter shall be dismissed from the Commission's docket of active cases and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC-2008-00037
JUNE 27, 2008

APPLICATION OF
VIRGINIA TELECOMMUNICATIONS INDUSTRY ASSOCIATION

For Change in the Commission's Rule 20 VAC 5-10-10 Regarding Bad Check and Late Payment Charges

ORDER

On April 23, 2008, the Virginia Telecommunications Industry Association ("VTIA" or "Applicant") filed an Application with the State Corporation Commission ("Commission") requesting modification of the rules governing the authority of utilities to charge customers for bad checks and late payments, 20 VAC 5-10-10 B and C ("the Utility Bad Check and Late Payment Rules"). The VTIA requested that the Utility Bad Check and Late Payment Rules be revised to allow telephone companies to charge a bad check charge of up to $30.00,[1] and to charge a monthly late payment fee of up to the current 1.5% fee or a flat fee of $5.00 and $20.00 for residential and business customers, respectively, for customer charges not timely paid. The VTIA also indicated in its Application that it is "amenable" to an "alternative" means of providing the "relief" it is seeking in this proceeding.[2]

NOW THE COMMISSION, having considered VTIA's Application, finds it appropriate to consider VTIA's request in the context of a separate rulemaking that would affect only telephone companies and their customers. Toward that end, the Commission will initiate a separate case wherein the VTIA's suggested changes to permissible bad check charges and late payment fees will be considered in the context of a proposal for the adoption of a new chapter relating to telecommunications in the Virginia Administrative Code, Chapter 414.

Accordingly, IT IS ORDERED THAT:

(1) The Applicant's Application is granted in part and denied in part.

[1] Footnote 9 of the Application at 2 suggested a bad check charge of $25.

[2] *See* Application at 4.

(2) The Commission will initiate a separate rulemaking proceeding wherein it will consider the Applicant's request for changes to the limits on bad check charges and late payment fees that may be charged by telephone companies.

(3) This matter is dismissed from the Commission's docket, and the papers herein shall be placed in the file for ended causes.

CASE NO. PUC-2008-00040
JULY 7, 2008

PETITION OF
GLOBAL CONNECTION INC. OF VIRGINIA
and
L6-GLOBAL, LLC

For approval of a transfer of control of Global Connection Inc. of Virginia from Global Connection Inc. of America to L6-Global, LLC

ORDER GRANTING APPROVAL

On April 29, 2008, Global Connection Inc. of Virginia ("Global VA") and L6-Global, LLC ("L6"), filed a Joint Petition and Request for Streamlined Review ("Joint Petition") with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code") for approval of a transfer of control of Global VA from Global Connection Inc. of America ("Global") to L6. Global VA and L6 are referred to herein collectively as the "Joint Petitioners." Joint Petitioners filed a Joint Application with the Federal Communications Commission ("FCC") under the FCC's Streamlined Review process, and it was accepted as such on May 27, 2008.

On May 16, 2008, Staff issued a Memorandum of Completeness, which deemed the Joint Petition complete, and on June 6, 2008, the Joint Petition was accepted under the Commission's Streamlined Review process.

Global is a Georgia based corporation, owned solely by Mr. Sam Abdallah, that is certificated to provide telecommunications services in 31 states. Global VA, a wholly owned subsidiary of Global, is a Virginia based corporation that is certificated as a Competitive Local Exchange Carrier in the Commonwealth of Virginia. Global is engaged in the resale of residential prepaid communications services, mostly to consumers who have been previously disconnected or denied service by an Incumbent Local Exchange Carrier. These prepaid services are sold by Global through a distribution network of grocery chain locations, such as Kroger and Bi-Lo, and payment centers, such as check cashers, payday loan centers, and wire transfer stores. In Virginia, Global VA is authorized to provide regulated retail local exchange and interexchange telecommunications services pursuant to certificates of public convenience and necessity, Nos. T-632 and TT-208A, respectively, issued pursuant to the Commission's Order, dated October 8, 2004, in Case No. PUC-2004-00068. Currently, Global VA has no customers for regulated telecommunications services in Virginia.

L6 Holding Corporation ("L6 Holding"), formed by its managing partner, Dan Lonergan, is a privately held Georgia corporation with offices in Duluth, Georgia. L6 Holding is primarily engaged in investing in middle market companies. Dan Lonergan is also the sole manager of L6-Global Manager, LLC, ("L6 Manager"), which manages L6. L6 Holding established L6 for the sole purpose of making a controlling investment in Global Connection Holdings Corporation ("Hold Co"), an entity created to manage the business operations of and provide management experience for Global and, thereby, Global VA. Hold Co's board of directors consists of Sam Abdallah, Dan Lonergan, and Scott Pressly, a member of the L6 Holding management team.

The Joint Petitioners request approval to consummate a transaction that will result in the transfer of ultimate control of Global VA from Global to Hold Co and, thereby, to L6. In connection with the proposed transfer, Sam Abdallah and Hold Co have entered into a Stock Purchase Agreement, dated April 2, 2008, whereby Hold Co will acquire direct control of Global and, thereby, indirect control of Global VA. Upon completion of the transaction, Hold Co will own 100% of Global, and L6 and Sam Abdallah will control 80% and 20% of Hold Co, respectively.

Global VA will continue to hold the certificates of public convenience and necessity granted to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia. Because Global VA has never initiated marketing or selling its services to consumers in Virginia, it has no approved tariffs on file with the Commission but represents that it is committed to providing an updated tariff, subject to Commission approval, prior to initiating any services in Virginia.

NOW THE COMMISSION, upon consideration of the Joint Petition and representations of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of ultimate control of Global VA from Global to L6 will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code, the Joint Petitioners are hereby granted approval to consummate the transaction to allow for the transfer of ultimate control of Global VA from Global to L6 as described herein.

(2) The Joint Petitioners shall file a report of the action taken pursuant to the approval granted herein within thirty (30) days of the transaction taking place, subject to administrative extension by the Commission's Director of Public Utility Accounting. Such report shall include the date the transaction took place.

(3) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUC-2008-00041
MAY 20, 2008

APPLICATION OF
EUREKA TELECOM OF VA, INC.

For cancellation of a certificate of public convenience and necessity to provide interexchange telecommunications services

ORDER CANCELLING CERTIFICATE

By Order dated January 15, 2002, in Case No. PUC-2001-00151, the State Corporation Commission ("Commission") granted eLink Telecommunications of Virginia, Inc., Certificate No. TT-167A to provide interexchange telecommunications services in Virginia. This Certificate was updated to Certificate No. TT-167B to reflect the Company's new corporate name Eureka Telecom of VA, Inc. ("Eureka" or "Company"), on September 29, 2005, in Case No. PUC-2005-00114.

By letter application filed May 8, 2008, Eureka requested that its Certificate TT-167B to provide interexchange telecommunications services be cancelled. Eureka states that it does not provide any facilities-based interexchange telecommunications services to any customers in Virginia.[1]

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that Eureka's certificate to provide interexchange telecommunications services should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC-2008-00041.

(2) Certificate No. TT-167B granting authority to provide interexchange telecommunications services is hereby cancelled.

(3) All tariffs associated with Certificate No. TT-167B and the provisioning of Eureka's interexchange telecommunications services are hereby cancelled.

(4) The captioned matter is hereby dismissed.

[1] All interexchange services are provided on a resale basis.

CASE NO. PUC-2008-00042
MAY 20, 2008

APPLICATION OF
BROADVIEW NETWORKS OF VIRGINIA, INC.

For cancellation of a certificate of public convenience and necessity to provide interexchange telecommunications services

ORDER CANCELLING CERTIFICATE

By Order dated June 15, 2000, in Case No. PUC-2000-00063, the State Corporation Commission ("Commission") granted Broadview Networks of Virginia, Inc. ("Broadview"), Certificate No. TT-96A to provide interexchange telecommunications services in Virginia.

By letter application filed May 8, 2008, Broadview requested that its Certificate No. TT-96A to provide interexchange telecommunications services be cancelled. Broadview states that it does not provide any facilities-based interexchange telecommunications services to any customers in Virginia.[1]

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that Broadview's certificate to provide interexchange telecommunications services should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC-2008-00042.

(2) Certificate No. TT-96A granting authority to provide interexchange telecommunications services is hereby cancelled.

(3) All tariffs associated with Certificate No. TT-96A and the provisioning of Broadview's interexchange telecommunications services are hereby cancelled.

(4) The captioned matter is hereby dismissed.

[1] All interexchange services are provided on a resale basis.

CASE NO. PUC-2008-00043
MAY 20, 2008

APPLICATION OF
ATX TELECOMMUNICATIONS SERVICES OF VIRGINIA, LLC

For cancellation of a certificate of public convenience and necessity to provide interexchange telecommunications services

ORDER CANCELLING CERTIFICATE

By Order dated December 22, 2005, in Case No. PUC-2005-00105, the State Corporation Commission ("Commission") granted ATX Telecommunications Services of Virginia, LLC ("ATX"), Certificate No. TT-217A to provide interexchange telecommunications services in Virginia.

By letter application filed May 8, 2008, ATX is requesting that its Certificate TT-217A to provide interexchange telecommunications services be cancelled. ATX states that it does not provide any facilities-based interexchange telecommunications services to any customers in Virginia.[1]

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that ATX's certificate to provide interexchange telecommunications services should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC-2008-00043.

(2) Certificate No. TT-217A granting authority to provide interexchange telecommunications services is hereby cancelled.

(3) All tariffs associated with Certificate No. TT-217A and the provisioning of ATX's interexchange telecommunications services are hereby cancelled.

(4) The captioned matter is hereby dismissed.

[1] All interexchange services are provided on a resale basis.

CASE NO. PUC-2008-00044
JUNE 19, 2008

APPLICATION OF
TRINSIC COMMUNICATIONS OF VIRGINIA, INC.

For cancellation of certificate of public convenience and necessity

ORDER CANCELING CERTIFICATE

On May 29, 2008, Trinsic Communications of Virginia, Inc. ("Trinsic" or "Company"), filed a letter application with the State Corporation Commission ("Commission") requesting the cancellation of its certificate of public convenience and necessity to provide local exchange telecommunications services.[1] The Commission granted Certificate No. T-417a to Trinsic in Case No. PUC-2005-00001.

In its application, Trinsic states that it is not currently providing local telecommunications services to any customer in the Commonwealth, and has no plans to do so.

NOW UPON CONSIDERATION of the matter, the Commission finds that the Certificate issued to Trinsic should be cancelled. The Commission further finds that any local exchange telecommunications tariffs on file with the Division of Communications should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUC-2008-00044.

(2) Certificate of public convenience and necessity, No. T-417a, issued to Trinsic Communications of Virginia, Inc. to provide local exchange telecommunications services throughout the Commonwealth is hereby cancelled.

(3) Any tariffs associated with Certificate No. T-417a on file with the Division of Communications are hereby cancelled.

(4) There being nothing further to be done in this matter, this case shall be removed from the Commission's docket of active proceedings and the papers filed herein placed in the Commission's file for ended causes.

[1] In its application dated May 29, 2008, Trinsic referred to itself as Trinsic Communications, Inc. Trinsic later noted that the application should have been for Trinsic Communications of Virginia, Inc. Moreover, in the application Trinsic requested the cancellation of certificates of public convenience and necessity to provide interexchange and local telecommunications services. However, Trinsic has never been granted a certificate of public convenience and necessity by the Commission to provide interexchange services.

CASE NO. PUC-2008-00045
SEPTEMBER 25, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WHITE HOMES & LAND, LLC,
Defendant

DISMISSAL ORDER

On June 11, 2008, the State Corporation Commission ("Commission") issued a Rule to Show Cause against White Homes & Land ("Defendant"), alleging that the Defendant violated Chapter 16.3 (§ 56-508.15 et seq.) of Title 56 of the Code of Virginia and the Rules for Payphone Service and Instruments, 20 VAC 5-407-10 et seq.

On August 5, 2008, the Defendant filed its renewal form and appropriate fees. On August 18, 2008, the Division of Communications filed a Motion to Dismiss Rule to Show Cause ("Motion") asking for dismissal of the Rule to Show Cause. On August 19, 2008, the Commission's Hearing Examiner issued his report ("Report") finding that the Division of Communications' Motion should be granted, recommending that the comment period to his Report be waived, and recommending that the Commission enter an order dismissing this case.

NOW THE COMMISSION, having considered the Motion and the Report of the Hearing Examiner, is of the opinion and finds that the comment period for the Report should be waived and that this matter should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The comment period to the Hearing Examiner's Report is waived.

(2) This case is dismissed from the Commission's docket of active cases.

(3) The papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC-2008-00046
DECEMBER 23, 2008

APPLICATION OF
VIRGINIA TELECOMMUNICATIONS INDUSTRY ASSOCIATION

For authority to eliminate the current requirement for a Three-Free Call Allowance for Local Directory Assistance Service

FINAL ORDER

On June 11, 2008, the Virginia Telecommunications Industry Association ("VTIA") filed its application with the State Corporation Commission ("Commission") requesting the elimination of the requirement that Virginia's local exchange carriers ("LECs") include a monthly three free call allowance for local directory assistance ("DA") calls as part of dial tone telephone service. The VTIA requested that the requirement be eliminated to allow LECs to be on the same footing as other voice communications providers such as wireless, cable Voice over Internet Protocol ("VoIP"), or over-the-top VoIP.

On August 7, 2008, the Commission issued an Order for Notice and Comment that docketed the VTIA's application, required the VTIA to give notice to the public of its application, permitted interested persons to submit written and electronic comments thereon, directed the Commission's Staff ("Staff") to file comments relative to the application, and permitted the VTIA to file a response to the comments that were filed.

On October 24, 2008, the Staff filed its comments in this proceeding. As part of its filing, the Staff provided a summary of each comment and noted that comments were received from the following: Cox Virginia Telcom, L.L.C. ("Cox"), Verizon South Inc. and Verizon Virginia Inc. (collectively referred to as "Verizon"), Central Telephone Company of Virginia and United Telephone Southeast, LLC (collectively referred to as "Embarq"), AT&T Communications of Virginia, LLC and TCG Virginia, Inc. (collectively referred to as "AT&T"), the Fairfax County Board of Supervisors ("Fairfax County") and the Communications Workers of America ("CWA"). Fourteen individuals also filed comments.[1]

The VTIA filed its Response to Comments ("Response") on November 7, 2008.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

The current three free DA call allowance was established by Commission Order dated June 7, 1990, in Case No. PUC-1989-00025 ("1990 Order").[2] In the 1990 Order, the Commission reduced from eight to three the allowance for free DA calls that Virginia's LECs are required to

[1] The fourteen individual commenters oppose the elimination of the three free DA call allowance.

[2] *See Application of the Virginia Telephone Association for Authority to Reduce the Free Call Allowance for Directory Assistance Calls*, Case No. PUC-1989-00025, 1990 S.C.C. Rep. 241 (June 7, 1990).

provide to their customers. The Commission also indicated, however, that it would be appropriate to eliminate the three free DA call allowance if Virginia's LECs could formulate a mechanism "of charging only for those numbers that are available from the customer's printed directory."[3]

In support of its application, the VTIA does not suggest such a mechanism. Instead, the VTIA asserts that the free DA call allowance should be eliminated because there are now numerous other DA providers, many of which are not LECs and, therefore, are not required to provide DA free of charge.

Cox, Embarq and AT&T all filed comments supporting the VTIA's application and, in particular, the VTIA's contention that the three free DA call allowance should be eliminated given the numerous alternative, and non-regulated, choices for DA which now exist.[4] As explained by Cox, LECs provided a monopoly service when the three free DA call allowance was imposed in 1990, but customers can now "shop around for other directory options."[5] Cox and AT&T note further that other states have phased out or eliminated free DA call requirements.[6]

Verizon also supports the VTIA's application and the request that Virginia's LECs be placed on equal footing with other DA providers. As support for its contention that the free DA call allowance should be eliminated, Verizon provides data reflecting that it has seen significant declines in its DA call volumes and revenues from 2002 to 2007.[7]

Both Fairfax County and the CWA oppose the VTIA's request. Fairfax County notes that Verizon's Northern Virginia directory failed a recent Staff audit and contends that "eliminating the allowance would penalize those customers who are unable to locate an accurate listing in the directory and must call the local DA service provided by their local exchange company."[8] Fairfax County also asserts that alternative sources for DA are not comparable to DA provided by LECs and that such services tend to focus on providing business, rather than residential, listings.[9] Similarly, the CWA contends that alternative sources for DA are inferior to LEC DA because they are typically available via the Internet (and, thus, take more time to access or are completely unavailable to those without Internet access) or because customers are not aware of such services.[10]

The Staff acknowledges in its comments that a "more competitive environment" has developed with respect to directory assistance subsequent to the Commission's entry of the 1990 Order.[11] However, the Staff notes that no evidence has been submitted demonstrating that alternative DA providers have the capacity to furnish numbers that are not provided in LEC printed directories or the ability to provide all of the numbers that are available through LEC DA.[12] Thus, the Staff stated that "a directory listing allowance may still be in the public interest to ensure that customers are not forced to pay to seek telephone numbers that are neither available in their printed directory nor available from alternative DA providers, particularly for those that are not available because an error or omission by the customer's LEC."[13] As an alternative to eliminating the three free DA call allowance in its entirety, the Staff recommends that the Commission consider either establishing different call allowances for business and residential customers or gradually eliminating the DA call allowance over time.[14]

In its Response, the VTIA provides data from some of its members suggesting "that the demand for DA among Virginia customers is waning."[15] The VTIA contends that this reduction in demand makes it difficult for LECs to recover their costs associated with providing DA and asserts that the Commission is required, in accordance with Va. Code § 56-235.5:1, to "reduce or eliminate" requirements that "do not permit" an LEC to recover the costs of its products and services.[16] The VTIA also contends that the reduction in demand "is due in great part" to the vast number of DA choices that are now available to consumers.[17]

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[3] *Id.*

[4] Cox September 22, 2008 Comments; Embarq September 22, 2008 Comments; AT&T September 22, 2008 Comments.

[5] Cox September 22, 2008 Comments at 3.

[6] *Id.* at 3, n. 4 (citing public service commission decisions from Kansas and Pennsylvania); AT&T September 22, 2008 Comments at 4.

[7] Verizon September 22, 2008 Comments at 3 (Verizon also filed a confidential version of its Comments, containing the specific percentage declines, under seal). Pursuant to the Commission's Order dated December 14, 2007, in Case No PUC-2007-00007 ("Deregulation Order"), Verizon's DA service has been deemed competitive. *See Application of Verizon Virginia Inc. and Verizon South Inc. for a Determination that Retail Services are Competitive and Deregulating and Detariffing the Same,* Case No. PUC-2007-00007, 2007 S.C.C. Ann. Rep. 225 (Dec. 14, 2007). However, the Commission also concluded in the Deregulation Order that Verizon should continue to be required to provide three free monthly DA calls to each of its customers. 2007 S.C.C. Ann. Rep. at 245. Thus, if the three free DA call allowance were to be eliminated in this proceeding, Verizon would have no restrictions on its DA service.

[8] Fairfax County September 22, 2008 Comments at 1.

[9] *Id.* at 3.

[10] CWA September 22, 2008 Comments.

[11] Staff October 24, 2008 Comments at 8-9.

[12] *Id.* at 10.

[13] *Id.* at 11.

[14] *Id.* at 11-12.

[15] Response at 2-3 (providing data pertaining to Cox and Ntelos).

[16] *Id.*

[17] *Id.* at 3.

The VTIA argues that the three free DA call allowance places LECs at a competitive disadvantage to other, non-regulated, providers of DA and denies each Virginia LEC the ability to make a "business decision … that could eliminate economically inefficient aspects of their service offerings."[18] The VTIA also notes that the Commission has been instructed, pursuant to Va. Code § 56-265.4:4, to encourage competition and contends that the three free DA call allowance is "at odds with what is an increasingly vibrant and competitive marketplace."[19] In addition, the VTIA contends that "[i]t is not appropriate to address the past errors and omissions in the directories of some [LECs] by placing a regulatory burden on all LECs.[20]

Finally, the VTIA asserts that the Staff's suggestion for a "phased-in approach or plan that distinguishes between customer classes" should be rejected. The VTIA contends that such a course is not appropriate because there is no "significant demand or use of DA in any customer group" and because "[t]here is no evidence that the movement towards a more competitive marketplace" with respect to DA service will reverse.[21]

While we acknowledge that options for obtaining DA have increased in the years following the 1990 Order, we are unable to find just cause for the complete elimination of free LEC DA based on the information that has been provided in this proceeding. We are particularly concerned that the complete elimination of free LEC DA would require customers to pay to obtain telephone numbers that are neither available in their printed directories nor available through an alternative DA source. As correctly recognized by the Staff, the VTIA has not established that all of the numbers available through LEC DA can be, or are being, provided by alternative DA providers.

In accordance with the statutory duty of Virginia's LECs to provide "reasonably adequate service,"[22] and the Commission's statutory duty to supervise and regulate all public service companies providing service in the Commonwealth—including LECs—"in all matters relating to the performance of their public duties,"[23] we conclude that Virginia's LECs should continue to provide at least some free DA to their customers. Given the decline in LEC DA demand and the increase in alternative DA providers, we find it appropriate to reduce the current three free DA call allowance to two.[24]

Therefore, IT IS ORDERED THAT:

(1) Virginia's LECs are hereby authorized to file tariffs to implement a reduction of the current three free DA call allowance to a two free DA call allowance.

(2) This case is dismissed.

[18] *Id.*at 4.

[19] *Id.*

[20] *Id.*

[21] *Id.*

[22] *See* Va. Code § 56-234.

[23] *See* Va. Code § 56-35.

[24] The alternative regulatory plans for certain Virginia LECs that have been approved by the Commission pursuant to Va. Code § 56-235.5 do not govern the price that may be charged for DA. *See, e.g., Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc., For Approval of its New Plan for Alternative Regulation*, Case No. PUC-2008-00008 (Final Order June 20, 2008) and *Application of Verizon Virginia Inc. and Verizon South Inc., For Approval of a Plan for Alternative Regulation*, Case No. PUC-2004-00092, 2005 S.C.C. Ann. Rept. 213 (January 5, 2005).

CASE NO. PUC-2008-00048
OCTOBER 30, 2008

WEDGEWOOD ASSOCIATES, LLC, a Virginia limited liability company,
Petitioner,
v.
VERIZON VIRGINIA INC.,
Respondent

FINAL ORDER

On June 19, 2008, Wedgewood Associates, LLC, a Virginia limited liability company ("Wedgewood"), filed a Petition for Declaratory Judgment ("Petition") requesting that the State Corporation Commission ("Commission") enter an order declaring that: (1) Wedgewood is not a "customer" of Verizon Virginia Inc. ("Verizon") as that term is used in Verizon's General Services Tariff, SCC-Va.-No. 203 (the "Tariff");[1] (2) Wedgewood has no obligation under the Tariff to pay Verizon the cost of moving Verizon's lines from one set of utility poles to another; and (3) the Tariff does not "trump" Verizon's obligations under a Joint Use Agreement ("JUA") between Verizon and Virginia Electric and Power Company d/b/a Dominion Virginia Power ("DVP").[2]

[1] A copy of the Tariff at issue in this proceeding is attached as Exhibit B to the Petition.

[2] Petition at 4.

The dispute in this proceeding involves the issue of whether Wedgewood should be required to pay Verizon the costs associated with the relocation of Verizon's lines that are attached to several DVP distribution poles.[3] As explained in the Petition, the relocation of the distribution poles has become necessary as a result of the widening of Dolton Drive which, in turn, was required by Wedgewood's construction of the Cornerstone subdivision in Virginia Beach, Virginia.[4] Wedgewood contends that it has no obligation to pay Verizon the cost of moving its lines because it does not constitute a "customer" under the Tariff and because it has never asked Verizon, directly, to move its lines.[5] Wedgewood also contends that Verizon is required to remove its lines, at no cost to Wedgewood, in accordance with the JUA.[6]

On July 2, 2008, the Commission issued an Order Inviting Response permitting Verizon to file a response to Wedgewood's Petition and Wedgewood to file a reply to Verizon's response.

Verizon filed its Response on July 23, 2008. In its Response, Verizon asserts that it should not be required "to provide construction and relocation services for free."[7] In support of this conclusion, Verizon contends that Wedgewood constitutes a "customer" of Verizon's "construction services" under Section 2(B)(1)(a)(9) of the Tariff and, therefore, must pay the construction charges associated with the relocation of Verizon facilities.[8] In the alternative, Verizon contends that Wedgewood is responsible for construction charges associated with the relocation of its attachments in accordance with Section 2(B)(6) of the Tariff as an "other person" requesting the movement or relocation of its facilities.[9] Verizon notes further that if DVP's request for the movement of Verizon's facilities does not constitute a "constructive[]" request by Wedgewood for the removal and relocation of Verizon's attachment, "then this action is premature and should be dismissed."[10]

On August 6, 2008, Wedgewood filed its Reply. In its Reply, Wedgewood argues that the term "customer" in the Tariff pertains to an "end-use" customer of telecommunication services—not to a person or entity seeking the removal or relocation of Verizon facilities.[11] Therefore, Wedgewood maintains that it is not responsible for "Construction Charges" in accordance with Section 2(B)(1)(a)(9) of the Tariff.

Wedgewood also contends that it is not required to pay for the removal of Verizon's attachments based upon Section 2(B)(6) of the Tariff.[12] Section 2(B)(6), pertaining to the "Rearrangement or Relocation of Existing Construction," provides that when Verizon "is requested to move or change existing plant for which no . . . specific charge" is set forth in the Tariff, "the person at whose request such move or change is made may be required to bear the costs incurred." Wedgewood maintains that it is not required to pay Verizon in accordance with this provision because it has never directly requested that Verizon remove its facilities.[13] Instead, DVP has requested the removal of Verizon's attachments, not Wedgewood.

Finally, Wedgewood contends that Verizon is required, pursuant to the terms of the JUA between Verizon and DVP, to remove its attachments to DVP's poles at no cost to Wedgewood.[14]

On August 27, 2008, Verizon filed a Request for Oral Argument, and on August 29, 2008, Wedgewood filed its Opposition to Verizon's Request for Oral Argument ("Opposition to Oral Argument").[15] In the Opposition to Oral Argument, Wedgewood represented that "[t]he parties are in agreement that this case should be determined by the Commission as a matter of law" and that the "pertinent" facts in this proceeding are "undisputed."[16] Wedgewood also asserted that "[o]ral argument will not do anything but delay the Commission's determination."[17] On September 8, 2008, Verizon filed its Reply to Wedgewood's Opposition to Oral Argument, wherein it agrees that the issues associated with this case "can be decided as a matter of law given the

[3] The Verizon facilities attached to DVP's distribution poles include copper lines, down guys and strand. *See* Verizon's Answer to Petition for Declaratory Judgment ("Response") at 2, n.1.

[4] Petition, ¶ 2.

[5] Petition, ¶ 8; Response of Wedgewood Associates LLC to Verizon Virginia, Inc.'s Answer to Petition for Declaratory Judgment ("Reply") at 2 and 6.

[6] Petition, ¶ 9, Reply at 3.

[7] Response at 1.

[8] *Id.* at 5-7.

[9] *Id.*

[10] *Id.* at 8. Verizon also contends that it has a common law right to payment from private developers for construction charges necessitated by private development and that Wedgewood has no right to demand that Verizon move its attachments out of the public right-of-way without compensation. *Id.* at 9-10.

[11] Reply at 4-6.

[12] *Id.* at 3.

[13] *Id.* at 5-6.

[14] *Id.* at 6.

[15] Both Wedgewood and Verizon also filed supplemental documentation with the Commission before Verizon requested oral argument. Wedgewood filed a "punchlist" from the City of Virginia Beach Department of Planning, Permits and Inspection on August 7, 2008, and Verizon filed a stipulated exhibit—a Right of Way Agreement between DVP and Wedgewood—on August 26, 2008.

[16] Opposition to Oral Argument at 1.

[17] *Id.*

undisputed record."[18] However, Verizon maintains that oral argument will be beneficial in this case because it "will help ensure that the Commission has the opportunity to ask and have answered any questions it may have on this important matter . . . ."[19] Verizon also contends that "to the extent that there is an appeal of the Commission's determination, the record will be more complete for review if there is an argument transcript."[20]

NOW THE COMMISSION, having considered this matter, hereby denies Wedgewood's Petition for Declaratory Judgment for the reasons set forth below.

Wedgewood asserts that it is not a "customer" of Verizon for purposes of this dispute. If Wedgewood is correct, then Verizon has no "customer" obligation towards Wedgewood under the Tariff. Moreover, even if Wedgewood was not deemed a "customer" under the terms of the Tariff, that conclusion would not relieve Wedgewood from any obligation to pay Verizon the cost of moving its lines. Wedgewood asserts that "[e]ven if another party requests the relocation of the lines, it is the customer, and only the customer, who is liable to Verizon for relocation expenses." Reply at 4-5. This is not correct. Indeed, Wedgewood quotes Section 2(B)(6) of the Tariff, which states that the person who requests relocation may be required to pay such expenses (*see* Reply at 3): "When the Company is requested to move or change existing plant for which no specific charge is quoted in this tariff, the *person at whose request* such move or change is made may be required to bear the costs incurred" (emphasis added).[21]

Finally, Wedgewood asserts that Verizon has an obligation to DVP under the JUA. Wedgewood, however, is not a party to the JUA. We will not interpret the JUA, which is a bilateral contract between Verizon and DVP with respect to the use of DVP's distribution poles. In addition, Wedgewood has not established that it has standing as a third party beneficiary to enforce the JUA. *See MNC Credit Corp. v. Sickels*, 255 Va. 314, 320 (1998).

In sum, we cannot interpret Verizon's Tariff as precluding Wedgewood from having any obligation to pay Verizon for the moving of its facilities. Therefore, we conclude that Wedgewood's Petition for declaratory relief shall be denied. Having reached this conclusion, based on the pleadings and undisputed facts, we also conclude that oral argument is unnecessary in this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) Verizon's Request for Oral Argument is denied.

(2) Wedgewood's Petition for Declaratory Judgment is denied.

(3) This case is dismissed.

[18] Verizon's Reply to Wedgewood's Opposition to Oral Argument at 1.

[19] *Id.*

[20] *Id.* at 2.

[21]Wedgewood also argues that the term "plant" as used in Section 2(B)(6) of the Tariff does not appear to include the aerial wires/facilities at issue in this proceeding. Reply at 3. Wedgewood is incorrect in this assumption. As used in the field of utility regulation, the term "plant" includes all aspects of a utility's facilities—including aerial wires. *See, e.g.*, The Uniform System of Accounts for Telecommunications Companies, 47 C.F.R. § 32.2421(pertaining to accounts for aerial cable); 20 VAC 5-427-10 (the definition of "outside plant" includes "copper cable, fiber optic cable, coaxial cable, terminals, pedestals, load coils, or any other equipment normally associated with interoffice, feeder, and distribution facilities up to and including the [point at which a telephone company's] network ends and a customer's wiring or facilities begin.")

CASE NO. PUC-2008-00053
OCTOBER 1, 2008

APPLICATION OF
NEW HORIZONS COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On June 20, 2008, New Horizons Communications of Virginia, Inc. ("New Horizons" or "Applicant") filed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order for Notice and Comment dated July 10, 2008, the Commission directed the Applicant to provide notice to the public of its application and directed the Commission Staff ("Staff") to conduct an investigation and file a Staff Report. On August 25, 2008, the Applicant filed proof of publication and proof of service as required by the July 10, 2008 Order.

On September 18, 2008, the Staff filed its Report finding that New Horizons' application was in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, 20 VAC 5-417-10 et seq., and the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-411-10 et seq. Based upon its review of New Horizons' application, the Staff determined it would be appropriate to grant the Applicant certificates to provide local exchange and interexchange telecommunications services subject to the following condition: New Horizons should notify the Division of Economics and Finance no less than thirty (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 the application and the Staff Report, finds that the Applicant should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1 of the Code of Virginia, the Commission further finds that the Applicant may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) New Horizons Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-244A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia and the provisions of this Order.

(2) New Horizons Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-681, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, § 56-265.4:4 of the Code of Virginia and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, the Applicant may price its interexchange telecommunications services competitively.

(4) The Applicant shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) New Horizons Communications of Virginia, Inc., shall notify the Division of Economics and Finance no less than 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) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC-2008-00054
NOVEMBER 17, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: Adoption of New Rules Governing Late Payment and Bad Check Charges for Local Exchange Telephone Companies

ORDER ADOPTING AMENDED RULES

On June 27, 2008, the State Corporation Commission ("Commission") issued an Order Prescribing Notice and Inviting Comments ("Order Prescribing Notice") that established this proceeding for the purpose of considering the request of the Virginia Telecommunications Industry Association ("VTIA") to change the limits on bad check charges and late payment fees that may be charged by local exchange telephone companies in the Commonwealth of Virginia. A separate chapter for telecommunications, Chapter 414, has been proposed for this purpose and, if adopted, would be codified as 20 VAC 5-414-10 *et seq*. ("Proposed New Rules"). The Commission provided for publication of the Proposed New Rules, permitted interested persons to submit written and electronic comments thereon, directed the Commission's Staff ("Staff") to file a response to such comments, and permitted interested persons to request a hearing associated with the Proposed New Rules.

On September 22, 2008, the Staff filed a response to the written and electronic comments submitted in this proceeding. As part of such response, the Staff provided a summary of each comment and noted that comments were received from the following: Cavalier Telephone, LLC ("Cavalier"); AT&T Communications of Virginia, LLC and TCG Virginia, Inc. ("AT&T"); Cox Virginia Telcom, L.L.C. ("Cox"); the Virginia Cable Telecommunications Association ("VCTA"); the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"); the VTIA; and Verizon Virginia Inc. and Verizon South Inc. ("Verizon"). One additional comment was filed by an individual after the filing deadline of August 21, 2008. No request for hearing was received.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Bad Check Charges

The current bad check charge limitation applicable to public utilities in Virginia, set forth in 20 VAC 5-10-10 B, is $6.00. However, as explained by Staff in its response, almost all telephone companies in Virginia have been granted authority to charge more than $6.00 as a result of past regulatory proceedings or actions.[1] Moreover, several of the comments asserted that the current $6.00 bad check charge limitation, which has been in existence for over thirty years, is outdated and noted that there are significant costs associated with returned checks.[2]

As further support for their request, VTIA notes that the General Assembly has authorized public bodies to charge a bad check penalty of up to $35.[3] Finally, no one who submitted comments objected to the proposed increase to a maximum of $30.00 for the bad check charge that may be imposed by Virginia's local exchange telephone companies.

[1] Staff Response at 3.

[2] *See* Cox Comments at 3; VCTA Comments at 3; Consumer Counsel Comments at 1-2 and VTIA Comments at 1-2. *See also* Staff Response at 11.

[3] VTIA Comments at 2 (citing Va. Code § 2.2-614.1). *See also* Consumer Counsel Comments at 2.

Under the circumstances, we find that Proposed New Rule 20 VAC 5-414-30, authorizing Virginia's local exchange telephone companies to charge up to $30.00 for a bad check, should be adopted.

Late Payment Fees

The current late payment fee provision applicable to public utilities in Virginia, set forth in 20 VAC 5-10-10 C, limits the late payment fee to 1.5% of the unpaid charges. Proposed New Rule 20 VAC 5-414-50 C would authorize Virginia's local exchange telephone companies to charge *either* a late payment fee of 1.5% of a customer's unpaid charges per month *or* $5.00 per bill associated with residential accounts and $20.00 per bill associated with business accounts.

Those who submitted comments supporting the change to the late payment fee limitation contend that the local exchange telephone companies in Virginia that are currently subject to 20 VAC 5-10-10 C operate at a competitive disadvantage to other types of entities that have the option of charging higher late payment fees with respect to the timely collection of payments for services.[4] As explained by the VTIA, given the range of late payment fees that are charged by various entities, "it is not surprising that a customer, when deciding which bills to pay, would be inclined to pay more quickly the bills with higher minimum finance charges."[5] The VTIA also asserts that some of its members have experienced a "troubling rise in the number and percentage of delinquent accounts."[6] Moreover, the VTIA represents that some of its members estimate "they incur an average monthly cost of between $9 and $11 per past due account."[7]

As noted by Consumer Counsel and Staff, however, no analysis has been provided as to whether the current 1.5% late payment fee limitation (which equates to an annual rate of 18%) prohibits Virginia's local exchange telephone companies from recouping their actual costs associated with late payments (including collection costs that may be incurred as a result of the choice of some consumers to delay their payment of local exchange telephone bills while electing to pay other bills to avoid higher late payment fees).[8] Thus, we are unable to find, based upon the information that has been provided in this proceeding, that the proposed alternative late payment fee of $5.00 for residential accounts and $20.00 for business accounts is warranted at this time.[9]

Accordingly, we will revise Proposed New Rule 20 VAC 5-414-50 C to incorporate the same late payment fee limitation that is applicable to other regulated utilities,[10] that is, limiting the fee that may be charged by local exchange telephone companies associated with late payments to 1.5% of the unpaid charges. We also find it appropriate to adopt Proposed New Rule 20 VAC 5-414-10 (setting forth definitions associated with the bad check charge and late payment fee limitations) and Proposed New Rule 20 VAC 5-414-70 (authorizing the Commission, in its discretion, to grant exceptions to the bad check charge and late payment fee limitations).

Therefore, IT IS ORDERED THAT:

(1) The Proposed New Rules, as modified, are attached hereto, made a part hereof, and are hereby ADOPTED effective December 1, 2008.

(2) This case is dismissed.

NOTE: A copy of Attachment A entitled "Rules Governing Late Payment and Bad Check Charges for Local Exchange Telephone Companies" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

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[4] *See* VTIA Comments at 3; VCTA Comments at 4. *See also* Cox Comments at 3-4 (asserting that the new proposed late payment fee limitation is "more consistent with current state and commercial late payment charges"); AT&T Comments at 2 (arguing that the optional late fee mechanism should be adopted because it "conforms with the practices of unregulated businesses"); Verizon Comments at 2

[5] VTIA Comments at 3. *See also* VCTA Comments at 4.

[6] VTIA Comments at 3-4.

[7] *Id.* at 4.

[8] Consumer Counsel Comments at 2; Staff Response at 11.

[9] Similarly, there is no support for Cavalier's contention that local exchange telephone companies should be authorized to charge both a 1.5% fee and a separate $5.00 or $20.00 charge for late payments. We also deny Cavalier's request to delete subsection F from Proposed New Rule 20 VAC 5-414-50. Subsection F provides that late payment fees shall not be assessed on the tax portion of customer bills, and it does not constitute a change in the manner in which late payment fees are currently assessed in accordance with 20 VAC 5-10-10. Thus, Cavalier's contention that the requirements of subsection F will "create an administrative burden" is unpersuasive. *See* Cavalier Comments at 1-2.

[10] *See* 20 VAC 5-10-10 C.

CASE NO. PUC-2008-00054
DECEMBER 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: Adoption of New Rules Governing Late Payment and Bad Check Charges for Local Exchange Telephone Companies

ORDER GRANTING RECONSIDERATION

On November 17, 2008, the State Corporation Commission ("Commission") issued its Order Adopting Amended Rules in this docket. On December 5, 2008, the Virginia Telecommunications Industry Association ("VTIA") filed a Petition for Reconsideration ("Petition").

NOW THE COMMISSION, upon consideration of this matter, grants reconsideration for the purpose of continuing our jurisdiction over this matter and considering the above-referenced Petition.

Accordingly, it is hereby ordered that:

(1) Reconsideration is granted for the purpose of continuing our jurisdiction over this matter and considering the above-referenced Petition.

(2) On or before December 19, 2008, any interested person desiring to submit additional comments regarding late charges shall file such comments with the Clerk of the Commission, P.O. Box 2118, Richmond, Virginia 23218. An interested person desiring to submit comments electronically may do so by following the instructions found on the Commission's website, http://www.scc.virginia.gov/case.

(3) On or before December 19, 2008, Commission Staff is directed to file additional comments regarding late charges.

(4) This matter is continued pending further order of the Commission.

CASE NO. PUC-2008-00055
AUGUST 1, 2008

APPLICATION OF
COX VIRGINIA TELCOM, INC.

For amendment of its certificates of public convenience and necessity to reflect applicant's new name, Cox Virginia Telcom, L.L.C.

ORDER

On June 27, 2008, Cox Virginia Telcom, Inc., filed its application requesting that the State Corporation Commission ("Commission") change the name reflected on its certificates of public convenience and necessity to reflect its corporate conversion to Cox Virginia Telcom, L.L.C.

On July 22, 1996, the Commission awarded Certificate No. T-364, authorizing the provision of local exchange telecommunications services in Case No. PUC-1996-00009, to Cox Fibernet Commercial. On January 16, 1998, the Commission reissued Certificate No. T-364b for local exchange telecommunications services and issued Certificate No. TT-43A, authorizing the provision of interexchange telecommunications services, to Cox Virginia Telcom, Inc., in Case No. PUC-1997-00137.

On June 4, 2008, Cox Virginia Telcom, Inc., completed its conversion from a Virginia corporation into a Virginia limited liability company, to be known as Cox Virginia Telcom, L.L.C.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services identified above should be cancelled and reissued reflecting the new corporate name, Cox Virginia Telcom, L.L.C.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC-2008-00055.

(2) Certificate No. T-364b is cancelled, and Certificate No. T-364c shall be issued in the name of Cox Virginia Telcom, L.L.C.

(3) Certificate No. TT-43A is cancelled, and Certificate No. TT-43B shall be issued in the name of Cox Virginia Telcom, L.L.C.

(4) Cox Virginia Telcom, L.L.C. shall provide revised tariffs reflecting the new corporate name to the Commission's Division of Communications within thirty (30) days of the date of this Order.

(5) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC-2008-00057
AUGUST 20, 2008

PETITION OF
LIGHTWAVE COMMUNICATIONS, LLC
and
BROADVIEW NETWORKS OF VIRGINIA, INC.

For approval of a transaction to transfer certain assets from LightWave Communications, LLC, to Broadview Networks of Virginia, Inc.

ORDER GRANTING APPROVAL

On July 2, 2008, LightWave Communications, LLC ("LightWave") and Broadview Networks of Virginia, Inc . ("Broadview VA"), filed a Joint Petition and Request for Streamlined Review ("Joint Petition") with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code") for approval of a transaction to transfer certain assets from LightWave to Broadview VA. LightWave and Broadview VA are referred to herein collectively as the "Joint Petitioners." Joint Petitioners filed a Joint Application with the Federal Communications Commission ("FCC") under the FCC's Streamlined Review process, and it was accepted as such on July 25, 2008.

On July 22, 2008, Staff issued a Memorandum of Completeness, which deemed the Joint Petition complete as of July 17, 2008, and on July 29, 2008, the Joint Petition was accepted under the Commission's Streamlined Review process.

LightWave is a Delaware-based limited liability company that is certificated as a Competitive Local Exchange Carrier in the Commonwealth of Virginia. LightWave provides local and long distance telecommunications services to businesses and carriers in Maryland, Virginia, and the District of Columbia. In Virginia, LightWave is certificated to provide regulated local exchange and interexchange telecommunications services pursuant to certificates of public convenience and necessity Nos. T-543 and TT-136A, respectively, issued pursuant to the Commission's Final Order, entered March 1, 2001, in Case No. PUC-2000-00274. Currently, LightWave provides telecommunications services to approximately 1,743 customers in Virginia. Since February 11, 2008, LightWave has been operating under the protection of the Bankruptcy Court for the District of Maryland, Greenbelt Division ("Bankruptcy Court").

Broadview VA is a privately held Virginia-based corporation that provides domestic interstate and international telecommunications services in Virginia through Broadview Networks, Inc. ("Broadview Networks"), a privately held New York corporation, which holds domestic interstate and international Section 214 authorizations issued by the FCC. Broadview VA is wholly owned by Broadview Networks, which is wholly owned by Broadview Networks Holdings, Inc., a privately held Delaware corporation ("Broadview Holdings" and together with Broadview Networks and Broadview VA, "Broadview"). Broadview is a network-based electronically integrated communications provider serving small and medium-sized businesses. Broadview VA is certificated in Virginia to provide regulated local exchange telecommunications services pursuant to certificate of public convenience and necessity No. T-490, issued pursuant to the Commission's Final Order, entered June 15, 2000, in Case No. PUC-2000-00063. Broadview VA was also certificated in Virginia to provide interexchange services pursuant to Case No. PUC-2000-00063, but per its request, Certificate No. TT-96A was cancelled pursuant to the Commission's Order, entered May 20, 2008, in Case No. PUC-2008-00042.[1] Broadview VA has approximately 73 customers in the Commonwealth of Virginia that receive local exchange services and resale interexchange access services.

The Joint Petitioners request approval to consummate a transaction that will result in the transfer of certain assets from LightWave to Broadview VA. In connection with the proposed transfer, Broadview Networks and Broadview VA as Buyers, and LightWave and Adera, LLC ("Adera") as Sellers, have entered into an Asset Purchase Agreement ("Purchase Agreement"), dated June 12, 2008, whereby LightWave has agreed to sell certain assets to Broadview VA, including, but not limited to, telecommunications network facilities, accounts receivable, customer contracts, and network transmission and switching facilities in Maryland, Virginia, and the District of Columbia.[2]

LightWave will continue to hold the certificates of public convenience and necessity granted to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia and will separately advise the Commission as to whether it intends to continue to operate under its certificates, or if it will request that they be cancelled.

Because LightWave does not currently have interexchange telecommunications service facilities in Virginia and only provides interexchange services to its Virginia customers on a resale basis, Broadview VA represents that it will also only provide interexchange service to the former LightWave customers in Virginia on a resale basis.

NOW THE COMMISSION, upon consideration of the Joint Petition and representations of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transaction to transfer certain assets from LightWave to Broadview VA will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code, the Joint Petitioners are hereby granted approval to consummate the transaction to allow for the transfer of certain assets from LightWave to Broadview VA as described herein.

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[1] By letter application filed with the Commission, dated May 8, 2008, Broadview VA requested that its Certificate No. TT-96A to provide interexchange telecommunications services be cancelled. Broadview VA stated that it does not provide any facilities-based interexchange telecommunications services to any customers in Virginia; all interexchange services are provided on a resale basis.

[2] In the Joint Petition, the Joint Petitioners stated that the proposed transaction was subject to approval by the Bankruptcy Court. On July 15, 2008, the Bankruptcy Court issued an Order approving the sale of assets of LightWave to Broadview, subject to Section 214 approval by the FCC. *In re Lightwave Communications LLC*, Case No. 08-11877 (Bankr. D. Md. July 15, 2008).

(2) The Joint Petitioners shall file a report of the action taken pursuant to the approval granted herein within thirty (30) days of the transaction taking place, subject to administrative extension by the Commission's Director of Public Utility Accounting. Such report shall include the date the transaction took place.

(3) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUC-2008-00061
SEPTEMBER 29, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
VERIZON VIRGINIA INC.
and
CHARTER FIBERLINK VA-CCO, LLC,
Defendants

ORDER

On July 17, 2008, the Staff of the State Corporation Commission ("Commission") filed a Motion for Rule to Show Cause ("Motion") requesting that the Commission issue a Rule to Show Cause against Verizon Virginia Inc. ("Verizon") and Charter Fiberlink VA-CCO, LLC ("Charter"). In its Motion, the Staff advised the Commission that Verizon and Charter had "to date, been unable to meet, or [had] been precluded by third parties from meeting, the public service obligation to provide telecommunications service, pursuant to Va. Code § 56-234, to residents of the Remington Park condominium development on Shoulders Hill Road, Suffolk, Virginia." Motion at 1.

On August 15, 2008, Charter submitted its Response to Motion for Rule to Show Cause ("Response"). In its Response, Charter advised that on or about August 12, 2008, its affiliate had executed a "definitive agreement" with the Remington Park property developers by which it "may provide voice communications services and affiliates of [Charter] will provide cable and Internet services to the residents of Remington Park." Response at 3.

On September 17, 2008, Staff filed a Notice of Withdrawal of Motion for Rule ("Notice"). In its Notice, Staff advised the Commission that it had determined, "[u]pon investigation," that voice communications services "are now largely, if not ubiquitously, available throughout the [Remington Park] development." Notice at 1.

NOW THE COMMISSION, having considered Staff's withdrawal of its Motion for Rule to Show Cause, is of the opinion and finds that this matter should be dismissed without prejudice.

Accordingly, IT IS ORDERED THAT this matter is dismissed without prejudice.

CASE NO. PUC-2008-00063
OCTOBER 1, 2008

JOINT PETITION OF
TELCOVE OPERATIONS, LLC,
LEVEL 3 COMMUNICATIONS, LLC,
and
ELDORADO ACQUISITION THREE, LLC

For approval of an internal reorganization and pro forma transfer of control of TelCove Operations, LLC, from Eldorado Acquisition Three, LLC, to Level 3 Communications, LLC

ORDER GRANTING APPROVAL

On July 23, 2008, TelCove Operations, LLC ("TelCove"), filed a Verified Petition with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code") for approval of an internal reorganization and pro forma transfer of control of TelCove from Eldorado Acquisition Three, LLC ("Eldorado"), to Level 3 Communications, LLC ("Level 3 LLC"). On August 22, 2008, TelCove filed a Motion to Amend Petition to include Eldorado and Level 3 LLC as petitioners. On August 28, 2008, Staff issued a Memorandum of Completeness, which deemed the Joint Petition complete as of August 22, 2008. On September 2, 2008, the Commission issued its Order Granting Motion to Amend Petition. Level 3 LLC, Eldorado, and TelCove are referred to herein collectively as "Joint Petitioners," and the Verified Petition is referred to herein as "Joint Petition."

TelCove is a Delaware limited liability company that is certificated as a Competitive Local Exchange Carrier in the Commonwealth of Virginia. In Virginia, TelCove is certificated to provide local exchange and interexchange telecommunications services pursuant to certificates of public convenience and necessity Nos. T-677 and TT-241 A, respectively, issued pursuant to the Commission's Final Order, entered May 1, 2008, in Case No. PUC-2007-00114. Currently, TelCove provides telecommunications services to approximately 1,732 customers in Virginia.

TelCove is a wholly owned subsidiary of Eldorado, which is also a Delaware limited liability company. Eldorado is neither certificated nor authorized to provide telecommunications services in any jurisdiction and surrendered its international Section 214 authorizations issued by the Federal Communications Commission ("FCC") effective as of July 14, 2008.

Eldorado is a wholly owned subsidiary of Level 3 LLC, which in turn is wholly owned by Level 3 Communications, Inc. ("Level 3 Inc."), a Delaware corporation publicly traded on the NASDAQ that holds domestic interstate and international telecommunications Section 214 authorizations issued by the FCC. Level 3 LLC is certificated in the Commonwealth of Virginia to provide local exchange and interexchange telecommunications services pursuant to certificates of public convenience and necessity Nos. T-409 and TT49A, respectively, issued pursuant to the Commission's Final Order and Correcting Order, entered March 31, 1998, and April 6, 1998, respectively, in Case No. PUC- 1997-00197.[1]

The Joint Petitioners request approval to consummate a transaction that will result in an internal reorganization and transfer of control of TelCove from Eldorado to Level 3 LLC. Through an Agreement of Merger of Eldorado into Level 3 LLC, the internal reorganization will result in TelCove's direct parent, Eldorado, being merged with and into Level 3 LLC, Eldorado's immediate corporate parent, with Level 3 LLC as the surviving entity. Upon completion of the proposed transaction, TelCove will shift from an indirect wholly owned subsidiary of Level 3 LLC to a direct wholly owned subsidiary of Level 3 LLC.

Pursuant to the Commission's Order Granting Approval, entered December 21, 2007, in Case No. PUC-2007-00113, Southeastern Asset Management, Inc. ("SEAM"), was granted approval to consummate a transaction to allow for an increase in the aggregate beneficial ownership of shares of common stock of Level 3 Inc. by SEAM on behalf of its investment advisory clients, and thereby the indirect acquisition of control of Level 3 LLC and its wholly owned Virginia subsidiaries.[2] The proposed transaction between the Joint Petitioners will not change SEAM's relationship to Level 3 Inc. or any of its Virginia subsidiaries.

As a result of the proposed transaction, the direct ownership of TelCove will change from Eldorado to Level 3 LLC. The proposed transaction will have no effect upon the ultimate ownership or control of TelCove, nor its operations, operating authority, assets or customers. TelCove will continue to hold the certificates of public convenience and necessity granted to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia, as well as provide these services to its existing Virginia customers under the TelCove name, and under the same rates, terms, and conditions.

NOW THE COMMISSION, upon consideration of the Joint Petition and representations of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described internal reorganization and transfer of control of TelCove from Eldorado to Level 3 LLC will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code, the Joint Petitioners are hereby granted approval to consummate the transaction to allow for the internal reorganization and transfer of control of TelCove from Eldorado to Level 3 LLC as described herein.

(2) The Joint Petitioners shall file a report of the action taken pursuant to the approval granted herein within thirty (30) days of the transaction taking place, subject to administrative extension by the Commission's Director of Public Utility Accounting. Such report shall include the date the transaction took place.

(3) There appearing nothing further to be done in this matter, it hereby is dismissed.

[1] Pursuant to the Commission's Correcting Order, entered April 6, 1998, the certificate number for the certificate of public convenience and necessity authorizing Level 3 LLC to provide interexchange telecommunications service in the Commonwealth of Virginia was corrected to Certificate No. TT-49A, rather than No. TT-47A, as issued in the Commission's Final Order, entered March 31, 1998.

[2] The Virginia subsidiaries of which SEAM acquired indirect control, referred to in Case No. PUC-2007-00 113 as the "Virginia Ops," are WilTel Communications of Virginia, Inc., Looking Glass Networks of Virginia, LLC, TelCove of Virginia, LLC, and Broadwing Communications, LLC.

CASE NO. PUC-2008-00064
JULY 31, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of addressing the continuing service quality problems being experienced by customers in the Rocky Gap exchange

ORDER ACCEPTING ACTION PLAN

The State Corporation Commission ("Commission") is aware of significant ongoing service problems that have been, and are continuing to be, experienced by customers of Verizon South Inc.'s ("Verizon") Rocky Gap Exchange. Such problems, and a petition received by the Commission from citizens of the Kimberling area of Bland County in the Rocky Gap Exchange, have prompted an investigation by the Commission's Division of Communications ("Staff"). In response thereto, by letter dated July 28, 2008, from Stephen C. Spencer, Verizon's Director of Regulatory Affairs, and Ty Stephenson, Verizon's Vice President of Operations, to William Irby, the Director of the Commission's Division of Communications, Verizon has submitted an Action Plan to correct the continuing outages being experienced by its customers in the Rocky Gap Exchange.

NOW THE COMMISSION, upon consideration of the proposed Action Plan submitted by Verizon, is of the opinion and finds that: (1) Verizon's Action Plan is accepted as a means of addressing the continuing service quality problems being experienced by Verizon's customers in the Rocky Gap Exchange; and (2) compliance with the Action Plan is necessary to furnish reasonably adequate service and facilities to such customers.[1]

[1] The Commission may subsequently convene one or more evidentiary hearings to determine, for example, whether Verizon has complied with the Action Plan and this Order. We also note that specific timelines in the Action Plan are subject to *force majeure* conditions; for example, in any such evidentiary

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Verizon's Action Plan, a copy of which is attached hereto and the terms of which are incorporated herein, is accepted.

(2) Verizon shall submit weekly written updates to the Commission's Division of Communications relating to the status of the work being performed under, and to Verizon's continuing compliance with, the Action Plan.

(3) Verizon shall submit weekly written reports to the Commission's Division of Communications identifying all customer reported troubles, and central office or remote switch service failures and alarms related thereto, received during the preceding week relative to telephone service in the area affected by the Action Plan. The weekly reports shall specify what actions have been taken, or will be taken and by what date, by Verizon to address such trouble reports.

(4) Verizon shall comply with the terms of the Action Plan and this Order.

(5) This matter is continued generally.

NOTE: A copy of the Attachment entitled "Verizon Action Plan - Rocky Gap Central Office" 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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hearings the Commission would determine – if put forth as a defense to an allegation of failure to comply – if any *force majeure* conditions have reasonably impacted Verizon's compliance with the Action Plan and this Order.

CASE NO. PUC-2008-00066
AUGUST 20, 2008

APPLICATION OF
VARIOUS TERMINATED CARRIERS

For cancellation of certificates of public convenience and necessity to provide local exchange and/or interexchange telecommunications services

ORDER CANCELING CERTIFICATES

By previous Orders issued at various times in numerous cases, the State Corporation Commission ("Commission") granted the following certificates of public convenience and necessity, permitting the provision of local exchange and/or interexchange telecommunications services, to the telecommunications carriers listed below:

NET-tel Corporation of Virginia, Inc. (Certificate Nos. TT-95A & T-488)

Mid-Atlantic Telephone Company (Certificate Nos. TT-45A & T-402)

Ntegrity Telecontent Services of Virginia, Inc. (Certificate No. T-445)

Broadplex, LLC (Certificate Nos. TT-128A & T-533)

SouthNet Telecomm-Virginia, Inc. (Certificate No. T-435)

Telecom Licensing of Virginia, Inc. (Certificate No. T-425)

Telicor of Virginia, Inc. (Certificate Nos. TT-144A & T-549)[1]

The foregoing telecommunications carriers have been notified by the Commission of the termination of their corporate existences, for failure to pay annual registration or other fees. As a result, these companies are no longer authorized to transact business in the Commonwealth of Virginia. Therefore, the Commission finds that the above-named certificates of public convenience and necessity should be cancelled.

NOW THE COMMISSION, being sufficiently advised, will cancel the Certificates listed above to the carriers listed above. Accordingly, IT IS ORDERED that:

(1) This matter should be docketed as Case No. PUC-2008-00066.

(2) Certificates Nos. T-402, -425, -435, -445, -488, -533, and -549 and Nos. TT-45A, -95A, -128A, and -144A issued to the carriers named above are hereby cancelled.

(3) This matter is dismissed.

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[1] Certificates bearing a "T" designation permit the provision of local exchange telecommunications services, while certificates bearing a "TT" designation permit the provision of interexchange telecommunications services.

CASE NO. PUC-2008-00067
SEPTEMBER 8, 2008

APPLICATION OF
GLOBAL CONNECTION INC. OF VIRGINIA

For cancellation of certificates of public convenience and necessity

ORDER CANCELING CERTIFICATES

By Order dated October 8, 2004, in Case No. PUC-2004-00068, the State Corporation Commission ("Commission") granted Global Connection Inc. of Virginia ("Global" or the "Company"), Certificate No. T-632 to provide local exchange telecommunications services and Certificate No. TT-208A to provide interexchange telecommunications services in Virginia.

By application filed August 18, 2008, Global requested that its Certificates T-632 and TT-208A be cancelled. The application stated that Global has never served customers in Virginia, nor has it ever filed local or interexchange tariffs with the Commission. The application further stated that, based on changed circumstances, Global does not intend to offer telecommunications services in Virginia.

NOW THE COMMISSION, having considered the matter, is of the opinion that Global's certificates to provide local exchange and interexchange telecommunications services should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC-2008-00067.

(2) Certificate No. T-632 granting authority to provide local exchange telecommunications services is hereby cancelled.

(3) Certificate No. TT-208A granting authority to provide interexchange telecommunications services is hereby cancelled.

(4) The captioned matter is hereby dismissed.

CASE NO. PUC-2008-00070
SEPTEMBER 17, 2008

APPLICATION OF
AMERICAN FIBER NETWORK OF VIRGINIA, INC.

For replacement of existing letter of credit with surety bond and return of the letter of credit

ORDER GRANTING PETITION

By Order dated June 23, 2000, in Case No. PUC-1999-00221, the State Corporation Commission ("Commission") granted American Fiber Network of Virginia, Inc. ("American Fiber" or the "Company"), a certificate of public convenience and necessity to provide local exchange telecommunications services, subject to the condition that the Company provide audited financial statements of its parent company within one year of the effective date of the Company's initial tariff.

On June 13, 2003, in Case No. PUC-2002-00102, American Fiber filed a letter with the Clerk of the Commission, which stated that accounting difficulties had caused the Company to miss its deadline for submitting financial statements to the Staff.[1] American Fiber requested authority to file a $50,000 performance bond in lieu of submitting audited financial statements. By Order dated June 24, 2003, the Commission granted the Company's request to submit a continuous performance or surety bond instead of audited financial statements. The Company provided a Letter of Credit from Brotherhood Bank instead of a surety bond. In an Order dated May 10, 2005, the Commission found that American Fiber was in compliance with the June 24, 2003 Order and dismissed the case.

By petition filed August 26, 2008, in the present case, American Fiber requests that the Commission replace the Letter of Credit from Brotherhood Bank, which is currently being held by the Commission, with a $50,000 surety bond issued by the Fidelity and Deposit Company of Maryland.[2] American Fiber further requests that the existing Letter of Credit be returned to the Company's offices upon acceptance of the surety bond as an acceptable replacement for the Letter of Credit.[3]

NOW THE COMMISSION, having considered the matter, is of the opinion that American Fiber's petition should be granted.

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[1] The Commission, in an Order dated May 24, 2002, had granted American Fiber an extension through May 6, 2003, to file the required financial documents.

[2] In the petition filed August 26, 2008, the bond named American Fiber Network as principal. However, an addendum properly naming American Fiber Network of Virginia, Inc., as principal was subsequently filed.

[3] Specifically, the Letter of Credit should be returned to Douglas Bethell, American Fiber Network of Virginia, Inc., 9401 Indian Creek Parkway, Suite 280, Overland Park, Kansas 66210.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC-2008-00070.

(2) The Letter of Credit from Brotherhood Bank, which is currently being held by the Commission, shall be replaced by the $50,000 surety bond issued by the Fidelity and Deposit Company of Maryland.

(3) The Commission's Division of Economics and Finance shall forward the Letter of Credit to the offices of American Fiber Network of Virginia, Inc., so that the Company may effectuate the cancellation of the Letter of Credit.

(4) American Fiber shall notify the Division of Economics and Finance 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.

(5) The captioned matter is hereby dismissed.

CASE NO. PUC-2008-00071
NOVEMBER 4, 2008

JOINT PETITION OF
LIGHTYEAR NETWORK SOLUTIONS, LLC,
LY HOLDINGS, LLC,
and
WHERIFY WIRELESS, INC.

For approval of the indirect transfer of control of Lightyear Network Solutions, LLC, to Wherify Wireless, Inc.

ORDER GRANTING APPROVAL

On September 2, 2008, Lightyear Network Solutions, LLC ("Lightyear"), LY Holdings, LLC ("Holdings"), and Wherify Wireless, Inc. ("Wherify'), filed a Joint Petition and Request for Streamlined Review ("Joint Petition") with the State Corporation Commission ("Commission"), pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code"), for approval of the indirect transfer of control of Lightyear to Wherify. Lightyear, Holdings, and Wherify are referred to herein collectively as the "Joint Petitioners." Joint Petitioners filed a Joint Application with the Federal Communications Commission ("FCC") under the FCC's Streamlined Review process, and it was accepted as such on September 11, 2008.

On September 30, 2008, Staff issued a Memorandum of Completeness, which deemed the Joint Petition complete as of September 25, 2008, and accepted the Joint Petition under the Commission's Streamlined Review process.

Holdings is a Kentucky-based limited liability company that is owned by a series of investors, including LANJK, LLC ("LANJK"), SullivanLY, LLC ("SullivanLY"), and Rice-LY Ventures, LLC ("Rice-LY"), the principal business of such investors being telecommunications investment. Lightyear, a wholly-owned subsidiary of Holdings, is also a Kentucky-based limited liability company and is certificated as a Competitive Local Exchange Carrier in the Commonwealth of Virginia. Lightyear holds domestic interstate and international Section 214 authorizations issued by the FCC and provides local exchange and long-distance telecommunications services in 44 and 49 states, respectively. In Virginia, Lightyear is certificated to provide local exchange telecommunications services pursuant to its certificate of public convenience and necessity, No. T-624, issued pursuant to the Commission's Final Order, entered May 13, 2004, in Case No. PUC-2004-00013. Currently, Lightyear has no customers for regulated local exchange telecommunications services in Virginia.[1]

Wherify is a publicly-traded Delaware corporation, traded over-the-counter under the symbol "WFYW," and is engaged in the development of wireless location products and services for family safety and business communications, such as integrated Global Positioning Systems (GPS) and advanced wireless communications technologies . Wherify is authorized to provide international telecommunications services pursuant to Section 214 authorizations issued by the FCC.

The Joint Petitioners request approval to consummate a transaction that will result in the indirect transfer of control of Lightyear to Wherify. Through an Agreement and Plan of Merger, Wherify Acquisition, Inc. ("Merger Sub"), a subsidiary of Wherify created solely for the purpose of this transaction, will merge with and into Ligbtyear's direct parent, Holdings, with Holdings as the surviving entity. Upon completion of the proposed transaction, Wherify will become the direct corporate parent of Holdings, and Lightyear will become an indirect wholly-owned subsidiary of Wherify. The Joint Petitioners anticipate changing the name of Wherify to Lightyear Network Solutions, Inc., upon completion of the proposed transaction.

Lightyear will continue to hold its certificate of public convenience and necessity granted to provide local exchange telecommunications services in Virginia. The proposed transaction does not call for any transfer of certificates, assets, or customers of Lightyear or any change in the rates, terms, or conditions for the provision of any telecommunications services provided by Lightyear in Virginia.

NOW THE COMMISSION, upon consideration of the Joint Petition and representations of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described indirect transfer of control of Lightyear to Wherify will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

[1] Lightyear currently provides service to 58 customers in Virginia; however, these customers only receive interexchange telecommunications services on a resale basis and, therefore, are not regulated by the Commission.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code, the Joint Petitioners are hereby granted approval to consummate the transaction to allow for the indirect transfer of control of Lightyear to Wherify as described herein.

(2) The Joint Petitioners shall file a report of the action taken pursuant to the approval granted herein within thirty (30) days of the transaction taking place, subject to administrative extension by the Commission's Director of Public Utility Accounting. Such report shall include the date the transaction took place.

(3) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUC-2008-00073
OCTOBER 7, 2008

PETITION OF
COMCAST PHONE OF NORTHERN VIRGINIA, INC.

For partial discontinuance of local exchange telecommunications services

ORDER PERMITTING PARTIAL DISCONTINUANCE OF SERVICE

On September 9, 2008, Comcast Phone of Northern Virginia, Inc. d/b/a Comcast Digital Phone of Northern Virginia, Inc. ("Comcast" or "Company"),[1] filed a Petition for Partial Discontinuance of Service ("Petition") with the State Corporation Commission ("Commission") requesting approval to discontinue its provision of local exchange telecommunications services known as Comcast Digital Phone ("CDP") to customers in the Northern Virginia area on or after October 15, 2008. On September 11, 2008, Comcast amended its Petition to provide proposed tariff revisions to effectuate the discontinuance of CDP service.[2]

According to the Petition, the Company currently provides CDP to approximately 959 residential customers and 160 business accounts in the Northern Virginia area. Comcast states that its decision to discontinue providing CDP in Northern Virginia was made to concentrate its resources in the provision of other services, including its interconnected voice over Internet protocol ("VoIP") service marketed to the public under the brand name Comcast Digital Voice ("CDV"). Comcast also has one customer with a bulk service agreement, pursuant to which Comcast provides CDP service to an additional 1,690 residential customers. The Company states that it is working with this bulk service customer to transition the 1,690 residents to CDV service, per the parties' bulk service agreement. These bulk service residential customers will automatically be transferred to CDV and will retain their existing telephone number.

Pursuant to Rule 20 VAC 5-423-30 of the Commission's Rules Governing Discontinuance of Local Exchange Telecommunications Services Provided by Competitive Local Exchange Carriers ("Discontinuance Rules"), a competitive local exchange carrier must furnish a minimum of thirty days' notice to customers in the prescribed manner before any services may be discontinued. The Commission's primary concern with authorizing discontinuance is providing adequate notice to the affected customers. Comcast provided customer notice in the form of letters mailed directly to the affected subscribers, including the customers served via the bulk service agreement, on August 29, 2008.[3] The notice appears to be adequate in substance and timely for purposes of approving discontinuance effective on or after October 15, 2008.

Comcast is not requesting that its certificates of convenience and necessity to provide local exchange or interexchange telecommunications services in Virginia be canceled. The Company will continue to provide other local exchange and interexchange telecommunications services in Virginia.

NOW THE COMMISSION, having considered the pleading and applicable law, is of the opinion and finds Comcast's Petition to partially discontinue local exchange telecommunications services in the Northern Virginia area should be granted with the limitations discussed herein.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC-2008-00073.

(2) Comcast's request to discontinue Comcast Digital Phone telecommunications services to its local exchange customers in the Northern Virginia area, effective on or after October 15, 2008, is hereby granted.

(3) On or before October 10, 2008, Comcast shall report to the Commission's Division of Communications the number of any remaining Comcast Digital Phone customers in Northern Virginia.

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[1] The original September 9, 2008 petition reflected the company's name as Comcast Phone of Virginia, Inc., which also holds certification to provide telecommunications services in Virginia. The Petitioner's name was corrected in the amended application filed September 11, 2008 to Comcast Phone of Northern Virginia, Inc.

[2] In Case No. PUC-2008-00025, Comcast Phone of Virginia, Inc. requested approval to discontinue CDP service to approximately 6,500 customers in the Richmond area for similar reasons. The Commission granted Comcast Phone of Virginia, Inc. authority to discontinue CDP service in Richmond, effective April 21, 2008.

[3] Copies of residential and business notice letters were attached to Comcast's Petition. Although the letters attached to the Petition are dated August 26, 2008, Comcast states that the notices were actually mailed on August 29, 2008.

(4) Comcast shall provide to the Commission's Division of Communications within thirty (30) days after the date of this Order revised tariffs reflecting the discontinuance of its Comcast Digital Phone local exchange telecommunications services in the Northern Virginia area.

(5) Comcast shall provide a copy of this Petition upon written request by any interested parties to the Company's representative, Brian J. Hurh, Esquire, and Michael C. Sloan, Esquire, Davis, Wright, Tremaine, L.L.P., 1919 Pennsylvania Avenue, N.W., Suite 200, Washington, D.C. 20005. The Petition is also available for public inspection Monday through Friday, 8:15 a.m. to 5:00 p.m., at the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia, or may be downloaded from the Commission's website: http://www.scc.virginia.gov/case.

(6) This case shall be closed, and the papers herein shall be placed in the file for ended causes.

CASE NO. PUC-2008-00074
OCTOBER 22, 2008

APPLICATION OF
MIDATLANTICBROADBAND, INC.

For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER CANCELLING CERTIFICATES

By Order dated February 23, 2005, in Case No. PUC-2005-00025, the State Corporation Commission ("Commission") granted MidAtlanticBroadband, Inc. ("MidAtlantic"), Certificate No. T-586a to provide local exchange telecommunications services and Certificate No. TT-178B to provide interexchange telecommunications services in Virginia.[1]

By letter application filed September 11, 2008, MidAtlantic requested that both certificates be cancelled. MidAtlantic states that it does not provide any voice services, has never served voice customers in Virginia, and does not have a Virginia tariff.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that MidAtlantic's certificates to provide local exchange and interexchange telecommunications services should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC-2008-00074.

(2) Certificate No. T-586a granting authority to provide local exchange telecommunications services is hereby cancelled.

(3) Certificate No. TT-178B granting authority to provide interexchange telecommunications services is hereby cancelled.

(4) The captioned matter is hereby dismissed.

[1] MidAtlantic was formerly known as Economic Computer Systems, Inc.

CASE NO. PUC-2008-00082
OCTOBER 7, 2008

PETITION OF
GLOBAL CONNECTION INC. OF VIRGINIA

Requesting Release of Letter of Credit

ORDER

On September 19, 2008, Global Connection Inc. of Virginia ("Global" or "Company") filed a Petition Requesting Release of Letter of Credit ("Petition") with the State Corporation Commission ("Commission"). Global's Petition states that the Commission's September 8, 2008 Order Canceling Certificates in Case No. PUC-2008-00067 cancelled the certificate of public convenience and necessity to provide local exchange services that had been issued to the Company by the Commission in Case No. PUC-2004-00068. In this proceeding, Global requests that the Letter of Credit from Bank of America in the amount of $50,000 be returned now that the Company is no longer authorized to provide services within the Commonwealth of Virginia.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the Letter of Credit held by the Commission's Division of Economics and Finance, pursuant to Ordering Paragraph (3) of the Commission's October 8, 2004 Order in Case No. PUC-2004-00068, should be returned to the Company. As recognized by the Commission in the September 8, 2008 Order Canceling Certificates in Case No. PUE-2008-00067, Global never served customers in Virginia nor filed local exchange tariffs with the Commission. In requesting the cancellation of its certificate, Global stated that based on changed circumstances, the Company no longer intended to offer telecommunications services in the Commonwealth.

Accordingly, IT IS ORDERED THAT:

(1) The Commission's Division of Economics and Finance shall return the Letter of Credit held on behalf of Global Connection Inc. of Virginia.

(2) There being nothing further to be done, this matter is dismissed from the Commission's docket of active cases and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC-2008-00085
NOVEMBER 25, 2008

JOINT PETITION OF
FIRST COMMUNICATIONS, INC.,
FIRST COMMUNICATIONS, LLC,
and
RENAISSANCE ACQUISITION CORP.

For approval of the transfer of control of First Communications, LLC, to Renaissance Acquisition Corp.

ORDER GRANTING APPROVAL

On October 1, 2008, First Communications, Inc. ("FCI"), First Communications, LLC ("FCL"), and Renaissance Acquisition Corp. ("RAC") filed a Joint Petition and Request for Streamlined Review ("Joint Petition") with the State Corporation Commission ("Commission"), pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code"), for approval of the transfer of control of FCL to RAC . FCI, FCL, and RAC are referred to herein collectively as the "Joint Petitioners." Joint Petitioners filed a Joint Application with the Federal Communications Commission ("FCC") under the FCC's Streamlined Review process, and it was accepted as such on October 9, 2008.

On October 2, 2008, Staff issued a Memorandum of Completeness, which deemed the Joint Petition complete as of October 1, 2008, and on October 16, 2008, the Joint Petition was accepted under the Commission's Streamlined Review process.

FCI is a Delaware corporation listed on the Alternative Investment Market of the London Stock Exchange that provides local, private line, and/or long-distance telecommunications services to both residential and business customers in 49 states through its operating subsidiaries, FCL and Xtension Services, Inc. ("Xtension"). Xtension, a wholly-owned subsidiary of FCI, is a Delaware corporation that provides local exchange telecommunications services in New Jersey and long-distance telecommunications service in 13 states, but does not provide any telecommunications services in the Commonwealth of Virginia.

FCL, also a wholly-owned subsidiary of FCI, is an Ohio-based limited liability company and is certificated as a Competitive Local Exchange Carrier in the Commonwealth of Virginia. FCL is authorized to provide local, private line, and/or long-distance telecommunications services to both business and residential customers in 49 states, and holds domestic and international Section 214 authorizations issued by the FCC. In Virginia, FCL is certificated to provide local exchange telecommunications services pursuant to its certificate of public convenience and necessity ("CPCN"), No. T-679, issued pursuant to the Commission's Final Order, entered July 8, 2008, in Case No. PUC-2008-00024. Currently, FCL only provides interexchange telecommunications service on a resale basis in Virginia.

RAC is a publicly-traded Delaware corporation, traded on the American Stock Exchange under the symbol "RAK," and was organized for the purpose of effecting a merger, asset acquisition, capital stock exchange, or other similar business combination with an operating business. RAC has never conducted business in the Commonwealth of Virginia and is neither certificated nor authorized to provide telecommunications services in any jurisdiction. For the purpose of accomplishing the proposed transaction, RAC created two new merger subsidiaries: FCI Merger Sub I, Inc. ("Merger Sub I"), a Delaware-based corporation and direct wholly-owned subsidiary of RAC; and, FCI Merger Sub II, LLC ("Merger Sub II"), a Delaware-based limited liability company and also a direct wholly-owned subsidiary of RAC.[1]

The Joint Petitioners request approval to consummate a transaction that will result in the transfer of control of FCL to RAC. Through an Agreement and Plan of Merger between FCI and RAC, FCI will merge into and with Merger Sub I with FCI as the surviving entity, followed immediately by FCI merging with and into Merger Sub II with Merger Sub II as the surviving entity. Upon completion of the proposed transaction, direct ownership of FCL will be transferred from FCI to Merger Sub II and, therefore, FCL will become an indirect wholly-owned subsidiary of RAC. The Joint Petitioners anticipate changing the name of RAC to First Communications, Inc., upon the completion of the proposed transaction.

The proposed transaction does not call for any transfer of certificates, assets, or customers of FCL or any change in the rates, terms, and conditions for the provision of any telecommunications services provided by FCL in the Commonwealth of Virginia. Furthermore, FCL will continue to operate under the same name and continue to hold its CPCN, Certificate No. T-679, to provide local exchange telecommunications services in Virginia. The Joint Petitioners represent that, following the proposed transaction, and in addition to the 3,260 customers in Virginia currently receiving interexchange telecommunications services from FCL on a resale basis, FCL plans to commence providing local exchange telecommunications services once the pending tariffs are accepted for filing by the Commission's Division of Communications.

NOW THE COMMISSION, upon consideration of the Joint Petition and representations of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control of FCL to Merger Sub II and RAC will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

[1] The Joint Petitioners anticipate changing the name of Merger Sub II upon the completion of the proposed transaction.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code, the Joint Petitioners are hereby granted approval to consummate the transaction to allow for the transfer of control of FCL to Merger Sub II and RAC as described herein.

(2) The Joint Petitioners shall file a report of the action taken pursuant to the approval granted herein within thirty (30) days of the transaction taking place, subject to administrative extension by the Commission's Director of Public Utility Accounting. Such report shall include the date the transaction took place.

(3) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUC-2008-00086
DECEMBER 12, 2008

IN RE:
PETITION OF THE FEDERAL COMMUNICATIONS COMMISSION

For agreement in redefining the service areas of NTELOS Telephone Inc., Peoples Mutual Telephone Company, Inc., Central Telephone Company of Virginia, and Verizon South Inc. pursuant to 47 C.F.R. § 54.207(d)

FINAL ORDER

On April 9, 2004, United States Cellular Corp. ("U.S. Cellular" or the "Company") filed its Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia with the Federal Communications Commission ("FCC").[1] On May 1, 2008, the FCC released Order 08-122 ("Order"), which granted U.S. Cellular's petition to be designated as an eligible telecommunications carrier ("ETC") in Virginia. Pursuant to § 214(e) of the Communications Act of 1934, as amended, the May 1, 2008 Order further granted U.S. Cellular's request to redefine the service areas of four of the rural telephone companies for which U.S. Cellular had been granted ETC status (NTELOS Telephone Inc., Peoples Mutual Telephone Company, Inc., Central Telephone Company of Virginia and Verizon South Inc.), subject to the agreement of the State Corporation Commission ("Commission").[2] On October 1, 2008, the FCC filed a petition seeking the Commission's agreement in redefining the service areas of NTELOS Telephone Inc., Peoples Mutual Telephone Company, Inc., Central Telephone Company of Virginia and Verizon South Inc.

Section 214(e)(5) of the Communications Act of 1934, as amended, states:

> The term "service area" means a geographic area established by a State commission (or the Commission under paragraph (6)) for the purpose of determining universal service obligations and support mechanisms. In the case of an area served by a rural telephone company, "service area" means such company's "study area" unless and until the Commission and the States, after taking into account recommendations of a Federal-State Joint Board instituted under section 410(c) of this title, establish a different definition of service area for such company.

47 U.S.C. 214(e)(5) (2006). See also 47 C.F.R. § 54.207(d).

In this instance, the FCC has determined that the service areas of NTELOS Telephone Inc., Peoples Mutual Telephone Company, Inc., Central Telephone Company of Virginia and Verizon South Inc. should be redefined as requested by U.S. Cellular. The FCC further notes that this request must be reviewed by the Commission for a determination as to whether it should be approved.

On November 12, 2008, the Commission issued an Order for Notice and Comment. No comments were received and no requests for a hearing were made.

NOW UPON CONSIDERATION of all the pleadings of record and the applicable law, the Commission concurs with the FCC's redefinition of the service areas of NTELOS Telephone Inc., Peoples Mutual Telephone Company, Inc., Central Telephone Company of Virginia and Verizon South Inc.

Accordingly, IT IS ORDERED THAT:

(1) The FCC's petition for agreement to redefine the service areas of NTELOS Telephone Inc., Peoples Mutual Telephone Company, Inc., Central Telephone Company of Virginia and Verizon South Inc. is hereby granted.

(2) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

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[1] U.S. Cellular does not presently have an active certificate to transact business in the Commonwealth. The Clerk's Information System indicates that the Company's status has been listed as "Purged" since December 31, 2000. Subsidiaries of U.S. Cellular, however, including USCOC of Virginia RSA #2 and USCOC of Virginia RSA #3, are certificated to provide telecommunications services in the state. It is noted that if the entity U.S. Cellular plans to transact business in this Commonwealth in the future, it must, under the state's corporate laws, obtain a proper certificate.

[2] See Paragraphs 28 and 29 of Appendix B of the FCC's May 1, 2008 Order.

CASE NO. PUC-2008-00090
DECEMBER 8, 2008

PETITION OF
ALLTEL COMMUNICATIONS OF VIRGINIA, INC.

For approval to voluntarily cancel certificates of public convenience and necessity to provide local and interexchange telecommunications services

ORDER CANCELING CERTIFICATES

On October 22, 2008, Alltel Communications of Virginia, Inc. ("Alltel"),[1] filed a request ("Application") with the State Corporation Commission ("Commission") requesting approval to withdraw its Competitive Local Exchange Carrier ("CLEC") and Interexchange Carrier ("IXC") certificates authorizing it to provide local and interexchange telecommunications services in Virginia. Alltel requests that the withdrawal be effective as soon as possible.

The Commission granted 360° Communications Company of Charlottesville d/b/a Alltel certificate number T-437 to provide local exchange telecommunications services and certificate number TT-65A as an interexchange carrier. In 2002, the name 360° Communications Company of Charlottesville d/b/a Alltel was changed to Alltel Communications of Virginia, Inc., for both certificates (and updated to T-437a and TT-65B, respectively). According to the Application, all tariffs for Alltel were cancelled in 2006. The Company states that it has no CLEC or IXC customers or operations in Virginia at this time.

NOW THE COMMISSION, having considered the pleading and applicable law, is of the opinion and finds that Alltel's request to voluntarily withdraw its CLEC and IXC certificates should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC-2008-00090.

(2) Certificate Nos. TT-65B and T-437a shall be cancelled and all authority granted thereby to provide telecommunications services in Virginia shall terminate as of the date of this Order.

(3) This case shall be closed, and the papers herein shall be placed in the file for ended causes.

[1] The certificates are held as ALLTEL COMMUNICATIONS OF VIRGINIA, INC. (was 360° Communications Company of Charlottesville d/b/a ALLTEL).

CASE NO. PUC-2008-00091
NOVEMBER 13, 2008

APPLICATION OF
LIGHTWAVE COMMUNICATIONS, LLC

For cancellation of certificates of public convenience and necessity

ORDER CANCELING CERTIFICATES

By Order dated March 1, 2001, in Case No. PUC-2000-00274, the State Corporation Commission ("Commission") granted LightWave Communications, LLC ("LightWave" or the "Company"), Certificate No. T-543 to provide local exchange telecommunications services and Certificate No. TT-136A to provide interexchange telecommunications services in Virginia.

By letter application filed on October 22, 2008, LightWave requested that Certificate Nos. T-543 and TT-136A be canceled and the Company's associated tariffs withdrawn. The application advised that on August 20, 2008, the Commission approved an application to transfer certain assets from LightWave to Broadview Networks of Virginia, Inc. ("Broadview VA") in an Order Granting Approval entered in Case No. PUC-2008-00057.[1] In the Order Granting Approval, the Commission directed LightWave to separately advise the Commission whether it intended to continue to operate under its certificates, or if it intended to request that these certificates be cancelled.[2] In its October 22, 2008 application, LightWave advised that it does not currently serve any customers in Virginia and did not plan to provide service to customers in Virginia in the future.[3]

NOW THE COMMISSION, having considered the matter, is of the opinion that LightWave's certificates to provide local exchange and interexchange telecommunications services should be canceled.

[1] See Petition of LightWave Communications, LLC and Broadview Networks of Virginia, Inc., For approval of a transaction to transfer certain assets from LightWave Communications, LLC, to Broadview Networks of Virginia, Inc., Case No. PUC-2008-00057, Doc. Con. No. 401595, slip op. (Order Granting Approval, Aug. 20, 2008).

[2] Id., Case No. PUC-2008-00057, Doc. Con. No. 401595, slip op. at 3.

[3] LightWave's customer base has migrated to Broadview VA in accordance with the Order issued in Case No. PUC-2008-00057.

Accordingly, IT IS ORDERED THAT:

(1) The matter shall be docketed and assigned Case No. PUC-2008-00091.

(2) Certificate No. T-543 granting authority to provide local exchange telecommunications services is hereby cancelled.

(3) Certificate No. TT-136A granting authority to provide interexchange telecommunications services is hereby canceled.

(4) Any associated tariffs filed by LightWave with the Commission's Division of Communications are hereby canceled.

(5) The captioned matter is hereby dismissed.

CASE NO. PUC-2008-00092
NOVEMBER 13, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In Re: Cancellation of Payphone Service Provider Certificate of National Telephone Company, L.L.C.

ORDER DIRECTING DISCONNECTION OF PAYPHONE SERVICE LINES

On October 15, 2001, National Telephone Company, L.L.C. ("National"), was granted Payphone Service Provider Certificate No. 1238 ("PSP-1238"). National's annual payphone service provider registration for the year 2008 was due to be filed by January 16, 2008. On January 30, 2008, the Division of Communications ("Staff") mailed National notice that its annual registration was late and that late registration was due no later than February 29, 2008. By electronic correspondence received February 11, 2008, National cancelled its certificate, PSP-1238.

In canceling its certificate, National failed to advise those Virginia serving local service exchange carriers ("serving LECs") from whom it had purchased pay telephone access line service that such lines should be terminated.

The Commission has determined that serving LECs should be notified that National has surrendered its certificate and that such serving LECs should be directed to terminate service to National's lines.

NOW THE COMMISSION, pursuant to applicable law and having been advised by the Staff, is of the opinion and finds that the serving LECs that had furnished lines to National should cease such service.

Accordingly, IT IS ORDERED THAT:

(1) Any serving LEC that has been furnishing service to National is hereby authorized and directed to cease such service.

(2) There being nothing further to come before the Commission, this matter is dismissed and shall be placed in the file for ended causes.

CASE NO. PUC-2008-00093
NOVEMBER 17, 2008

APPLICATION OF
RELIANT COMMUNICATIONS, INC.

For cancellation of certificate of public convenience and necessity

ORDER CANCELLING CERTIFICATE

On October 24, 2008, Reliant Communications, Inc. ("Reliant" or "Company"), filed a letter application with the State Corporation Commission ("Commission") requesting the cancellation of its certificate of public convenience and necessity to provide local exchange telecommunications services.[1] The Commission granted Certificate No. T-530a to Reliant in Case No. PUC-2006-00108.[2]

In its application, Reliant states that it is not currently providing local telecommunications services to any customer in the Commonwealth, and therefore, no customers will be affected by this cancellation.

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[1] Reliant also has a certificate for public convenience and necessity to provide interexchange telecommunications services, Certificate No. TT-125B, which was issued to the Company in Case No. PUC-2006-00108.

[2]Reliant was originally issued certificates for public convenience and necessity to provide local exchange telecommunications services and interexchange telecommunications services on January 5, 2001, under the name HJN Telecom of Virginia, Inc. In Case No. PUC-2006-00108, the Company changed its name to Reliant and the Company's certificates of public convenience and necessity were reissued to reflect that new name.

NOW UPON CONSIDERATION of the matter, the Commission finds that Certificate No. T-530a issued to Reliant should be cancelled. The Commission further finds that any local exchange telecommunications tariffs on file with the Division of Communications should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUC-2008-00093.

(2) Certificate of public convenience and necessity, No. T-530a, issued to Reliant Communications, Inc., to provide local exchange telecommunications services throughout the Commonwealth is hereby cancelled.

(3) Any tariffs associated with Certificate No. T-530a on file with the Division of Communications are hereby cancelled.

(4) There being nothing further to be done in this matter, this case shall be removed from the Commission's docket of active proceedings and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC-2008-00095
DECEMBER 9, 2008

APPLICATION OF
KMC DATA, LLC

For amended and reissued local exchange certificate of public convenience and necessity to reflect its new name

ORDER

On November 4, 2008, KMC Data, LLC ("KMC" or "Applicant"),[1] filed an application with the State Corporation Commission ("Commission") requesting that the Commission amend and reissue its Certificate of Public Convenience and Necessity ("Certificate") to reflect KMC's new name, Hypercube Telecom, LLC. The Commission previously approved an indirect transfer of control authorizing the acquisition of KMC by Hypercube, LLC.[2] KMC included with its application a Certificate of Amendment reflecting the new name from the State of Delaware dated June 30, 2008, and a certificate of correction for a foreign limited liability company issued by the Commission, effective August 29, 2008.

In Virginia, KMC is authorized to provide local exchange telecommunications services pursuant to Certificate No. T-568, issued by the Commission in Case No. PUC-2001-00138 (September 25, 2001).

NOW UPON CONSIDERATION of the matter, the Commission finds that the Applicant's Certificate for local exchange telecommunications services should be updated to reflect the Applicant's new name.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUC-2008-00095.

(2) Certificate No. T-568 authorizing KMC to provide local exchange telecommunications services throughout the Commonwealth is hereby cancelled and shall be reissued as amended Certificate No. T-568a in the name of Hypercube Telecom, LLC.

(3) There being nothing further to be done, this matter shall be dismissed from the Commission's docket of active cases and the papers filed herein placed in the Commission's file for ended causes.

[1] The certificate is held by KMC DATA LLC. The Applicant currently does not have accepted tariffs on file with the Division of Communications.

[2] KMC Data LLC and Hypercube, LLC, Case No. PUC-2006-00014 (Order issued March 3, 2006).

CASE NO. PUC-2008-00096
DECEMBER 19, 2008

APPLICATION OF
INTER-TEL NETSOLUTIONS OF VIRGINIA, INC.

For amended and reissued certificate of public convenience and necessity to reflect new name: Mitel NetSolutions of Virginia, Inc.

ORDER

On November 5, 2008, Inter-Tel NetSolutions of Virginia, Inc. ("Inter-Tel" or "Applicant"), filed a letter application with the State Corporation Commission ("Commission") requesting that the Commission reissue its certificate of public convenience and necessity to provide local exchange telecommunications services to reflect Inter-Tel's new name, Mitel NetSolutions of Virginia, Inc. ("Mitel"). Inter-Tel filed documents with its application showing that the Commission has approved its name change.

In Virginia, the Applicant is authorized to provide local exchange telecommunications services pursuant to the certificate granted by the Commission's March 21, 2008 Final Order in Case No. PUC-2007-00097.[1] Inter-Tel's local exchange certificate is No. T-675. Pursuant to the condition set forth in the March 21, 2008 Final Order, the Applicant has a bond on file with the Commission's Division of Economics and Finance. An amendment to the bond noting the name change to Mitel NetSolutions of Virginia, Inc. was provided to the Staff of the Commission.

NOW UPON CONSIDERATION of the matter, the Commission finds that the Applicant's certificate of public convenience and necessity to provide local exchange telecommunications services should be updated to reflect the Applicant's new name.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUC-2008-00096.

(2) Certificate No. T-675 authorizing Inter-Tel to provide local exchange telecommunications services throughout the Commonwealth is hereby cancelled and shall be reissued as amended certificate No. T-675a in the name of Mitel NetSolutions of Virginia, Inc., subject to all restrictions and conditions imposed on Certificate No. T-675.

(3) The Applicant shall provide revised tariffs to the Division of Communications reflecting its new name within sixty (60) days of the issuance of this Order.

(4) There being nothing further to be done, this matter shall be dismissed from the Commission's docket of active cases and the papers filed herein placed in the Commission's file for ended causes.

[1] The Final Order in PUC-2007-00097 is dated March 21, 2007. However, the Final Order was actually issued on March 21, 2008, as is verified by a date stamp on the first page of that Order, which shows that the Order was sent to the Commission's Document Control Center at 4:24 p.m. on March 21, 2008.

CASE NO. PUC-2008-00098
NOVEMBER 26, 2008

APPLICATION OF
COX VIRGINIA TELCOM, L.L.C.

For Extension of Waivers of, and a Permanent Waiver of, and/or a Grant of Exception to, the Customer Notice of Disconnection Requirements of the Rules Governing Disconnection of Local Exchange Services

ORDER EXTENDING WAIVER

On November 13, 2008, Cox Virginia Telcom, L.L.C. ("Cox"), filed with the State Corporation Commission ("Commission") its Application for Extension of Waivers of, and a Permanent Waiver of, and/or a Grant of Exception to, the Customer Notice of Disconnection Requirements of the Rules Governing Disconnection of Local Exchange Services ("Application"). The Application states that Cox had been granted a two-year waiver, in Case No. PUC-2006-00140, from the requirements of 20 VAC 5-413-25 C of the Commission's Rules Governing Disconnection of Local Exchange Telephone Service ("DNP Rules") that customer notice of disconnection include the amount that must be paid to prevent disconnection of local exchange service and the date by which the carrier must receive the payment in order to forestall disconnection. That waiver is to expire December 1, 2008.

The Application explains the interim process by which Cox has substantially met the notice intentions of the DNP Rules. Cox has been furnishing customers a toll-free number to call in order to obtain the precise amount that must be paid to avoid disconnection. The customer's bill displays the date by which Cox must receive payment, but Cox employs, as of the disconnect date, a "soft" disconnect which still allows customers to reach E-911 and the Cox business office. If, after ten more days, Cox has not received payment, service is totally disconnected.

While this temporary system has been in place, Cox has worked with its billing vendor to achieve a process that would state the amount that must be paid for regulated services and the due date on disconnection notices. Cox and its billing vendor were on schedule to implement the new process before December 1, 2008, but a problem has arisen that prevents use of that system until corrected.

As a preliminary matter, while the Commission is evaluating Cox's request for a permanent waiver and/or an exception to Section 25 C of the DNP Rules, Cox has asked for an extension of the waiver previously granted in Case No. PUC-2006-00140.

NOW THE COMMISSION, having considered the Application, the applicable Rules, and lack of public harm during the operation of the current waiver, is of the opinion and finds that a 90-day extension of the existing waiver should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The waiver granted to Cox in Case No. PUC-2006-00140 is hereby extended ninety (90) days beyond December 1, 2008.

(2) This mater is continued generally pending further order of the Commission.

CASE NO. PUC-2008-00100
DECEMBER 29, 2008

APPLICATION OF
VERIZON SOUTH INC.
and
VERIZON VIRGINIA INC.

For an exemption from the annual filing requirement imposed by the Commission pursuant to § 56-77 (A) of the Code of Virginia

ORDER GRANTING EXEMPTION

On November 18, 2008, Verizon South Inc. and Verizon Virginia Inc. ("Applicants") filed an application with the State Corporation Commission ("Commission") requesting an exemption from the annual filing requirement ("Annual Report of Affiliate Transactions") imposed by the Commission pursuant to § 56-77 (A) of the Code of Virginia ("Code"). As required in Case No. PUA-2001-00007, the Applicants are required to submit to the Commission's Director of Public Utility Accounting by May 1 of each year an Annual Report of Affiliate Transactions. The Applicants hereby request an exemption from submitting such report.

In their application, the Applicants state that the Commission's reasons for requiring such report no longer exist. The Commission has exempted the Applicants from the filing and prior approval requirement of Chapter 4 of Title 56 of the Code thereby making it no longer necessary for the Applicants to file for approval of certain arrangements or agreements with their affiliates. Applicants represent that the competitive market and the alternative regulation pricing plan in effect for telephone companies along with the Commission's general oversight authority protect the public interest and, therefore, such annual reporting is unnecessary to protect the public interest. The Applicants recognize that, should the Commission giant such exemption, there is still the fail-safe mechanism in that the Commission, by statute, specifically retains authority to revoke any exemption previously granted "if it finds such action is in the public interest."[1]

NOW THE COMMISSION, upon consideration of the application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds that the currently required Annual Report of Affiliate Transactions to be submitted by Applicants is no longer necessary to protect the public interest and that such exemption from submitting such reports is in the public interest and should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 (B) of the Code, the Applicants are hereby granted an exemption from submitting to the Commission's Director of Public Utility Accounting the Annual Report of Affiliate Transactions previously imposed by the Commission pursuant to § 56-77 (A) of the Code.

(2) The Commission shall retain its authority to revoke such exemption when and if it determines that such exemption is no longer in the public interest.

(3) The Commission shall retain its authority to require Applicants to provide information contained in such reports or any other information related to their affiliate transactions when and if such information is deemed necessary to enable the Commission to continue to protect the public interest.

(4) There appearing nothing further to be done in this matter, it hereby is dismissed.

[1] Section 56-77 (B) of the Code.

CASE NO. PUC-2008-00103
DECEMBER 19, 2008

PETITION OF
HYBRID NETWORKS, LLC

For approval to voluntarily cancel certificates of public convenience and necessity to provide local and interexchange telecommunications services

ORDER CANCELING CERTIFICATES

On November 20, 2008, Hybrid Networks, LLC ("Hybrid") filed a request ("Application") with the State Corporation Commission ("Commission") requesting approval to withdraw its Competitive Local Exchange Carrier ("CLEC") and Interexchange Carrier ("IXC") certificates authorizing it to provide local and interexchange telecommunications services in Virginia. Hybrid requests that the withdrawal be effective as soon as possible.

The Commission granted Hybrid certificate number T-660 to provide local exchange telecommunications services and certificate number TT-226A as an interexchange carrier in 2006. According to the Application, Hybrid had no CLEC or IXC customers or operations in Virginia as of July 1, 2008. The Company states that it is in the process of ceasing operations in all states.

NOW THE COMMISSION, having considered the pleading and applicable law, is of the opinion and finds that Hybrid's request to voluntarily withdraw its CLEC and IXC certificates should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC-2008-00103.

(2) Certificate Nos. TT-226A and T-660 shall be cancelled and all authority granted thereby to provide telecommunications services in Virginia shall terminate as of the date of this Order.

(3) Any tariffs associated with Hybrid shall terminate as of the date of this Order.

(4) This case shall be closed, and the papers herein shall be placed in the file for ended causes.

CASE NO. PUC-2008-00106
DECEMBER 9, 2008

APPLICATION OF
FIBERLIGHT OF VIRGINIA, LLC

For replacement of existing letter of credit with surety bond and return of letter of credit

ORDER GRANTING PETITION

On November 24, 2008, FiberLight of Virginia, LLC ("FiberLight" or "Company"), filed with the State Corporation Commission ("Commission") a petition seeking permission to replace its existing letter of credit from Wachovia Bank on file at the Commission with a surety bond from Travelers Casualty and Surety Company of America ("Petition"). In its Petition, FiberLight also requests that the letter of credit be returned to the Company upon acceptance of the bond.

By Order dated October 25, 2005, in Case No. PUC-2005-00084, the Commission granted FiberLight certificates of public convenience and necessity Nos. T-643 and TT-213A to provide local exchange and interexchange telecommunications services, subject to the condition that the Company notify the Commission's Division of Economics and Finance no less than thirty (30) days prior to the cancellation or lapse of its letter and should provide a replacement bond or letter of credit at that time.

In its Petition, FiberLight states that it has determined that business considerations dictate that a bond be substituted for its letter of credit. A copy of Surety Bond No. 105194847 is attached to the Company's Petition. The original bond was delivered to the Commission's Division of Economics and Finance.

NOW THE COMMISSION, having considered the matter, is of the opinion that FiberLight's Petition should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC-2008-00106.

(2) The letter of credit from Wachovia Bank, which is currently being held by the Commission, shall be replaced by the Fifty Thousand Dollar ($50,000) surety bond issued by Travelers Casualty and Surety Company of America.

(3) The Commission's Division of Economics and Finance shall forward the letter of credit to counsel for FiberLight, as requested by the Company in its Petition.

(4) FiberLight shall notify the Commission's Division of Economics and Finance 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.

(5) There being nothing further to come before the Commission, this case is hereby dismissed and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC-2008-00112
DECEMBER 19, 2008

APPLICATION OF
WINSTAR WIRELESS OF VIRGINIA, LLC

For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER CANCELING CERTIFICATES

By Order dated June 3, 1999, in Case No. PUC-1999-00013, the State Corporation Commission ("Commission") issued certificates of public convenience and necessity to provide local exchange telecommunications services and interexchange telecommunications services to Winstar Wireless of Virginia, LLC ("Winstar"). Winstar holds Certificate No. T-374a to provide local exchange telecommunications services and Certificate No. TT-32B to provide interexchange telecommunications services.

Winstar has been notified by the Commission of the termination of its corporate existence for failure to pay requisite fees. As a result, Winstar is no longer authorized to transact business in the Commonwealth of Virginia. Therefore, the Commission finds that Winstar's certificates of public convenience and necessity should be cancelled.

NOW THE COMMISSION, being sufficiently advised, will cancel Winstar's certificates of public convenience and necessity.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUC-2008-00112.

(2) Certificate No. T-374a authorizing Winstar to provide local exchange telecommunications services throughout the Commonwealth is hereby cancelled.

(3) Certificate No. TT-32B authorizing Winstar to provide interexchange telecommunications services is hereby cancelled.

(4) There being nothing further to be done, this matter shall be dismissed from the Commission's docket of active cases and the papers filed herein placed in the Commission's file for ended causes.

DIVISION OF ENERGY REGULATION

CASE NO. PUE-2002-00644
MARCH 14, 2008

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

For authority to issue short-term indebtedness and participate in a money pool

DISMISSAL ORDER

By Order dated December 17, 2002, Kentucky Utilities Company ("Kentucky Utilities" or "the Company") was authorized by the State Corporation Commission ("Commission") to incur up to $400,000,000 in short term debt and to participate in a money pool agreement[1]. The short-term borrowings were to take place in the form of unsecured promissory notes, commercial paper and/or borrowings from the money pool agreement. Kentucky Utilities was also authorized to loan excess funds to the money pool.

Under the terms of the money pool agreement, Kentucky Utilities would be able to borrow up to the maximum short-term debt limit of $400,000,000 and lend any excess funds it may have to the money pool. Under the money pool agreement, only Kentucky Utilities and its affiliated utility company, Louisville Gas & Electric Company will be able to borrow from the money pool. However, certain non-regulated affiliates can participate in the money pool as lenders. Kentucky Utilities was required to file annual reports of action with the Commission to include information pertaining to the transactions undertaken pursuant to the authority granted in this case.

Based on the reports filed by Kentucky Utilities, it appears that its actions were in accordance with the authority granted and that this matter should be dismissed.

Accordingly, IT IS ORDERED THAT this matter is dismissed and the documents filed herein shall be placed in the file for ended causes.

[1] The authority was amended by Order Amending Authority Granted dated January 30, 2004 and extended through December 31, 2007 by Order Extending Authority Granted dated September 21, 2004.

CASE NO. PUE-2002-00702
DECEMBER 23, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A/ DOMINION VIRGINIA POWER

For a certificate of public convenience and necessity for facilities in Loudoun County: Brambleton-Greenway 230 kV Transmission Line

ORDER FURTHER MODIFYING CONDITION OF CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Before the State Corporation Commission ("Commission") is the Supplemental Motion for Extension of Construction and In-Service Date (hereinafter Supplemental Motion) filed on November 25, 2008, by Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power" or "Company"). The Company seeks an extension of the date by which the Brambleton-Greenway 230 kV Transmission Line must be constructed and in service. As discussed in this Order, the Commission finds that the date should be extended.

By Final Order of October 8, 2004, the Commission granted this application and issued Dominion Virginia Power Certificate No. ET-91o, which authorized the Company to construct and operate the transmission line. By Ordering Paragraph (6) of the Final Order of October 8, 2004, the Commission imposed on the certificate the condition that "the transmission lines must be constructed and in-service by January 1, 2007; however, Dominion is granted leave to apply for an extension for good cause shown."

On May 24, 2006, the Commission entered its Order Modifying Condition of Certificate of Public Convenience and Necessity. We there extended the date for completion of construction and placement of the line in service from January 1, 2007, to December 31, 2008. We again granted the Company leave to apply for an extension for good cause shown.[1]

The Company now seeks a second extension of the date for completion of the project. In support of its request to extend the date from December 31, 2008, to June 1, 2009, Dominion Virginia Power noted that approximately 35 percent of the structures that would support the conductors had been installed; foundations for a significant number of additional structures had been completed; and that the Brambleton Substation had been completed.

[1] Order Modifying Condition of Certificate of Public Convenience and Necessity of May 24, 2006, in Virginia Electric & Power Company, Case No. PUE-2002-00702, available at http://www.scc.virginia.gov/case and search Case No. PUE-2002-00702.

Resolution of right-of-way and easement issues has delayed further construction.[2] Dominion Virginia Power states that the issues have been resolved and that final construction can be completed by June 1, 2009.[3]

Upon consideration of the Supplemental Motion, the Commission finds that the Company has shown good cause for extending the date for completing construction and putting the facility in service.

Accordingly, IT IS ORDERED THAT:

(1) Case No. PUE-2002-00702 be moved from closed to active status in the records maintained by the Clerk of the Commission and that Case No. PUE-2002-00702 be restored to the Commission's docket.

(2) The Company's Supplemental Motion for Extension of Construction and In-Service Date be granted.

(3) The condition of the certificate in Ordering Paragraph (6) of the Final Order of October 8, 2004, as modified by the Order Modifying Condition of Certificate of Public Convenience and Necessity of May 24, 2006, be further modified to read as follows: As a condition of the certificate granted in this case, the transmission lines must be constructed and in service by June 1, 2009; however, Dominion is granted leave to apply for an extension for good cause shown.

(4) Case No. PUE-2002-00702 be moved from active to closed status in the records maintained by the Clerk of the Commission and that Case No. PUE-2002-00702 be dismissed from the Commission's docket.

Commissioner Dimitri did not participate in this matter.

[2] Supplemental Motion at 2-3.

[3] Id.

CASE NO. PUE-2003-00118
DECEMBER 23, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER

For approval of retail access pilot programs

ORDER CLOSING RETAIL ACCESS PILOT PROGRAMS

On September 10, 2003, the State Corporation Commission ("Commission") approved the modified application of Virginia Electric and Power Company d/b/a Dominion Virginia Power ("DVP" or the "Company") establishing three (3) retail access pilot programs pursuant to §§ 56-577 and 56-589 of the then-enacted Virginia Electric Utility Restructuring Act (the "Act"), Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia.[1] The Commission approved modifications of the Pilots on May 25, 2004, and March 3, 2005.[2]

This case has remained open for the receipt of reports by DVP as required by the Commission's September 10, 2003 Final Order. On December 10, 2008, DVP filed a Final report on the Status of the Retail Access Pilot Programs, which noted that activity in all three (3) pilots[3] remains unchanged since the last report filed May 22, 2008, with no participation reported in any of the three (3) pilots.

DVP notes in its Final Report that the "Term" section of the Company's Commission-approved Terms and Conditions for the Provision of Electricity for each of the three (3) pilots states, "The Pilot will end at the expiration or termination of the Company's capped rates per Section 56-582 of the Code of Virginia." This Code provision was amended by Chapter 933 of the 2007 Virginia Acts of Assembly and now provides for the expiration of capped rates on December 31, 2009. With the expiration of capped rates, customers may seek competitive electricity supply only in accordance with the provisions § 56-577 A of the Code of Virginia.

The Company requests in its Final Report that the Commission close the above-captioned case and has concurrently filed with the Commission's Division of Energy Regulation revisions to its Terms and Conditions of the Pilots to reflect removal of the three (3) pilots effective January 1, 2009.

NOW THE COMMISSION, upon consideration of the Final Report filed by DVP and the applicable law, is of the opinion and finds that this case should be closed.

Accordingly, IT IS ORDERED THAT this case is hereby closed.

Commissioner Dimitri did not participate in this case.

[1] Final Order, issued September 10, 2003.

[2] Order Approving Revisions, issued May 25, 2004; Order Approving Revisions, issued March 3, 2005.

[3] The three (3) pilot programs are: a Municipal Aggregation Pilot; a Competitive Bid Supply Service Pilot; and a Commercial and Industrial Pilot.

CASE NO. PUE-2003-00568
MARCH 10, 2008

APPLICATION OF
ECONNERGY ENERGY, INC.
and
GATEWAY ENERGY SERVICES CORPORATION

For licenses to conduct business as a competitive service provider and aggregator for natural gas and electricity

ORDER REISSUING LICENSES

By Orders dated February 25, 2004, and September 1, 2004, the State Corporation Commission ("Commission") issued License No. G-19, License No. E-13, and License No. A-20 to ECONnergy Energy Company, Inc. ("ECONnergy"), to act as a competitive service provider and aggregator of both natural gas and electricity to residential, commercial and industrial customers in retail access programs throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

By letter dated February 18, 2008, ECONnergy advised the Commission that it had changed its corporate name to Gateway Energy Services Corporation and requested an update to its licenses to reflect its new corporate name.

NOW THE COMMISSION, upon consideration of this matter, finds that ECONnergy's License No. G-19, License No. E-13 and License No. A-20, to conduct business as a competitive service provider and aggregator of natural gas and electricity shall be cancelled and reissued in the name of Gateway Energy Services Corporation.

Accordingly, IT IS ORDERED THAT:

(1) License No. G-19 authorizing ECONnergy Energy, Inc., to provide competitive natural gas service to residential, commercial and industrial customers in conjunction with retail access programs throughout the Commonwealth of Virginia is hereby cancelled, and shall be reissued as License No. G-19A in the name of Gateway Energy Services Corporation.

(2) License No. E-13 authorizing ECONnergy Energy, Inc., to provide competitive electric service to residential, commercial and industrial customers in conjunction with retail access programs throughout the Commonwealth of Virginia is hereby cancelled, and shall be reissued as License No. E-13A in the name of Gateway Energy Services Corporation.

(3) License No. A-20 authorizing ECONnergy Energy, Inc., to provide aggregation of electric and natural gas services to residential, commercial and industrial customers in conjunction with retail access programs throughout the Commonwealth of Virginia is hereby cancelled, and shall be reissued as License No. A-20A in the name of Gateway Energy Services Corporation.

(4) The issuance of these licenses herein is subject to the maintenance of a letter of credit payable to the Commonwealth of Virginia in the amount of $10,000.

(5) Failure of Gateway Energy Services Corporation to maintain a valid $10,000 letter of credit or performance bond on file with the Commission, or its failure to comply with the Commission's Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 et seq., the provisions of this Order, other Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission that includes, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such license, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(6) Gateway Energy Services Corporation shall operate under these licenses as reissued pursuant to the same terms and conditions as set forth in our Orders Granting Licenses entered in this docket on February 25, 2004 and September 1, 2004.

(7) This case shall remain open for consideration of any subsequent amendments or modifications to these licenses.

CASE NO. PUE-2005-00018
FEBRUARY 15, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER

For a certificate of public convenience and necessity for facilities in Loudoun County: Pleasant View-Hamilton 230 kV Transmission Line and 230 kV-34.5 kV Hamilton Substation

FINAL ORDER

On April 14, 2005, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an Application of Virginia Electric and Power Company for Approval and Certification of Electric Facilities: Pleasant View-Hamilton 230 kV Transmission Line and 230 kV-34.5 kV Hamilton Substation ("Application"). Dominion proposes to construct and to operate in Loudoun County a 230 kV transmission line, which would run from the Company's existing Pleasant View Substation to a new Hamilton Substation. The Company has identified a proposed route approximately 15.7 miles in length and five alternative routes ranging from approximately 12.0 miles to 15.3 miles in length. Approximately 7.5 miles of the proposed route lies within the allotted territory of Northern Virginia Electric Cooperative. The remaining 8.2 miles of the proposed route and the site of the Hamilton Substation lie within the Company's allotted territory.

On May 6, 2005, the Commission issued an Order for Notice and Hearing that directed Dominion to publish public notice of its Application, established a procedural schedule, set hearing dates to receive public comment and evidence, and appointed a Hearing Examiner to conduct all further proceedings.

On January 7, 2007, Hearing Examiner Howard P. Anderson, Jr., entered a Report that summarized the record, analyzed the evidence and issues in this proceeding, and made certain findings and recommendations ("Hearing Examiner's Report"). The Hearing Examiner explained the extensive procedural history of this case and identified the following as respondents who filed notices of participation in this proceeding:[1]

- Beauregard Estates Homeowners Association ("Beauregard Estates");
- Dewayne Brock Davenport ("Davenport");
- Kincaid Forest Homeowner's Association, Inc. ("Kincaid Forest");
- Leesburg Luxury Homes, L.L.C.;
- Loudoun County Fair and Associates, Inc. ("Loudoun Fair");
- Loudoun County, Virginia;
- National Trust for Historic Preservation ("National Trust");
- Northern Virginia Regional Park Authority ("Park Authority");
- Orme Farm, L.L.C. ("Orme Farm") and Cammack Brothers Partnership, L.P. ("Cammack Brothers");
- Oatlands, Inc. ("Oatlands");
- Renaissance Land, LLC;
- The Reserve at Rokeby Farm Property Owners Association, Inc. ("Rokeby Farm") and Centex Homes ("Centex");
- Richard R. Saunders, Jr. and Dianne Saunders;
- Save the Trail, Inc.;
- Scenic Loudoun Legal Defense, Inc.;
- Shenstone Farm Homeowner's Association and certain homeowners along Dry Mill Road, Leesburg ("Shenstone/Dry Mill");
- Town of Leesburg, Virginia; and
- Woodlea Manor Conservancy Homeowners Association ("Woodlea Manor").

As related by the Hearing Examiner, the record included statements of 167 public witnesses who testified at the public hearings in Leesburg on February 8 and 9, 2006.[2] The Hearing Examiner also noted that "the overwhelming majority urged the Commission to require that the proposed transmission line be placed underground."[3] As highlighted in the Hearing Examiner's Report, the record in this case shows that "hundreds of letters, emails, and petitions have been filed with the Commission as public comment in this proceeding," that Save the Trail "presented petitions containing 4,740 signatures," that the "Commission received approximately 272 petitions from individuals of Woodlea Manor," that "Save Scenic Loudoun/Neighbors Against the Southern Transmission Line ('Save Scenic Loudoun') collected more than 800 signatures," and that the "following localities and commission submitted resolutions or comments:" The Town of Leesburg; The Town of Purcellville; The Town of Hamilton; The Town of Herndon; The Town of Hillsboro; The Town of Vienna; Loudoun County; Arlington County; City of Alexandria; Fairfax County; and Northern Virginia Regional Commission.[4]

The Hearing Examiner commenced the evidentiary hearing in Richmond on March 27, 2006, and then suspended the same to provide additional public notice of a new route (referred to as the modified D route) that the Hearing Examiner found should be considered in this proceeding.[5] The Hearing Examiner reconvened the hearing on June 19, 2006, and with the exception of weekends and holidays, the hearing proceeded until its conclusion on July 13, 2006. The following counsel appeared at the hearings:[6]

- James C. Dimitri, Esquire; Stephen H. Watts II, Esquire; Lisa S. Booth, Esquire; Pamela Johnson Walker, Esquire; and Jill C. Nadolink, Esquire, for Dominion;
- Thomas B. Nicholson, Esquire, for the Town of Leesburg and Beauregard Estates; and Barbara Beach, Esquire, for the Town of Leesburg;
- John W. Montgomery, Jr., Esquire, for Loudoun County;
- Michael A. Montgomery, Jr., Esquire; and Anthony Gambardella, Esquire, for Orme Farm and Cammack Brothers;
- John H. Rust, Jr., Esquire, for Save the Trail;
- Cliona Mary Robb, Esquire, for the Park Authority;
- James E. Cornwell, Jr., Esquire; M. Ann Neil Cosby, Esquire;
- Benjamin R. Lacy, IV, Esquire; Robert McKew, Esquire; Kenneth F. Parks, Esquire; and Michael Gartner, Esquire,[7] for Scenic Loudoun Legal Defense and Woodlea Manor;
- Kelly Thompson Cochran, Esquire; David S. Wolf, Esquire; and William R. Richardson, Jr., Esquire, for Oatlands and National Trust;
- Matthew D. Pethybridge, Esquire; and Jennifer Shirey, Esquire, for Kincaid Forest;
- Charles W. Hundley, Esquire; and Catharine T. Slater, Esquire, for Dewayne Brock Davenport;

[1] Hearing Examiner's Report at 1-3, 7. The Examiner noted that Loudoun Fair and the Saunders withdrew as respondents, and that Mr. Saunders spoke as a public witness. *Id.* at 2 n.1, 7.

[2] *Id.* at 7.

[3] *Id.*

[4] *Id.* at 10, 13-14.

[5] *Id.* at 6, 15.

[6] *Id.* at 15.

[7] Mr. Gartner appeared for Woodlea Manor only. Tr. 727.

- John E. Rinaldi, Esquire; and Wendy A. Alexander, Esquire, for Centex Homes, Rokeby Farm, and WCI Mid-Atlantic U.S. Region, Inc. ("WCI");
- Randolph A. Sutliff, Esquire, for Shenstone/Dry Mill; and
- Wayne N. Smith, Esquire; and Arlen K. Bolstad, Esquire, for Commission Staff ("Staff").

Post-hearing briefs were filed on September 18, 25, and 26, 2006.[8]

The Hearing Examiner's Report included the following findings:[9]

1. There is a need for the Company's proposed 230 kV Pleasant View to Hamilton transmission line;

2. There is a need for the Company's proposed Hamilton Substation;

3. Construction of the proposed transmission line and substation is required by the public convenience and necessity;

4. The Company has failed to prove that existing rights-of-way cannot serve the needs of the Company;

5. The proposed transmission line should not be constructed underground;

6. An overhead transmission line along the modified D route incorporating adjustments B.1, B.5, segment 7 prime ("Modified D"), and using 145-foot towers where appropriate will reasonably minimize the adverse impact on scenic assets, historic districts, and the environment of the area concerned;

7. No other viable route for the location of the transmission line exists that is not in conflict with the public interest;

8. There is no evidence in this proceeding, scientific or otherwise, to conclude that electric and/or magnetic fields pose a risk or hazard to human health; and

9. The Company should follow federal EPA guidelines in its application of herbicides for right-of-way maintenance.

Participants filed comments on the Hearing Examiner's Report on or before January 25, 2007.

On February 21, 2007, the Commission issued an Order Remanding for Further Proceedings to address certain issues regarding routing and underground construction. The Hearing Examiner convened the remand hearing on July 31 – August 2, 2007. Post-hearing briefs were submitted on or before September 28, 2007.

On November 28, 2007, the Hearing Examiner submitted a Supplemental Report ("Supplemental Report"), which further found as follows:[10]

1. The Modified D route with overhead construction reasonably minimizes adverse impacts to the scenic assets, historic districts, and environment of the area concerned, and therefore, should be adopted;

2. For a period of one year subsequent to planting restorative vegetation and trees, the Company should be directed to replace all trees and vegetation that do not survive; and

3. The Company has failed to show a present need for an additional twenty feet of right-of-way along the segments of the E7 and D3 routes west of U.S. Route 15.

The following filed comments on the Supplemental Report on or before December 19, 2007: Dominion; Centex, Rokeby Farm, and WCI; Nancy Ann Davenport; Orme Farm and Cammack Brothers; Oatlands and National Trust; Park Authority; Shenstone/Dry Mill; Town of Leesburg; and Staff.

NOW THE COMMISSION, having considered the record, the pleadings, the Hearing Examiner's Report and Supplemental Report, the comments filed in response thereto, and the applicable law, is of the opinion and finds as follows. We conclude that the public convenience and necessity require construction of the proposed line and Hamilton Substation as provided for and subject to the requirements set forth in this Final Order.[11]

Code of Virginia

Section 56-265.2 A of the Code of Virginia ("Code") provides that "[i]t 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."

[8] Hearing Examiner's Report at 16.

[9] *Id.* at 80-81.

[10] Supplemental Report at 21.

[11] We note that some of these findings were initially set forth in the Commission's February 21, 2007 Order Remanding for Further Proceedings.

Section 56-46.1 A of the Code directs the Commission to consider several factors in reviewing proposed new facilities. It provides:

> 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 (i) shall consider the effect of the proposed facility on economic development within the Commonwealth and (ii) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code states that, with regard to overhead transmission lines, "[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…."

Section 56-46.1 D of the Code explains 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."

Section 56-46.1 C of the Code directs 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."

Section 56-259 C of the Code states 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."

Section 56-46.1 E of the Code provides as follows:

> In the event that, at any time after the giving of the notice required in subsection B of this section, it appears to the Commission that consideration of a route or routes significantly different from the route described in the notice is desirable, the Commission shall cause notice of the new route or routes to be published and mailed in accordance with subsection B of this section. The Commission shall thereafter comply with the provisions of this section with respect to the new route or routes to the full extent necessary to give interested parties in the newly affected areas the same protection afforded interested parties affected by the route described in the original notice.

Need

Although certain parties and public witnesses challenged the need for the line, we find that additional transmission facilities and the Hamilton Substation are needed to serve the Purcellville Load Area. We agree with the Hearing Examiner that additional facilities will provide substantial reliability improvements to such area. Company witnesses Burnam and LaVigne testified that, under normal load conditions, the load in the Purcellville Load Area will nearly exceed the capacity of the distribution circuits by the summer of 2011 and that, with the loss of one of the four circuits due to an outage, the load will nearly exceed the capacity of the remaining three circuits by the summer of 2007 and will exceed that capacity by the summer of 2008.[12]

The Hearing Examiner also explained that the Company evaluated reasonable alternatives to the proposed line; the Hearing Examiner concluded, as did the Company, that "no alternative or combination of alternatives to the proposed transmission line and substation offers a reasonable solution to the explosive growth in electric demand in the Purcellville area."[13] Our February 21, 2007 Order Remanding for Further Proceedings noted that Loudoun County is one of the fastest growing localities in the United States.[14] We also note that subsequent to that Order and pursuant to Va. Code § 67-200 *et seq.*, the Commonwealth issued *The Virginia Energy Plan*, which further states as follows: "Significant demand growth has occurred in northern Virginia, where the population has increased by 66 percent since 1990. Loudoun and Prince William Counties consistently rank among the fastest growing counties in the United States."[15] As concluded in the February 21, 2007 Order Remanding for Further Proceedings, we find that additional transmission facilities are necessary for the Company to serve reasonably estimated load growth and to maintain long-term reliability in the Purcellville Load Area.

Transmission Line Route

We find that the new transmission line should follow the Modified D route as recommended by the Hearing Examiner. As explained in prior cases, in evaluating proposed routes for a new transmission line, the Commission "consider[s] each statutory criterion on an individual basis and as part of

[12] *See, e.g.,* Dominion's January 25, 2007 Comments and Exceptions on Hearing Examiner's Report at 4-5.

[13] Hearing Examiner's Report at 28.

[14] *See, e.g., id.* at 28 ("Unbridled growth in western Loudoun County is driving the need for the Company's proposed transmission line and substation. According to the U.S. Census Bureau, Loudoun County was the fastest growing county in the United States in 2004. Loudoun County is still one of the fastest growing counties in the country today and there is no indication that this growth will abate in the foreseeable future.").

[15] The Virginia Energy Plan, Commonwealth of Virginia, Department of Mines, Minerals and Energy, at 82 (2007) (citation omitted).

the whole, in light of all the relevant statutory criteria and with regard to the concerns raised by the parties and public witnesses."[16] We review all proposed routes and fully consider the benefits and adverse impacts of the same pursuant to the statutory requirements.[17]

Although we have not outlined herein all of the concerns expressed by each party regarding the proposed routes, we have considered and weighed the relevant factors raised in this proceeding. We also have considered and weighed the factors set forth in §§ 56-265.2 A and 56-46.1 of the Code, factors that are, to a large extent, interrelated and overlapping. We have reviewed all alternative proposals. We have fully considered the adverse impacts of the proposed routes on, among other things, the various participants in this case and others in the vicinity of the new line.

We conclude that Modified D meets the Company's need to maintain adequate reliability of service, while satisfying the legal standards of §§ 56-265.2 A and 56-46.1 of the Code. We have considered each statutory criterion on an individual basis and as part of the whole, in light of all the relevant statutory criteria and with regard to the concerns raised by the parties and public witnesses. With respect to Modified D, we have fully considered the adverse impacts on the various participants in this case and others in the vicinity of the new line, including but not limited to the Park Authority and the Washington & Old Dominion ("W&OD") Trail, Shenstone/Dry Mill, and Town of Leesburg. No route can eliminate all adverse impacts. We find that Modified D minimizes as much as practicable adverse impact on scenic assets, historic districts, and environments of the areas concerned, and results in fewer adverse impacts than other proposed routes. We have given consideration to the Town of Leesburg's comprehensive plan and conclude that any incompatibility of Modified D to that plan does not warrant a finding different from that which we make herein. In addition, we find that Modified D gives reasonable consideration to the effect of the new line on economic development within the Commonwealth.

Underground Construction

We adopt the Examiner's recommendation against underground construction due to both the physical, and the cost to ratepayers, impacts that would result therefrom.[18]

Existing Rights-of-Way

Under § 56-46.1 C of the Code, Dominion is required to provide adequate evidence that existing rights-of-way cannot adequately serve its needs. As explained by the Examiner, Modified D uses significant existing rights-of-way, including existing distribution line right-of-way and right-of-way along the W&OD Trail. To the extent that Modified D does not use existing rights-of-way, we find that such cannot adequately serve the needs of the Company.

In addition, we note that Modified D utilizes Virginia Department of Transportation ("VDOT") rights-of-way associated with the limited access Route 7 corridor and the Route 7 bypass. In this regard, the Company explains as follows:

> [Company witness] Mr. Bailey has stated that, if the Commission were to find that the project is in the public interest along the D routes (along Route 7), VDOT would be able to allow it as an exception. Tr. 2541. Mr. Heltzel of VDOT agreed that, if the Commission reviews all of the routes and determines that a D route or the modified D route is in the public interest, VDOT would work with the Company to engineer routing through the Route 7 areas discussed with him. Tr. 4827.[19]

Having concluded, pursuant to § 56-265.2 A of the Code, that the public convenience and necessity require construction of the proposed line as approved in this Final Order, we likewise conclude that the transmission line – along the Modified D route as ordered herein – is required by the public interest.

Use of Narrow Single-Shaft Poles

As explained by the Hearing Examiner, the transmission line will be constructed on single-shaft steel pole structures.[20] Single-shaft structures have a far more narrow profile than lattice-type structures. For example, Exhibit 70 illustrates the visual profile of the single-shaft model, which will reduce substantially the visual impact of the line as compared to a lattice-type structure.

Furthermore, we find that the Company shall follow the principles recommended by the Hearing Examiner in determining pole location along the W&OD Trail:

> I find that certain principles should be followed in determining pole locations along the Trail. The primary consideration must be a sound engineering design and the Company must be afforded the flexibility it needs to construct the line using accepted engineering principles. Placing the poles and conductors as far away from residences as possible must also be a top priority. The poles should be located on existing right-of-way wherever possible. This would include VDOT right-of-way, the Trail property right-of-way, and the distribution line right-of-way. However, the poles should not be placed directly adjacent to the paved pathway of the Trail or the equine trail unless absolutely necessary. The line should be engineered to require minimal tree removal and trimming. The Company should seek a balance of these factors in determining a final engineering design.[21]

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[16] *See Application of Virginia Electric and Power Company d/b/a Dominion Virginia Power*, Case No. PUE-2002-00702, 2004 S.C.C. Ann. Rept. 347, 349 (Oct. 8, 2004).

[17] *See id.* at 350.

[18] *See, e.g.,* Supplemental Report at 17-18.

[19] Dominion's January 25, 2007 Comments and Exceptions on Hearing Examiner's Report at 30 n.22.

[20] Hearing Examiner's Report at 26.

[21] Supplemental Report at 18.

Vegetation

We adopt the Hearing Examiner's recommendation that the Company, for a period of one year subsequent to planting restorative vegetation and trees, replace all trees and vegetation that do not survive.[22]

We also adopt the Hearing Examiner's recommendation that the Company follow federal Environmental Protection Agency guidelines in its application of herbicides for right-of-way maintenance.[23]

Width of Right-of-Way for Future Needs

Dominion requests the Commission to authorize acquisition of an additional twenty feet of right-of-way for segments 1 and 4 of Modified D; this would extend the right-of-way from 80 feet to 100 feet. Dominion states that this additional right-of-way "may be useful in providing service in the future."[24] We reject this request and agree with the Hearing Examiner that Dominion has failed to show a present need for the additional twenty feet of right-of-way.[25]

Electric and/or Magnetic Fields

We agree with the Hearing Examiner and find that there is insufficient evidence in this proceeding for us to conclude that electric and/or magnetic fields pose a risk or hazard to human health.[26]

Hamilton Substation

Dominion previously acquired the site for the proposed Hamilton Substation. While there is residential development in the vicinity, the substation site is adjacent to Route 7. In this location, the highway has a right-of-way width of 150 feet and has been in use since the 1970's. The Company stated that Loudoun County's erosion and sedimentation requirements will apply to the substation. No adverse impacts attributable to locating the substation at the proposed location were identified that warrant denial or modification of the proposed Hamilton Substation.

Dominion Point(s) of Contact

We recognize that portions of the route approved herein will require complex design and construction to help minimize adverse impacts. For example, Shenstone/Dry Mill and the Park Authority expressed concern about aspects of the construction along portions of the W&OD Trail. The Town of Leesburg also identified sections of the route that were of concern. We find that the Company should identify an employee or employees with responsibility to address promptly, during construction, concerns that may be raised by any landowner or resident along the approved route. This would include, but obviously not be limited to, concerns raised during construction by the Park Authority, Shenstone/Dry Mill, and the Town of Leesburg.

Each contact designated by the Company must be an employee of Dominion, not a contractor, with knowledge of construction practices and Company policies on land clearing and vegetation removal. A designated employee must have electronic mail, a toll-free telephone number, and voice mail to receive inquiries or complaints. A designated employee must be able to reach any point on the approved route within a reasonable period of time to meet with landowners, residents, and/or their representatives to inspect any situation of concern. Within 30 days from the date of this Final Order, the Company shall provide written notice to the Commission's Division of Energy Regulation and all parties to this case identifying the name and contact information of the designated employee(s) required herein. The identified employee(s) shall be available for this function no later than the time at which the Company places any markers identifying the location of the line. Dominion shall provide such contact(s) until the line is energized. If the Company changes such employee designations during construction, it shall promptly provide written notice to the Commission's Division of Energy Regulation and all parties to this case.

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate a 230 kV single-circuit transmission line from its existing Pleasant View Substation to its proposed Hamilton Substation in Loudoun County and to construct the Hamilton Substation, as provided for and subject to the requirements set forth in this Final Order.

(2) Pursuant to §§ 56-265.2, 56-46.1, and related provisions of Title 56 of the Code of Virginia, Dominion's application for a certificate of public convenience and necessity to construct a 230 kV single-circuit transmission line from its existing Pleasant View Substation to its proposed Hamilton Substation in Loudoun County and to construct the Hamilton Substation is granted as provided for and subject to the requirements set forth in this Final Order, and otherwise is denied.

(3) Pursuant to the Utility Facilities Act, Chapter 10.1 (§§ 56-265.1 *et seq*.) of Title 56 of the Code of Virginia, Dominion is issued the following certificate of public convenience and necessity:

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[22] Supplemental Report at 18-19, 21.

[23] Hearing Examiner's Report at 31, 81.

[24] Dominion's December 19, 2007 Comments and Exceptions to Supplemental Report at 14.

[25] Supplemental Report at 20-21.

[26] Hearing Examiner's Report at 31, 80.

Certificate No. 91p which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate presently constructed transmission lines and facilities in Loudoun County, all as shown on the detailed map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2005-00018; Certificate No. 91p will cancel Certificate No. 91o issued to Virginia Electric and Power Company on October 8, 2004, in Case No. PUE-2004-00702.

(4) Within thirty (30) days from the date of this Final Order, Dominion shall file with the Commission's Division of Energy Regulation two copies of an appropriate map that shows the routing of the transmission line and substation approved herein.

(5) As a condition of the certificate granted in this case, the transmission line and substation must be constructed and in-service by January 1, 2011; however, Dominion is granted leave to apply for an extension for good cause shown.

(6) This matter is dismissed.

CASE NO. PUE-2005-00036
AUGUST 20, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY D/B/A AMERICAN ELECTRIC POWER

2005 Annual Informational Filing

FINAL ORDER

On April 29, 2005, Appalachian Power Company d/b/a/ American Electric Power ("APCO" or "Company") filed with the State Corporation Commission ("Commission") its Annual Information Filing ("AIF") for the year ended December 31, 2004.

On March 15, 2006, the Staff of the Commission ("Staff") filed its report in this docket ("Staff Report"). The Staff Report reviewed APCO's financial performance, capital structure and cost of capital, and cost of equity. The Staff Report further reported the Company's earnings test results, as well as Staff's adjustments to the earnings test. Following the Staff's earnings test adjustments, APCO's return on equity on a bundled basis was 6.53%. As noted in the Staff Report, this return fell below APCO's then authorized return on equity of 10.85%, as well as Staff's then updated cost of equity range (9.3% - 10.30%). On its generation function, APCO earned a return on equity of -7.37%.

The Staff also examined the Company's pro forma results. The Staff Report indicates that, on a pro forma, fully adjusted basis, the Company had a revenue shortfall of $49,194,406 relative to the 9.8% midpoint of Staff's updated cost of equity, based on the Staff's limited review at that time.

The Company filed a response to the Staff Report on April 5, 2006 ("Company Response" or "Response"). APCO indicated in its Response that the Company disagreed with certain Staff adjustments and reserved the right to argue against any accounting adjustments or ratemaking treatment proposed by the Staff in any future proceeding.

In particular, the Company Response took issue with Staff adjustments associated with the Company's amortization of its "transition regulatory asset" (related to the then scheduled, statutory expiration of capped generation rates in 2010). APCO also reserved its right to address any issue in future rate proceedings with respect to the Company's debt costs or financial integrity - a declaration related to the Staff Report's discussion of the adverse affect on APCO's credit profile of previous unregulated activities of APCO's parent company, American Electric Power Company. The Company also noted in its Response its reservation of right to contest the Staff's calculation of adjustments related to the Virginia State Income Tax Effect of other adjustments. Finally, the Company requested that the Commission close this proceeding without action.

NOW THE COMMISSION, upon consideration of the Company's AIF, the Staff Report, and the Company's Response, is of the opinion and finds that this matter should be dismissed.

Accordingly, IT IS ORDERED THAT, this matter shall be dismissed from the Commission's docket of active proceedings and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUE-2005-00089
OCTOBER 21, 2008

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For authority to issue long-term debt and participate in an intrasystem money pool arrangement with an affiliate

ORDER AMENDING AUTHORITY GRANTED

By Orders issued on November 21, 2005, and January 23, 2006, the State Corporation Commission ("Commission") authorized, among other things, intercompany financing through December 31, 2008, between Columbia Gas of Virginia, Inc. ("CGV" or "Company") and NiSource Financing Corp., subject to certain prescribed limitations. The short-term borrowing limit authorized in the Orders allows CGV to borrow up to $75,000,000 through the Intrasystem Money Pool ("Money Pool").

By letter dated October 8, 2008, CGV requested that the Commission amend the authority granted in this case and increase its authorized limit of short-term borrowing from $75,000,000 to $125,000,000 for the remainder of the authorization period, or until December 31, 2008 . In support of its request, CGV states that the original request for borrowing authority of up to S75,000,000 was based on estimates of gas costs in 2003 and forecasts of gas cost at that time. CGV further states that since the authority was granted, the Commission has approved a Gas Cost Hedging Plan[1] which, based on the price change in natural gas since the summer of 2008, has required additional margin deposits and further complicated the forecasting of CGV's short-term debt requirements. According to information provided to our Staff, CGV's maximum short-term debt outstanding occurred on September 30, 2008 at approximately $71,400,000 and CGV expects to exceed its $75,000,000 short-term debt limit before the end of October 2008. CGV has also informed our Staff that a new application for Money Pool and short-term borrowing authority for the period after December 31, 2008, will be filed no later than November 1, 2008.

THE COMMISSION, having considered the representations of CGV and having been advised by its Staff, is of the opinion and finds that CGV's request for amended authority should be granted.

Accordingly, IT IS ORDERED THAT:

(1) CGV is hereby authorized to issue up to $125,000,000 in short-term debt through the Money Pool, from the date of this order through December 31, 2008, under the terms and conditions and for the purposes set forth in the application, and as amended by its letter dated October 8, 2008.

(2) All other provisions of the November 21, 2005, and January 23, 2006, Orders shall remain in full force and effect.

[1] Application of Columbia Gas of Virginia. Inc. for Authorization to Implement Gas Cost Hedging Program, Case No. PUE-2005-00087, 2006 S.C.C Ann. Rept. 358, 359.

CASE NO. PUE-2005-00107
APRIL 24, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to receive cash capital contribution from an affiliate

FINAL ORDER

On January 6, 2006, the State Corporation Commission ("Commission") issued an Order Granting Authority to Appalachian Power Company ("APCO") and American Electric Power Company, Inc. ("AEP"). APCO was authorized to receive until January 1, 2008, cash capital contributions from AEP, at AEP's discretion, up to an aggregate amount of $250,000,000. APCO was also ordered to file with the Commission's Division of Economics and Finance a Report of Action within 10 days of any cash capital contribution paid from AEP to APCO, and a final Report of Action to contain a cumulative summary of actions taken during the period authorized.

On March 7, 2008, APCO filed its Final Report indicating a single cash capital contribution was made November 30, 2006 by AEP to APCO in the amount of $100,000,000.[1]

THE COMMISSION, being advised by the Staff that APCO has complied with the Commission's reporting requirements in this case, finds that no further action is required and that this case should be closed.

IT IS ORDERED THAT, this case is hereby dismissed.

[1] APCO's consolidated balance sheets for 2006 and 2007 are attached to the Final Report.

CASE NO. PUE-2005-00115
MARCH 13, 2008

APPLICATION OF
CAROLINE WATER COMPANY, INC. D/B/A LADYSMITH WATER COMPANY

For changes in rates, rules, and regulations

ORDER

On December 27, 2005, Caroline Water Company, Inc. d/b/a Ladysmith Water Company ("Caroline Water" or "Company") filed an Application for a Temporary Emergency Increase in rates ("Application") with the State Corporation Commission ("Commission"). On January 10, 2006, the Company filed a request that its Application be considered pursuant to the Small Water or Sewer Public Utility Act ("Act"), § 56-265.13:1 *et seq*. of the Code of Virginia ("Code"), rather than the emergency provisions of § 56-245 of the Code as originally filed.

On January 20, 2006, the Company filed a copy of its Notice of Changes in Rates, Charges, Rules, and Regulations for Service of the Ladysmith Water Company ("Notice") with the Clerk of the Commission. The Notice was mailed to the Company's customers on January 13, 2006.

On January 27, 2006, the Company filed a supplement to its Application ("Supplement"). The Supplement consisted of four pages providing rate of return information for the test period ended August 31, 2005, and was filed to satisfy the requirements of § 56-265.13:6 C of the Code.

On February 2, 2006, the Lake Caroline Property Owners Association, Inc. ("Association") filed a Notice of Participation. Therein, the Association requested that the Commission: (1) allow the Association to participate as a respondent; (2) suspend the proposed rates for 150 days from the date the Application was deemed complete; and (3) schedule an evidentiary hearing and establish a procedural schedule for discovery and the prefiling of testimony and exhibits.

On February 3, 2006, the Commission's Division of Energy Regulation ("Staff") filed a memorandum of completeness. For purposes of the Act, the Company's Application was deemed complete as of January 27, 2006.

On February 10, 2006, the Commission entered a Preliminary Order in which it assigned this matter to a Hearing Examiner to conduct all further proceedings, including determination of the pending request for hearing and suspension of rates. In the event a hearing was required, the Hearing Examiner was directed to schedule an expedited hearing, as provided by § 56-265.13:6 C of the Code; establish a procedural schedule; and provide notice to the Company's customers. The Commission's order further provided that any person desiring to participate in the proceeding as a respondent, as defined in Rule 5 VAC 5-20-80 B, should file a Notice of Participation with the Clerk of the Commission on or before February 24, 2006. Finally, the Commission granted the Association's request to participate as a respondent.

On February 14, 2006, the Company filed a Response to Request for Suspension of Rates. The Company argued its proposed rates should not be suspended because of the state of emergency that exists with its water treatment plant.

On February 17, 2006, the Association filed a Request for Hearing and Reply in Support of Suspension of Rates. Pursuant to § 56-265.13:6 A of the Code,[1] the Association filed the signatures of 561 customers requesting a hearing on the Company's proposed rate and tariff changes.

On February 27, 2006, the Company filed a Response to the Association's Request for Hearing and Reply in Support of Suspension of Rates. The Company joined in supporting the Association's request for an evidentiary hearing.

In a Ruling entered on February 28, 2006, the Hearing Examiner found the request of the Association and the Company for a hearing on an expedited basis should be granted. He further found the Association's request for a 150-day suspension of the Company's proposed rate and tariff changes should be granted, and the 150-day suspension should run from January 27, 2006, the date upon which the Company's Application was deemed complete under the Act.

On March 10, 2006, the Company filed a Motion for Suspension of Rate Suspension. In support thereof, the Company stated the Commission's Staff could not conduct an audit of the Company's books and records until the Company provided a trial balance as of December 31, 2005. The Company stated it could not provide the required trial balance until May 2006. The Company requested that upon completion and submittal of the trial balance by the Company, the suspension of the proposed rate and tariff changes could be reinstituted for the remainder of the original 150-day suspension period. In addition, with the submittal of the trial balance, counsel for the Company, after consultation with other counsel in this proceeding, would file a proposed procedural schedule with the Clerk of the Commission. Counsel for the Commission Staff and counsel for the Association had no objection to the Company's motion.

By Ruling entered on March 10, 2006, the Company's Motion for Suspension of Rate Suspension was granted. The suspension of the Company's rates was stayed until the Company submitted the trial balance as of December 31, 2005, and filed a proposed procedural schedule with the Clerk of the Commission.

The Company filed its updated financial statements on June 19, 2006, and a proposed procedural schedule on August 7, 2006.

At the request of counsel for the Staff, a pre-hearing conference was held on August 31, 2006, to address the procedural schedule in this case. At the conclusion of the conference, the Company was requested to file a revised procedural schedule, which it filed on September 8, 2006.

On September 8, 2006, the Association filed its Objections to the Company's Proposed Procedural Schedule.

By Ruling entered on September 11, 2006, the Examiner found: (1) the stay of the Company's rate suspension ended on August 7, 2006, the date the Company filed its first proposed procedural schedule; (2) the suspension of the Company's proposed rate and tariff changes ended on November 23, 2006; (3) the Company could place its proposed rate and tariff changes into effect on an interim basis on November 24, 2006; and (4) the revised proposed procedural schedule should be adopted.

On October 17, 2006, the Association filed a Motion to Modify the Procedural Schedule. The Association requested that certain dates for filing direct testimony and rebuttal testimony be amended because its consulting engineer was unable to visit the Company's water treatment plant as originally scheduled. No other party objected to the Association's proposed modifications to the procedural schedule. By Ruling entered on October 18, 2006, the Association's Motion to Modify the Procedural Schedule was granted and the procedural schedule was modified accordingly.

On November 21, 2006, the Staff filed a Motion to Vacate Effective Date of Interim Rate Increase ("Motion to Vacate"). In support, the Staff stated it had been unable to verify the escrow arrangements required by the Commission's February 10, 2006 Preliminary Order. The Staff requested that the

[1] Section 56-265.13:6 A of the Code provides that:

> Upon application to the Commission by at least 25 percent of all customers affected by a rate change or by 250 affected customers, whichever number is lesser, or by the small water or sewer utility itself, or by the Commission, upon its own motion, a hearing shall be held after at least 30 days' notice to the small water or sewer utility and to its customers. (Emphasis added).

Hearing Examiner make an immediate determination of the Company's non-compliance with the Examiner's Ruling of September 11, 2006, and vacate the November 24, 2006, effective date the interim rates were scheduled to take effect.

By Ruling entered on November 28, 2006, the parties were provided an opportunity to file a response to the Staff's Motion to Vacate.

On November 30, 2006, the Company filed its response to the Motion to Vacate and indicated it had not placed its proposed rate and tariff changes into effect on an interim basis and currently had no plans to do so. Additionally, the Company reserved the right to place its proposed rate and tariff changes into effect on an interim basis if a final order establishing rates is unduly delayed. In such circumstance, the Company stated it would comply with all Commission requirements regarding its interim rates. Finally, the Company had no objection to the Staff's Motion to Vacate being granted.

On December 1, 2006, the Association filed its Comments to the Staff's Motion. The Association concurred with the Staff's Motion to Vacate and agreed with the Company's decision not to place its rates into effect on an interim basis.

By Ruling entered on December 14, 2006, the Examiner found the Company could not place its proposed rate and tariff changes into effect on an interim basis until such time as it had complied fully with the Commission's February 10, 2006 Preliminary Order.

The evidentiary hearing was convened as scheduled on December 13, 2006. Kenworth E. Lion, Jr., Esquire, appeared on behalf of the Company. Brian R. Greene, Esquire, appeared on behalf of the Association. Don R. Mueller, Esquire, and Wayne N. Smith, Esquire, appeared on behalf of the Staff.

At the commencement of the hearing, three ratepayers gave public testimony. All three public witnesses support sufficient rate relief for the Company to fund needed improvements to the water system. Mr. Ray Scher, past president and treasurer of the Association, testified (as he said he had done also in the former rate case) to request installation of water meters. Mr. Randall Scott testified in support of a surcharge to fund installation of water meters. Mr. Scott also requested that the Commission take steps to assure that ordered improvements are made. Mr. Harry Gardner, a former member of the Association's board and budget committee, testified that the Company's proposed rates are too high, but supports an "appropriate" rate increase to fund needed improvements.

The Company then presented the testimony of its president and sole shareholder, Mr. William Seltzer, in support of its supplemental and amended Application.

The Association then presented testimony of Mr. Jerry Norville, former president and treasurer of the Association, Mr. Charles Reidlinger, providing engineering testimony for the Association, and Mr. Wayne D. Trimble, who provided testimony analyzing the Company's rate request.

The Staff presented testimony by Ashley W. Armistead, Jr., Principal Public Utility Accountant, who provided an overview of the Company's last rate case and addressed several items ordered in that case, as well as providing Staff's accounting testimony analyzing the current rate case. The Staff next presented the testimony of Marc A. Tufaro, Senior Utilities Analyst, who reviewed the Company's facilities and the Company's compliance with the last rate order, and made recommendations concerning the Company's proposed rates and rules changes.

The Company presented rebuttal testimony from Mr. Seltzer and Hugh Eggborn, Engineering Field Director for the Virginia Department of Health ("VDH"). The hearing was then adjourned.

On April 20, 2007, the Report of Michael D. Thomas, Hearing Examiner ("Report") was filed with the Commission.

The Commission issued Orders on May 8, 2007, and June 6, 2007, granting the Company, Association, and Staff extensions to file comments to the Report through June 26, 2007. On June 26, 2007, the Company filed Exceptions to Report. The Association filed Comments on June 26, 2007. The Staff filed a Response to the Report on June 26, 2007.

On August 8, 2007, the Commission issued an Order NUNC PRO TUNC that included in the case record the Hearing Examiner's December 14, 2006 Ruling which addressed the Staff's Motion to Vacate Effective Date of Interim Rate Increase.

On August 9, 2007, the Commission issued an Order which, among other things, froze the Company's rates and charges until further order and directed the Company to file a Preliminary Engineering Report ("PER") with the VDH within seventy-five days of the Order.[2]

On August 23, 2007, the Company filed a Petition for Reconsideration, requesting that the preliminary findings made in the Order of August 9, 2007, be reconsidered and revised.

On October 24, 2007, a copy of the Company's PER that was timely filed with the VDH was filed in the case by Staff.

On January 23, 2008, the Commission issued an Order to Receive Preliminary Engineering Report (PER) and Approval of PER into Evidence and Granting Leave to Comment ("January 23, 2008 Order") was issued.

On February 6, 2008, the Association filed comments on the Company's PER and filed a Motion to Direct the Company to Negotiate in Good Faith with the Caroline County Board of Supervisors and to Stay the Case at Least 60 Days ("Motion to Stay").

On February 21, 2008, the Company filed a Response to Comments and Motion of Lake Caroline Property Owners Association, Inc. ("Response"), which opposed the Association's Motion for a Stay of Proceedings.

[2] The Commission stated in its Order of August 9, 2007, "[i]t is clear from the record that Caroline cannot begin to comply with the Special Order until the Company submits a Preliminary Engineering Report ("PER") to VDH which contains detailed engineering plans and specifications of the capital improvements needed to satisfy the Special Order." (footnote omitted)

On February 29, 2008, the Association filed Reply Comments to the Company's Response opposing the Association's Motion to Stay. By its Reply Comments, the Association renews its request for the Commission to direct the Company to negotiate with the Board of Supervisors for Caroline County and to Stay these proceedings 60 days to allow negotiations for a bulk water purchase agreement between the Board of Supervisors of Caroline County and the Company.

The post-hearing pleadings are now closed. We begin our discussion of the record with a review of the Application.

The Company's witness Seltzer maintained that the Company was forced to bring this Application for rate relief to finance improvements to the water treatment facilities ordered by VDH after the Company was found in violation of VDH Waterworks Regulations.

At the hearing, Mr. Seltzer outlined the Company's violations of the VDH Waterworks Regulations which resulted in the VDH issuing Special Order No. 09-2005-(03) ("Special Order") on September 6, 2005.[3] The VDH Special Order provided a timetable within which the Company was to bring its facilities into compliance with VDH regulations. Mr. Seltzer testified that the Company could not comply with the timetable because of the need to fund additional improvements. Therefore, Mr. Seltzer testified that the Company appealed the VDH Special Order to the Circuit Court of Caroline County on November 8, 2005 (Ex. 4, at 2-3), wherein a stay of proceedings was granted by the Circuit Court.[4]

The Company requests approval of new rates, approval of proposed "lock box" financing for the improvements ordered by VDH and other expenses, and approval of proposed changes in its rules for service. The rate and financing requests were subject to revision by the Company throughout the presentation of its case and so we describe the Company's requested relief in full.[5]

Rate Request

By its Application, the Company initially requested an increase in revenues to be collected through a newly established "lock box" surcharge of $47.19 per month to be charged to its usage customers only.[6] The surcharge is requested to fund improvements to its water treatment facilities to cure the Company's violations of the VDH Waterworks Regulations as specified in the Special Order. The Company's president, Mr. Seltzer, then revised the surcharge request in his prefiled testimony to propose dividing the requested revenue increase into two components; a surcharge rate of $34.37 per month for the lock box financing of ordered improvements and an increase in the usage rate equal to $12.82 per month, which would increase the current usage rate of $38.07 to $50.89 per month to pay additional operating expenses.[7]

Mr. Seltzer further revised the Company's rate request in his rebuttal testimony (Ex. 13, p. 10) to seek an increase of $32.63 in the monthly usage rate and a surcharge for the lock box financing for new plant of $15.35.[8]

The Company did not file accounting testimony or audited financial statements in support of any of the described rate requests.[9] Therefore, in setting rates, we will rely on the accounting testimony of Staff witness Armistead, which included financial statements developed from his on-site audit of the Company's books and records and his analysis of the Company's revenues, expenses, taxes, and balance sheet accounts.[10]

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[3] Special Order No. 09-2005-(03) issued September 6, 2005 (Ex. 1, Vol. 2, VDH Special Order Vol. II, tab. 45).

[4] We note that the Company's rebuttal witness, Hugh Eggborn, Engineering Field Director for the VDH, testified that VDH actually agreed with the Company to let the appeal stay and be held in abeyance pending the outcome of this rate case. (Tr. 117, L. 18-22). Thus, it would appear that VDH is suspending efforts to prosecute enforcement of its Special Order pending disposition of this rate case.

[5] 5 VAC 5-20-130 ("Rule 130") of the Commission's Rules of Practice and Procedure states:

> No amendment shall be made to any formal pleading after it is filed except by leave of the commission, which leave shall be liberally granted in the furtherance of justice. The commission shall make such provision for notice and for opportunity to respond to the amended pleadings as it may deem necessary and proper.

Notwithstanding the Company's failure to seek leave to amend its rate requests, we note the company's customers were given full notice of the revisions through their counsel and participated fully throughout this case. The customers were represented by Association's counsel who cross examined the Company's witnesses. Therefore, we will consider the Company's rate request as amended and waive enforcement of Rule 130 in the interest of justice.

[6] The Company provides water service to approximately 2,200 lots in the Lake Caroline community in Caroline County and historically served approximately 906 usage customers and approximately 800 availability customers. (Report, 7).

[7] Seltzer prefiled testimony, Ex. 4, p. 4. The revised rate request was intended to support debt service to fund three million dollars for plant repairs and improvements through the "lock box" surcharge and $171,632 for additional salary expense for new employees, increased levels of operator proficiency, and executive management, through the $12.82 increase in the usage rate.

[8] The lower surcharge reflects a scale back of requested financing for capital improvements. As will be discussed, the capital improvements to be funded by the surcharge will be set by the Company's PER approved by VDH. (See also the Order issued August 9, 2007, at 3, stating: "VDH should first determine the precise plan of capital improvement necessary to comply with the Special Order."

[9] The Hearing Examiner concluded that the Company's accounting statements are unaudited compilations that should not be relied upon for ratemaking purposes. The Hearing Examiner found a major failing of the Company's management is its poor financial management and recordkeeping, involving multiple operating accounts, undocumented loans on the Company's books, past-due loans, undocumented expenses, and multiple record storage locations. (Report, 36).

[10] Staff witness Armistead describes his accounting review in his prefiled testimony. Ex. 10, p. 1. The Association's witness Trimble explained that he could not offer financial statements in his review of the case, in part because the Company has not produced complete and accurate financial records. (Report, 28).

Proposed Financing

Mr. Seltzer described his proposed "lock box" lender financing for plant improvements and consolidation of other debts in his prefiled testimony, as follows:

> In July, 2005, I completed negotiation of a funding agreement for financing the repairs and improvements required by the Department of Health. A copy of the funding agreement was enclosed at tab 26 in Volume I of Ladysmith's Application in this proceeding. The lender, whom I shall refer to as the "Funding Entity", was to lend Ladysmith approximately $4,750,000 through the sale of unrated bonds. The Funding Entity requires a first security position, a clean asset, and operating reserves. The loan amount includes $3,000,000 for plant repairs and improvements, $1,300,000 to refinance existing debt, $200,000 for financing costs, and $250,000 for debt service and operating reserves. The loan will be for a period of thirty years at a fixed interest rate equal to Bank of America prime plus 1% at closing. As a condition of the loan, the Funding Entity is requiring a "lock box" surcharge to cover projected debt service. If Ladysmith is unable to obtain Commission approval for the surcharge, the Funding Entity has reserved the right to deny funding for the project.

(Ex. 4 at 2).

The operation of the lock box arrangement was further described as:

> [A]n escrow collection arrangement whereby a third party assumes responsibility to receive and distribute monies under certain conditions, and accounting therefore. The two parties setting Lock Box terms are the Lender and the Borrower, and the revenues received by Lock Box are from water company customers. Checks are sent by customers to the designated escrow Lock Box. They are posted to respective accounts and deposited into an escrow account. The escrow agent divides the loan payments pro-rata for debt service and for all other operational costs. These are fixed sums every month and there will be no variation in customer bills once new Tariff is set and approved. The debt service will be in the form of a surcharge approved by the Commission. Customer may or may not be asked to send two checks depending on final arrangements. LWC [Company] anticipates that monthly surcharge will include principal amortization and interest. Once the escrow agreement is set, there is no question of control of the Lock Box. It is a fixed procedure with full accountability residing with the escrow agent, who submits monthly reports to both parties. If either party has questions, the escrow agent must satisfy inquiries. Location of the Lock Box has not yet [been] identified. We assume that a local bank in Richmond or Fredericksburg will be used, but it is Lender's choice.
>
> (Report, 46).

The Hearing Examiner reported that Mr. Seltzer was unaware that the Company could qualify for loans from the VDH Office of Water Programs, Revolving Loan Fund to make improvements in the system. Specifically, Mr. Seltzer was unaware that the VDH Special Order could qualify the Company for funding through the Revolving Loan Fund.[11] In the Company's Exceptions to Report of Hearing Examiner, it is reported the Company has applied for and is pursuing a VDH Revolving Fund loan.[12]

Rule Change

Because of a partial failure of the treatment plant filters, the Company states it is requesting in its application approval to add Rule 12(c) 4 and 5, which would allow the Company to prohibit use of sprinklers and filling of swimming pools by customers. Rule violations would result in immediate discontinuance of water services and a charge for reconnection.

Examiner Thomas provided in his Report a detailed history of the case, including a review of the Company's failed efforts to comply with the Commission's last rate order.[13] The Report summarized the record, and discussed: the accounting issues raised by the Company, Staff, and the Association; the issue of the proposed lock box financing versus the available VDH Revolving Loan Fund; the rate design issues, including the Association's meter-specific surcharge proposal to complete installation of customer meters; and the issues of setting rates for plant improvements ordered but which had not been finalized at the time of the hearing. Based upon the evidence received in the case but prior to the Commission's admission of the PER and VDH approval, Examiner Thomas made the following findings and recommendations:

> (1) the use of a test year ending December 31, 2005, is proper in this proceeding;
>
> (2) the best interests of the Company's customers would be served if the water system operations were assumed by the Lake Caroline Sanitary District;
>
> (3) the Company does not have the access to capital or the customer base to fund needed repairs to its system;

[11] (Report, 16).

[12] Exceptions, 8-9.

[13] The Commission takes judicial notice of the last rate order setting the Company's current rates, Case No. PUE-2002-00094, Order issued December 15, 2004.

(4) the Commission and the VDH should pursue a Memorandum of Understanding that would create a troubled company working group to coordinate the regulatory efforts of the two agencies;

(5) the Commission should require the Company to produce audited financial statements for 2003, 2004, and 2005;

(6) the Commission should require all future Company rate applications to be supported by audited financial statements;

(7) the Commission should direct the Company to make principal payments on the Barclays Bank loan;

(8) the Staff s treatment of the Company's federal income tax loss carry-forward is reasonable;

(9) the Company's cost of service should be computed using the 2006 IRS mileage reimbursement rate of $.445 per mile;

(10) the Company's rate case expense for this proceeding is unreasonable considering the apparent level of effort expended;

(11) a reasonable rate case expense for this case is $74,239 and this amount should be amortized over a period of three years;

(12) the rate case expense adjustment should be $6,038, rather than $4,289 recommended by the Staff;

(13) the Company's revenues should be based on 925 usage customers and 624 availability customers;

(14) the Staff's operations and maintenance expense adjustment is reasonable;

(15) the Staff's bad debt adjustment is reasonable;

(16) the Staff's contract management administration fee adjustment is reasonable;

(17) the Staff's non-recurring expense adjustment is reasonable;

(18) the salary expense for a third operator of $48,108 (salary, payroll taxes, and medical benefits) is reasonable and should be included in the Company's cost of service;

(19) the Company's salary expense adjustment of $32,432 for raises for its two current operators is unreasonable;

(20) the Company's salary expense for merit raises for its operators should increase at 5% of the midpoint of the Bureau of Labor Statistics range, or $1,883 per year per employee;

(21) the salary expense for a part-time clerical position of $21,545 (salary and payroll taxes) is reasonable and should be included in the Company's cost of service;

(22) the salary expense for a manager of $75,000 (salary, payroll taxes, and medical benefits) is reasonable and should be included in the Company's cost of service;

(23) the Staff's projected maintenance and repair expense adjustment is reasonable;

(24) the Staff's depreciation expense adjustment is reasonable;

(25) the Staff's taxes and taxes other expense adjustment is reasonable;

(26) the Staff's interest expense adjustment is reasonable;

(27) the Staff's statement of utility plant in service, accumulated depreciation, and CIAC are reasonable;

(28) the Commission should direct the Company to book the additional $90,000 in revenues collected for 2005 and 2006 as customer CIAC;

(29) the Staff's booking recommendations are reasonable;

(30) the Staff's surcharge and Lock Box recommendations are reasonable;

(31) the Company's proposed amendments to Rules 12(c) 4 and 5 are unreasonable and should be rejected by the Commission;

(32) the Lock Box escrow arrangement is a reasonable financial arrangement to ensure that any loan from the VDH Revolving Loan Fund or a commercial lender is repaid;

(33) the Commission should require the Lock Box escrow agent to be a financial institution licensed and doing business in the Commonwealth of Virginia;

(34) the Commission should require that the Staff have the ability to audit the Lock Box escrow account;

(35) the Commission should impose no bond requirement on the Lock Box escrow arrangement;

(36) the Commission should direct the Company to apply to the VDH Revolving Loan Fund first, and only if it is rejected, should the Company be permitted to pursue financing from a commercial lender;

(37) the Commission should apportion any rate increase that might result from the adjustments recommended herein among the Company's usage and availability customers in the same manner as in the Company's previous rate case;

(38) the Commission should apportion any surcharge for system improvements to the Company's usage and availability customers in the same manner as the Company's rates are apportioned;

(39) the Commission should apportion the $450,000 estimated cost to install meters solely to the Company's usage customers for determining the amount of any surcharge;

(40) the Commission should approve a surcharge for system improvements of $4.98 per month for the Company's availability customers, and $14.11 per month for the Company's usage customers;

(41) the Commission should approve a base rate of $14.29 per month for the Company's availability customers, and $42.80 per month for the Company's usage customers; and

(42) the Commission should consider appointing a member of the Division of Energy Regulation staff as a Special Master to assist the Company with completing the required improvements in its water treatment system, and complying with the Commission's final order in this case.

Examiner Thomas recommended that usage customers (now charged $38.07 monthly) be charged a base rate of $42.80 monthly for usage and a surcharge of $14.11 monthly for a total monthly amount of $56.91. Examiner Thomas also recommended that availability customers (now charged $12.07 monthly) be charged a base rate of $14.29 monthly for availability and a $4.98 surcharge monthly for a total monthly amount of $19.28.

The Company's exceptions to the Report chiefly address the Hearing Examiner's adoption (with modification) of the Association's engineering plan for repair and cost estimates (Report, 47) and the recommendation that rates be set to fund this lesser amount as opposed to the funding requested by the Company. The remainder of Company's exceptions concern: remarks in the Report which the Company characterized as prejudicial and unwarranted; the recommendation that the Company only be permitted to pursue financing from its commercial (lock box) lender if and when it is rejected by the VDH Revolving Loan Fund; and failure to include in the recommended rates the Company's third year of amortized rate case expense in the approximate amount of $30,000. Other specific objections are offered by the Company's accountants and engineer in attachments. We will not consider these attachments to the Company's exceptions, which we deem to be proffered expert testimony for which leave has not been granted for such submission.

The Association's comments take exception to the Report's recommendation of rates to support yearly compensation of $75,000 for a new manager, $48,101 to hire a third operator, and $21,545 to hire a part-time clerk. The Association requests that the recommended inclusion of $3.50 monthly in the usage surcharge for installation of meters be stayed pending the outcome of outside litigation between the Association and the Company. The Association requests that the Commission address potential safeguards for the Association such as a future acquisition adjustment in the event of the utility's sale. The Association requests that the Commission not implement or encourage finding and recommendation no. 2 (to wit: *the best interest of the Company's customers would be served if the water system operations were assumed by the Lake Caroline Sanitary District).*

The Staff's response to the Report takes exception to the Examiner's recommendations to fund improvements to the water system without evidence of an approved PER. The Staff also takes exception to the Examiner's recommendation to fund $75,000 to hire a manager.

NOW THE COMMISSION, having considered the record in this case, the Report and all exceptions thereto and the applicable law, makes the following findings of fact and conclusions of law.

We determine that there is no objection to the PER and VDH approval documents being admitted into evidence, and find that these documents, pursuant to the January 23, 2008 Order should now be received into the evidence of record. We will next address the pending motions of the parties.

The Company's Petition for Reconsideration filed August 23, 2007, addresses the Commission's preliminary findings made in its Order of August 9, 2007. As a matter of pleading, the Petition for Reconsideration is only available for final judgments, orders, and decrees of the Commission, pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure. The Order of August 9, 2007, is clearly not such a final judgment, order, or decree. Accordingly, the Company's Petition for Reconsideration is denied as contrary to Rule 220.

The Association's Motion to Direct the Company to Negotiate in Good Faith with the Caroline County Board of Supervisors and to Stay the Case at Least 60 Days, filed February 6, 2008, is denied with respect to staying the proceeding and directing the Company to negotiate with Caroline County Board of Supervisors. This presents matters outside the record of the case. We decline also to direct modification of the PER, which has been approved by VDH. The balance of the Association's Motion, which seeks to require the Company to seek low interest funding, is provided for by our findings below.

The Commission is of the opinion and finds that the findings and recommendations of the Report should be adopted in part and with modifications as found below.

The Commission finds that the Company is required by the Special Order to make improvements to its water utility system in accordance with the approved PER as quickly as possible. This is the regulatory requirement of the VDH as testified by Company's rebuttal witness Eggborn.[14] There is no indication that the VDH intends to modify its Special Order or direct the Company to enter into a bulk water purchase contract with the Board of Supervisors for Caroline County as sought by the Association. Therefore, the Commission finds that the Examiner's recommended rates should be recalculated to fully fund the improvements described in the approved PER and the installation of meters.

The Commission further finds that the Company's request for approval of its proposed financing through a commercial "Lock Box" lender should be denied and that the Company should be directed to immediately apply to the VDH Revolving Loan Fund for financing of the approved PER in the amount of $2,635,000[15] and $450,000 for meters.[16] The Commission will order that the Company establish a lock box escrow agent to administer the funding of a VDH Revolving Loan Fund as recommended by the Hearing Examiner. The lock box escrow agent will also administer the funding of the $450,000 recommended by the Hearing Examiner for installation of customer meters to be collected from the usage customers' surcharge. The lock box should be administered by a financial institution chartered in Virginia. The lock box structure and requirements should be submitted to the Commission for review within 60 days from this Order. The utility bills for all of the Company's customers should be paid through the lock box escrow agent.

The Commission is advised by its Staff that the interest rate charged on such VDH Revolving Loan Fund loans should approximate four (4) percent per annum and that the term will likely be 20 years. Therefore, the debt service used in the recalculation of the Examiner's recommended surcharge rates is based on this information.[17]

The Commission remains concerned with the Company's failure to write off its books the debt previously disallowed in the Company's last rate case. The Company has not substantiated the need for the disallowed loans to Mr. Seltzer and American Utilities.[18] The Company should write disallowed debts off its regulatory books immediately.

Consistent with our findings above, the Examiner's finding and recommendations (2), (40), and (41) are not accepted. Because we have concluded that the Company is eligible for a VDH Revolving Loan, we do not agree with the Hearing Examiner's finding (3) that the Company does not have access to capital or the customer base to fund needed repairs to the system. While the Commission shares the Hearing Examiner's concern regarding the Company's poor recordkeeping, we will not require the Company to produce audited financial statements for 2003, 2004, and 2005 pursuant to Hearing Examiner recommendation (5). Nor will we require that future rate applications be supported by audited financial statements. We do, however, expect that accurate, adequate, and well organized records be maintained forthwith. The Commission accepts the following Examiner's findings and recommendations, consistent with our findings, which are restated below.

(1) the use of a test year ending December 31, 2005, is proper in this proceeding;

(7) the Commission should direct the Company to make principal payments on the Barclays Bank loan;

(8) the Staff s treatment of the Company's federal income tax loss carry-forward is reasonable;

(9) the Company's cost of service should be computed using the 2006 IRS mileage reimbursement rate of $.445 per mile;

(10) the Company's rate case expense for this proceeding is unreasonable considering the apparent level of effort expended;

(11) a reasonable rate case expense for this case is $74,239 and this amount should be amortized over a period of three years;

(12) the rate case expense adjustment should be $6,038, rather than $4,289 recommended by the Staff;

(13) the Company's revenues should be based on 925 usage customers and 624 availability customers;

(14) the Staff's operations and maintenance expense adjustment is reasonable;

(15) the Staff's bad debt adjustment is reasonable;

(16) the Staff's contract management administration fee adjustment is reasonable;

[14] Exhibit 5, p.1.

[15] This is the total amount from the Schedule of Project Components given in the PER following Final Recommendations.

[16] This amount for meters is based upon the Hearing Examiner's recommendation (39).

[17] This calculation is subject to true-up based on the actual term and interest rate as provided hereinbelow.

[18] Report, 29-30.

(17) the Staff's non-recurring expense adjustment is reasonable;

(18) the yearly salary expense for a third operator of $48,108 (salary, payroll taxes, and medical benefits) is reasonable and should be included in the Company's cost of service;

(19) the Company's salary expense adjustment of $32,432 for raises for its two current operators is unreasonable;

(20) the Company's salary expense for merit raises for its operators should increase at 5% of the midpoint of the Bureau of Labor Statistics range, or $1,883 per year per employee;

(21) the yearly salary expense for a part-time clerical position of $21,545 (salary and payroll taxes) is reasonable and should be included in the Company's cost of service;

(22) the yearly salary expense for a manager of $75,000 (salary, payroll taxes, and medical benefits) is reasonable and should be included in the Company's cost of service;

(23) the Staff's projected maintenance and repair expense adjustment is reasonable;

(24) the Staff's depreciation expense adjustment is reasonable;

(25) the Staff's taxes and taxes other expense adjustment is reasonable;

(26) the Staff's interest expense adjustment is reasonable;

(27) the Staff's statement of utility plant in service, accumulated depreciation, and CIAC are reasonable;

(28) the Commission should direct the Company to book the additional $90,000 in revenues collected for 2005 and 2006 as customer CIAC;

(29) the Staff's booking recommendations are reasonable;

(30) the Staff's surcharge and Lock Box recommendations are reasonable;

(31) the Company's proposed amendments to Rules 12(c) 4 and 5 are unreasonable and should be rejected by the Commission;

(32) the Lock Box escrow arrangement is a reasonable financial arrangement to ensure that any loan from the VDH Revolving Loan Fund or a commercial lender is repaid;

(33) the Commission should require the Lock Box escrow agent to be a financial institution licensed and doing business in the Commonwealth of Virginia;

(34) the Commission should require that the Staff have the ability to audit the Lock Box escrow account;

(35) the Commission should impose no bond requirement on the Lock Box escrow arrangement;

(36, as modified to direct application only to the VDH Revolving Loan Fund) the Commission should direct the Company to apply to the VDH Revolving Loan Fund;

(37) the Commission should apportion any rate increase that might result from the adjustments recommended herein among the Company's usage and availability customers in the same manner as in the Company's previous rate case;

(38) the Commission should apportion any surcharge for system improvements to the Company's usage and availability customers in the same manner as the Company's rates are apportioned; and

(39) the Commission should apportion the $450,000 estimated cost to install meters solely to the Company's usage customers for determining the amount of any surcharge.

The Commission takes under advisement the Examiner's finding and recommendations (4) and (42).

Based upon our determinations, the Commission finds that the Company's usage customers' base rate should be $43.20 and the usage customers surcharge should be $17.17, totaling $60.37 monthly. The Company's availability customers' monthly base rate should be $13.70 and the availability customers' surcharge should be $4.51, totaling $18.21 monthly.

The Commission finds that the surcharges approved for usage and availability customers should be given interim approval, subject to true-up upon approval of the VDH Revolving Loan, and not take effect until the Company's VDH Revolving Loan is finalized and the Company has filed a lock box escrow loan arrangement that has been approved by the Commission.

The Company should be directed to file a verified monthly report of action in this case detailing the Company's compliance with all directives contained in this Order. The first monthly report is due within 30 days from the date of this Order and shall continue until further order of the Commission.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the Commission's January 23, 2008 Order and the findings above, the Company's PER and VDH approval are hereby admitted into the record of this case.

(2) The Company's Petition for Reconsideration is hereby denied, consistent with the findings above.

(3) The Association's Motion to Direct the Company to Negotiate in Good Faith with the Caroline County Board of Supervisors and to Stay the Case for at Least 60 Days is hereby denied, consistent with the findings above.

(4) The findings and recommendations of the April 20, 2007 Hearing Examiner's Report are hereby adopted in part and modified in part, consistent with our findings above.

(5) The Commission takes under advisement Hearing Examiner's recommendations (4) and (42) in the Report.

(6) Ordering Paragraph (4) of the Commission's Order of August 9, 2007, freezing rates and charges, is hereby cancelled.

(7) Caroline Water is hereby authorized to increase its base rate for its usage customers from $38.07 to $43.20 monthly, effective on the date of this Order.

(8) Caroline Water is hereby authorized on an interim basis to apply a surcharge of $17.17 for its usage customers, to become effective upon further order of the Commission as provided in the findings above.

(9) Caroline Water is hereby authorized to increase its base charge for its availability customers from $12.07 to $13.70 monthly effective on the date of this Order.

(10) Caroline Water is hereby authorized on an interim basis to apply a surcharge of $4.51 for its availability customers, to become effective upon further order of the Commission as provided in the findings above.

(11) Caroline Water shall promptly file revised tariffs and terms and conditions of service with the Division of Energy Regulation that reflect the rates and charges approved herein.

(12) Caroline Water is hereby ordered to complete an application to the VDH Revolving Loan Fund to borrow the full amount of $2,635,000 necessary to make the facility improvements called for in the Special Order and as described in the PER approved by VDH and for $450,000 for installation of meters. The Company is ordered to file with the VDH Revolving Loan Fund such application no later than March 28, 2008, and to transmit contemporaneously a copy of the filed application to the Division of Energy Regulation.

(13) Caroline Water is hereby ordered to file for approval in this case within 60 days from the date of this Order a lock box escrow arrangement for the receipt of all customer revenues approved with a financial institution chartered in Virginia.

(14) Caroline County shall file a verified monthly report of action in this case detailing the Company's compliance with all directives contained in this Order. The first monthly report is due within 30 days from the date of this Order and shall continue until further order of the Commission.

(15) All surcharges approved hereinabove shall not take effect until after the actual VDH Revolving Loan to Caroline Water is approved and finalized and the Commission approves the Company's lock box escrow arrangement by further order. Prior to the surcharges taking effect, the Company shall file with the Commission a recalculation of the surcharge based upon the customer count from the month preceding the filing and any true-up based upon the actual VDH Revolving Loan funding.

(16) The surcharges shall be recalculated by the Company on a quarterly basis to account for changes in the Company's customer counts. The Company shall file updated tariff sheets and workpapers directly with the Commission's Division of Energy Regulation.

(17) The Company's request for approval of its proposed Rule 12(c) 4 and 5 is hereby denied.

(18) This case is hereby continued for further order of the Commission.

CASE NO. PUE-2006-00020
JANUARY 15, 2008

APPLICATION OF
DUKE ENERGY VIRGINIA PIPELINE COMPANY F/K/A VIRGINIA GAS PIPELINE COMPANY

For an Annual Informational Filing for the calendar year ending December 31, 2005

ORDER ADOPTING STAFF RECOMMENDATIONS AND DISMISSING PROCEEDING

On February 23, 2006, Duke Energy Virginia Pipeline Company f/k/a Virginia Gas Pipeline Company (the "Company," "Virginia Pipeline," or "Duke Energy"), by counsel, filed a Motion with the Clerk of the State Corporation Commission ("Commission") requesting an extension of time until September 1, 2006, in which to file its Annual Informational Filing ("AIF") for the calendar year ending December 31, 2005, with the Commission.

In support of its request, Duke Energy explained that it required an extension of time in which to file its AIF because it had only recently received the information from AGL Resources Inc. ("AGLR"), the Company's former parent, necessary to prepare its AIF. The Company maintained that the information received from AGLR was voluminous and would take time to be assimilated into the systems of Duke Energy Gas Transmission, LLC ("DEGT"), the Company's current parent, so that DEGT's accounting personnel could prepare the Company's AIF for 2005. The February 23, 2006 Motion advised that the Commission Staff did not oppose Duke Energy's request for an extension of time to file its AIF.

On March 7, 2006, the Commission entered an Order that docketed the case, granted Duke Energy's Motion, and granted the Company an extension to September 1, 2006, in which to file its AIF for the period January 1, 2005, through December 31, 2005.

On July 17, 2006, Duke Energy, by counsel, filed a second Motion for extension and asked that the time in which it had to file its AIF herein be extended from September 1, 2006, to October 31, 2006. Duke Energy advised in this Motion that although it had received accounting data from AGLR, it had not had an opportunity to review and properly record the information provided by AGLR to determine if the data was complete. Counsel for Duke Energy represented that it was authorized to state that the Commission Staff did not oppose Duke Energy's request for an additional extension of time in which to file its AIF.

On July 27, 2006, the Commission entered an Order granting the Company an extension of time from September 1, 2006, to October 31, 2006, in which to file its AIF for the twelve-month period ending December 31, 2005.

Duke Energy delivered its 2005 AIF to the Commission on October 31, 2006. The Staff reviewed this AIF, determined it to be incomplete, and notified the Company by letter dated November 7, 2006, of the items necessary to complete the AIF and bring it into compliance with the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rate Case Rules").

On February 22, 2007, following discussions with the Commission Staff, the Company, by counsel, filed a Motion requesting a waiver of Rule 20 VAC 5-200-30 of the Rate Case Rules so that the Company could complete its application. According to the Company's Motion, it provided revised calculations to column 6 of Schedule 3, consisting of a two-quarter average, namely December 31, 2004, and December 31, 2005, for Duke Energy and Duke Capital, LLC ("Duke Capital"). Duke Energy explained that revised Schedules 9, 12, and Schedule 21B were also attached to its Motion, and that revisions to these Schedules were necessary as a result of the changes to Schedule 3 of its AIF. The Company requested that the Commission grant Duke Energy's waiver request, permit the revised schedules to be received for purposes of this filing only, and, by doing so, deem its AIF complete.

On March 2, 2007, the Commission entered an Order Granting Waiver wherein, among other things, the Commission accepted revised Schedules 3, 9, 12, and 21B, and deemed Duke Energy's AIF complete as of the date of the March 2, 2007 Order.[1]

On November 16, 2007, the Staff filed its Report on Duke Energy's AIF. That Report included both financial and accounting analyses. In its discussion of Duke Energy's capital structure, the Staff noted its preference to use the capital structure of the entity that raised debt capital in capital markets for the public utility when analyzing a public utility's capital structure for an AIF because such a capital structure is subject to market constraints and scrutiny. Staff reported that AGLR was the entity to access capital for Duke Energy through July 2005, but that Duke Capital, the intermediate parent holding company of DEGT, was the entity that accessed the capital market on behalf of the Company beginning in August 2005, after the Company was acquired by DEGT.[2] Staff, therefore, used Duke Capital's consolidated capital structure in its Report because, according to Staff, this capital structure provided a more relevant perspective on Duke Energy's cost of capital on a going forward basis. Staff commented that Duke Capital's test year consolidated ratemaking capital structure indicated an equity ratio of 56.787% and produced an overall cost of capital of 10.783%. Staff cautioned that it may need to

[1] In granting the Company's February 22, 2007 Motion, the Commission opined that the waiver of its Rate Case Rules granted by the March 2, 2007 Order was not to be cited as precedent in this or other proceedings for which waivers were sought and did not bind the Staff, any party, or the Commission in this or future proceedings where similar issues could be raised. The Commission explained that its grant of a waiver recognized that the ownership of Virginia Pipeline was transferred to DEGT during 2005, the test year for this AIF, and was granted to accommodate the Company's special circumstances as a result of that transfer.

[2] See Joint Petition and Application of Duke Energy Corporation, Duke Energy Gas Transmission, LLC, Duke Energy Saltville Gas Storage LLC and AGL Resources Inc., NUI Corporation, Virginia Gas Company, NUI Saltville Storage Inc., Virginia Gas Pipeline Company, Virginia Gas Storage Company, Saltville Gas Storage Company LLC, For approval of an affiliates agreement under Chapter 4 of Title 56 of the Code of Virginia and for approval of change of control under Chapter 5 of Title 56 of the Code of Virginia, and for such other relief as may be necessary under the law, Case No. PUE-2005-00043, 2005 S.C.C. Ann. Rep. 438 (July 29, 2005 Final Order).

reevaluate the ratemaking capital structure for the Company in Duke Energy's next AIF, since Duke Capital was spun off from Duke Energy Corporation in 2006, and reorganized as Spectra Energy Capital, LLC.[3]

In its accounting analysis, Staff reported that it made corrections to per books amounts in the Company's Earnings Test, fully adjusted Rate of Return Statements, and fully adjusted Rate Base Statement. Staff also made revisions to the following Company per books figures: Total Company and Virginia jurisdictional interest expense, Virginia jurisdictional depreciation and amortization expense, federal and state income tax expense, taxes other than income taxes, and gas plant in service.

Further, the Staff Report discussed additional accounting adjustments and revisions to Duke Energy's cost of service, as well as Staff's earnings test analysis. Staff concluded that its analysis of the Company's earnings test reflected a return on common equity of 2.37% after all adjustments and that, therefore, no acceleration of the amortization related to the abandonment of Segment 5 of Duke Energy's intrastate natural gas pipeline in Virginia, i.e., the P-25 pipeline, was necessary. Based on the Company's adjusted jurisdictional returns for the test year, Staff recommended that the Commission take no action on the Company's base rates and further recommended that there be no accelerated amortization of the regulatory asset associated with the abandonment of Segment 5 of the P-25 pipeline.

On December 14, 2007, the Company filed a letter advising that it did not intend to offer comments in response to the Staff Report.

NOW UPON CONSIDERATION of the Company's AIF, the November 16, 2007 Staff Report, Duke Energy's December 14, 2007 letter, and the applicable statutes, the Commission is of the opinion and finds that the Staff's recommendations and revisions to the Company's cost of service set out in the November 16, 2007 Staff Report are reasonable and should be adopted. Additionally, we find that there should be no acceleration of the amortization related to the regulatory asset associated with the abandonment of Segment 5 of Duke Energy's intrastate pipeline; that no action should be taken with regard to Duke Energy's rates, fees, and charges for natural gas service; and that the captioned application should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) Consistent with the findings made herein, the Staff's recommendations and revisions to Duke Energy's cost of service, including Staff's recommendations concerning the accounting adjustments, capital structure, and cost of capital for the Company set out in the November 16, 2007 Staff Report, are hereby adopted.

(2) There shall be no acceleration of the amortization of the regulatory asset associated with the abandonment of Segment 5 of the P-25 pipeline, based on the results of the Staff's earnings test prepared for the test period ending December 31, 2005.

(3) There being nothing further to be done in this proceeding, this application shall be dismissed from the Commission's docket of active cases, and the papers filed herein shall be placed in the Commission's file for ended causes.

[3] See Petition of Duke Energy Corporation, Gas SpinCo, Inc., Duke Energy Virginia Pipeline Company and Duke Energy Early Grove Company, For approval of a change of control through spin-off pursuant to Chapter 5 of Title 56 of the Code of Virginia, Case No. PUE-2006-00083, 2006 S.C.C. Ann. Rep. 471 (Oct. 2, 2006 Order Granting Approval).

CASE NO. PUE-2006-00091
APRIL 8, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER

For a certificate of public convenience and necessity for facilities in Stafford County: Garrisonville 230 kV Transmission Line and 230 kV-34.5 kV Garrisonville Switching Substation

FINAL ORDER

On August 30, 2006, 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 Certification of Electric Facilities: Garrisonville 230 kV Transmission Line and 230 kV-34.5 kV Garrisonville Switching Substation ("Application"). Dominion proposes to construct and operate a 230 kV transmission line from a point on its existing Possum Point – Fredericksburg 230 kV Line. The line would extend for approximately five miles to a new Garrisonville Switching Substation. The substation would be located in the vicinity of Shelton Shop Road and Mountain View Road.

On September 25, 2006, the Commission issued an Order for Notice and Hearing that directed Dominion to publish public notice of its Application, established a procedural schedule, set hearing dates to receive public comment and evidence, and appointed a Hearing Examiner to conduct all further proceedings.

On February 27, 2007, Dominion Virginia Power filed a Motion for Leave to File Underground Alternative Supplement, Request Department of Environmental Quality ("DEQ") Coordinated Review, Revise Procedural Schedule, and Address Notice Issues ("Motion"). The Company attached to its Motion an Underground Alternative Supplement which presented the underground alternative as part of the Company's direct case to be considered along with its other proposals.

By Hearing Examiner's Ruling entered on March 22, 2007, Dominion's request for leave to file its Underground Alternative Supplement was granted, a revised procedural schedule was adopted, and the Company was directed to provide notice of its proposed underground transmission line alternative to the public.

The evidentiary hearing was convened as scheduled on July 11, 2007, and was completed on July 13, 2007. Stephen H. Watts, II, Esquire; Kristian Mark Dahl, Esquire; and Vishwa B. Link, Esquire, appeared on behalf of Dominion. William H. Chambliss, Esquire; and Wayne N. Smith, Esquire, appeared on behalf of the Commission's Staff ("Staff"). Michael J. Quinan, Esquire; Edward L. Petrini, Esquire; and Joseph L. Howard, Jr., Esquire, appeared on behalf of Stafford County. John W. Montgomery, Esquire; and Holly Hazard, Esquire, appeared on behalf of Towering Concerns, Inc. ("Towering Concerns"). Brian R. Greene, Esquire, appeared on behalf of Brookstone Homes at Berkshire, Inc. ("Brookstone Homes").[1] Post-hearing briefs were filed by Dominion, the Staff, Stafford County, and Towering Concerns.[2]

On December 12, 2007, Hearing Examiner Michael D. Thomas filed a Report that summarized the record, analyzed the evidence and issues in this proceeding, and made certain findings and recommendations ("Hearing Examiner's Report"). As related by the Hearing Examiner, the record included statements of 97 public witnesses who testified at the public hearings in Stafford County on January 25, 2007, and February 6, 2007.[3] Written comments were submitted by approximately 808 individuals from October 24, 2006, through May 29, 2007.[4] The Hearing Examiner stated that of those total written comments, 799 were opposed to Dominion's proposed overhead alternative, and 9 were in favor of the overhead alternative.[5] He further noted that the vast majority of those opposed to Dominion's overhead alternative believe the negative impacts of the line could be mitigated by undergrounding the line.[6]

The Hearing Examiner's Report included the following findings:[7]

1. The Company met its burden of establishing the need to provide additional electricity to its Garrisonville load area, and the need to provide reliable electric service to its customers;

2. The demand for electricity in the Garrisonville area would best be served by a new 230 kV transmission line running from Aquia Harbour to Garrisonville and the construction of a new Garrisonville Switching Station;

3. To the extent that DEQ's recommendations are applicable to the Company's Garrisonville project, and are not otherwise covered by a permit, law, regulation, or approval, the DEQ recommendations are reasonable;

4. Underground Option 1 is the only underground option that has the same performance characteristics as the Company's overhead alternative, and offers the same reliability and redundancy as the Company's overhead alternative;

5. The Commission should issue the Company a certificate of public convenience and necessity to construct underground Option 1 as an XLPE pilot project;

6. In the alternative, if the Commission rejects the foregoing finding, the Commission should issue the Company a certificate of public convenience and necessity to construct an overhead 230 kV transmission line on galvanized steel monopoles in the center of the right-of-way;

7. The Commission should retain its own experts and conduct a study of the impact of overhead transmission lines on real estate values and develop a methodology for use in Commission cases by which any impact could be analyzed and valued;

8. Dulled steel monopoles and non-reflective conductors will do little to mitigate the visual impact of an overhead transmission line and do not justify the additional expense;

9. There is no need to incur the additional cost of pulling the lead line by helicopter;

10. The Company should locate its monopoles to minimize the impact on the Austin Ridge Park, the Autumn Ridge Subdivision, as well as the athletic fields at the various schools and any other recreational areas;

11. The Company should be required to develop and file with the Commission, a detailed right-of-way clearing plan that follows Federal Energy Regulatory Commission guidelines and addresses future maintenance of the right-of-way;

12. To ensure adherence to the right-of-way clearing plan, the Commission should require the Company to have one of its foresters, or a contract forester or arborist, supervise the day-to-day operations of its clearing contractor; and

13. The Commission should advise the parties in its final order that its approval of this project as an underground pilot project in no way establishes a precedent for future transmission lines in the subject right-of-way.

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[1] Hearing Examiner's Report at 3.

[2] *Id.*

[3] *Id.* at 4.

[4] *Id.* at 3.

[5] *Id.*

[6] *Id.* at 4.

[7] *Id.* at 57-58.

On January 2, 2008, Dominion, Brookstone Homes, Towering Concerns and Stafford County filed comments on the Hearing Examiner's Report. On January 3, 2008, Rappahannock Electric Cooperative ("REC") filed a Motion to File Comments Out of Time and Comments on the Report.

NOW THE COMMISSION, having considered the record, the pleadings, the Hearing Examiner's Report, the comments filed in response thereto, and the applicable law, is of the opinion and finds as follows.

We conclude that the public convenience and necessity require construction of the proposed line and the Garrisonville Switching Substation as provided for and subject to the requirements set forth in this Final Order.

REC

We deny REC's Motion to File Comments Out of Time and therefore will not consider its late-filed comments herein. The Commission must decide this case on the evidence properly presented in the record. REC is not a party to this proceeding; REC did not file a notice of participation in accordance with the public notices provided in this case. Our consideration of REC's untimely comments would unreasonably prejudice the Company and other participants in the case, and we do not find that accepting these comments is necessary to serve the ends of justice in this proceeding.[8] We encourage the participation of all interested persons and entities in Commission proceedings. We must, however, ensure that our procedures remain fair to the applicant and to those who participate in accordance with the Commission's orders and regulations.

Code of Virginia

Section 56-265.2 A of the Code of Virginia ("Code") provides that '[i]t 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 A of the Code directs the Commission to consider several factors in reviewing proposed new facilities. It provides:

> 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 (i) shall consider the effect of the proposed facility on economic development within the Commonwealth and (ii) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code requires the Commission to: (i) ensure that notice of the proposed facilities is provided to the public, local governments, and owners of property within the transmission line's route; (ii) determine that the transmission line is needed; and (iii) determine that the proposed route will reasonably minimize adverse impact on scenic assets, historic districts, and the environment.

Section 56-46.1 C of the Code directs 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."

Section 56-259 C of the Code states 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 right-of-way."

Section 56-46.1 E of the Code states that "[i]n the event that . . . it appears to the Commission that consideration of a route or routes significantly different from the route described in the notice is desirable, the Commission shall cause notice of the new route or routes to be published and mailed . . . ."

Section 56-46.1 F of the Code states that "[a]pproval of a transmission line . . . shall be deemed to satisfy the requirements of § 15.2-2232 and local zoning ordinances with respect to such transmission line."

Need

We find that additional transmission facilities and the Garrisonville Switching Substation are needed to serve the Garrisonville Load Area. We agree with the Hearing Examiner that the Company met its burden of establishing the need for additional facilities in its Garrisonville load area to provide reliable electric service to its customers. The Hearing Examiner also explained that without an additional source of supply, the Company would be unable to meet its projected peak demand during the summer of 2009.[9]

Proposed Facilities

We find that the demand for electricity in the Garrisonville area would best be served by a new 230 kV transmission line running from Aquia Harbour to Garrisonville and the construction of a new Garrisonville Switching Station. The Company and Staff examined and presented other alternatives to satisfy load growth in the Garrisonville area, but we find that the Company's transmission alternative reasonably addresses the need to provide additional distribution in the Garrisonville area, provide reliable electric service to its customers, and integrate the Company's 230 kV transmission system in the Northern Virginia region.

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[8] *See* Rule 5 VAC 5-20-10; *Application of CPV Warren, LLC, For a certificate of public convenience and necessity for electric generation facilities in Warren County, Virginia*, Case No. PUE-2002-00075, 2003 S.C.C. Ann. Rept. 365.

[9] Hearing Examiner's Report at 50.

Underground Alternative

The Hearing Examiner notes that the primary issue related to the underground alternatives is the cost differential between the overhead alternative at $14.16 million and underground Option 1 at $82.30 million, a $68.14 million difference.[10] To address the cost and visual impact issues, the Company proposes treating the Garrisonville project as an underground XLPE pilot project, which would allow the cost to be recovered through the ratemaking process. The Company states "[t]he prospect of gaining further experience and familiarity with the construction, operation and performance of XLPE technology through a much larger underground project . . . could justify incurring the $68 million additional cost of underground construction for the Garrisonville Project and recovering it from the broad range of the Company's customers."[11] According to the Company, if the costs are apportioned across the Company's entire rate base, underground Option 1 would add approximately $0.10 to every Dominion residential customer's monthly bill. On a percentage basis, bills would increase approximately 0.10%.[12]

We agree with the Hearing Examiner and find that the Commission should issue the Company a certificate of public convenience and necessity to construct underground Option 1 as an XLPE pilot project. The Hearing Examiner found, and the Company agreed, that "underground Option 1 is the only underground option that has the same performance characteristics as the Company's overhead alternative and offers the same redundancy and reliability as the Company's overhead alternative."[13] We have reviewed and fully considered the alternatives proposed by the Company, Stafford County and Towering Concerns and find that the Company's Option 1 meets its need to maintain adequate reliability of service, while satisfying the legal standards of §§ 56-265.2 A and 56-46.1 of the Code.

Finally, we emphasize that our approval of this project as an underground pilot project, and the rate treatment afforded thereto, in no way establishes a precedent for future transmission lines, either in the subject right-of-way or elsewhere.

Existing Rights-of-Way

Under § 56-46.1 of the Code, Dominion is required to provide adequate evidence that existing rights-of-way cannot adequately serve its needs. According to the Company, it acquired the right-of-way to be used for this project in the 1960s for the express purpose of constructing facilities to meet its public service obligation, namely the construction, operation and maintenance of electric transmission facilities.[14] Dominion states that the existing 335-foot right-of-way between the Garrisonville Substation site and Line #252 is not only adequate, it is empty of transmission facilities and can easily accommodate the proposed facilities.[15] Having concluded, pursuant to § 56-265.2 A of the Code, that the public convenience and necessity require construction of the proposed line as approved in this Final Order, we likewise conclude that the transmission line – along the existing right-of-way as ordered herein – is required by the public interest.

DEQ Recommendations

We agree with the Hearing Examiner and find that to the extent that DEQ's recommendations are applicable to the Company's Garrisonville project, and are not otherwise covered by a permit, law, regulation, or approval, the DEQ recommendations are reasonable. As a requirement of our approval herein, the Company shall comply with all applicable DEQ recommendations.[16]

Impact on Real Estate Values

The Hearing Examiner also addressed the potential impacts on real estate values by recommending that the Commission hire its own experts and conduct a study of the impact of the proposed overhead line on real estate values and develop a methodology for use in future Commission cases.[17] Having approved this application as an underground pilot project, we do not reach and make no finding on this subject. We further note, however, that there is no statutory requirement that the Commission conduct such a study in evaluating applications for new facilities, doing so would represent a new practice for the Commission under existing precedent, and the Commission has never ruled on the relevancy or accuracy of such studies. Certainly the General Assembly can change the statute to require such studies in all cases involving applications for new facilities; current law does not.

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[10] *Id.* at 54.

[11] Dominion's January 2, 2008 Comments on Hearing Examiner's Report at 9. The approval of this project makes it the Company's second underground project using XLPE technology. In Case No. PUE-2006-00082, the Commission granted Dominion a certificate to construct and operate in Arlington County an underground transmission line of 230 kV between its Clarendon and Ballston Substations. *See Application of Virginia Electric and Power Company d/b/a Dominion Virginia Power, For a certificate of public convenience and necessity for facilities in Arlington County: Clarendon-Ballston 230 kV Transmission Line*, Case No. PUE-2006-00082, Final Order dated May 25, 2007. The Ballston-Clarendon project involves the construction of a 2,200-foot (0.41 miles) underground transmission line. According to the Hearing Examiner and other parties to the case, the Ballston-Clarendon project has many shortcomings, due primarily to the length of the transmission line, that make it incapable of providing an accurate assessment of the cost to build, operate, or maintain an XLPE 230 kV underground transmission line. Hearing Examiner's Report at 54. Dominion believes that the proposed Garrisonville transmission line has the characteristics the Company would look for in a test of XLPE cable technology. Hearing Examiner's Report at 33.

[12] Hearing Examiner's Report at 32.

[13] *Id.* at 54; Dominion's January 2, 2008 Comments on Hearing Examiner's Report at 8.

[14] Dominion's January 2, 2008 Comments on Hearing Examiner's Report at 13.

[15] *Id.*

[16] The Company shall coordinate with DEQ its implementation of these recommendations.

[17] Hearing Examiner's Report at 57.

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate underground Option 1 as an XLPE pilot project for a 230 kV transmission line from Aquia Harbour to Garrisonville and a new Garrisonville Switching Substation, as provided for and subject to the requirements set forth in this Final Order.

(2) Pursuant to §§ 56-265.2, 56-46.1, and related provisions of Title 56 of the Code of Virginia, Dominion's application for a certificate of public convenience and necessity to construct its Garrisonville 230 kV transmission line, the Aquia Harbour Transition Station, and the 230 kV-34.5 kV Garrisonville Switching Substation is granted as provided for and subject to the requirements set forth in this Final Order.

(3) Pursuant to the Utility Facilities Act, Chapter 10.1 (§ 56-265.1 *et seq.)* of Title 56 of the Code, the Company is issued the following certificate of public convenience and necessity:

> Certificate No. ET-88f, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate presently constructed transmission lines and facilities in Stafford County, all as shown on the detailed map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2006-00091; Certificate No. ET-88f will cancel Certificate No. ET-88e issued to Virginia Electric and Power Company on January 19, 1995.

(4) Within thirty (30) days from the date of this Final Order, Dominion shall file with the Commission's Division of Energy Regulation two copies of an appropriate map that shows the routing of the transmission line and substation approved herein.

(5) As a requirement of the certificate granted in this case, the transmission line and substation must be constructed and in-service by January 1, 2011; however, Dominion is granted leave to apply for an extension for good cause shown.

(6) REC's Motion to File Comments Out of Time is denied.

(7) This matter is dismissed.

CASE NO. PUE-2006-00111
MAY 19, 2008

APPLICATION OF
TENASKA VIRGINIA II PARTNERS, L.P.

For approval of a certificate of public convenience and necessity pursuant to Va. Code § 56-265.2 and exemption from Chapter 10 of Title 56

ORDER CANCELLING CERTIFICATE TO CONSTRUCT AND OPERATE A GENERATING FACILITY

By Order Granting Certificate of January 8, 2007, the State Corporation Commission ("Commission") issued Tenaska Virginia Partners II, L.P. ("Tenaska Virginia"), a certificate to construct and operate a generating facility near New Canton, Buckingham County. As we noted in the Order Granting Certificate, at 2, the Commission had previously issued to Tenaska Virginia a certificate to construct and operate a generating facility at the same location. Tenaska Virginia Partners II, L.P., Case No. PUE-2001-00429, 2003 S.C.C. Ann. Rep. 330. The certificate issued in Case No. PUE-2001-00429 expired before construction had commenced.

On March 11, 2008, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power") filed with the Commission an application for various statutory approvals to construct and operate in Buckingham County the Bear Garden Generating Station. As set out in materials that accompanied its applications, Dominion Virginia Power had purchased from Tenaska Virginia development rights to the generating project approved by our Order Granting Certificate. Dominion Virginia Power has designated the facility the Bear Garden Generating Station, and its application for a certificate to construct and operate is docketed before the Commission in Case No. PUE-2008-00014.

Upon consideration of the transfer of development rights, the Commission finds that the certificate to construct and operate a generating facility issued to Tenaska Virginia by our Order Granting Certificate of January 8, 2007, should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) Case No. PUE-2006-00111 be restored to the Commissions docket.

(2) The certificate to construct and operate a generating facility granted by Ordering Paragraph (1) of the Order Granting Certificate of January 8, 2007, be cancelled and of no effect.

(3) Case No. PUE-2006-00111 be removed from the Commission's docket and transferred to closed status in the records maintained by the Commission Clerk.

CASE NO. PUE-2006-00117
APRIL 28, 2008

APPLICATION OF
VIRGINIA AMERICAN WATER COMPANY

For authority to issue debt securities pursuant to the provisions of Chapter 3 of Title 56 of the Virginia Code

FINAL ORDER

On January 5, 2007, the State Corporation Commission issued an Order Granting Authority to Virginia American Water Company ("Virginia American" or "Company"), which authorized the Company to issue promissory notes to an affiliate, American Water Capital Corporation ("AWCC"), through December 31, 2007, for amounts totaling no more than $29,500,000.

The Company was ordered to submit a Report of Action within ten (10) days after the issuance of any security authorized and to file a Final Report of Action, including a cumulative summary of all financing activities authorized, by March 1, 2008.

Virginia American filed preliminary Reports of Action on February 9, 2007, and on April 10, 2007, and a Final Report of Action on February 26, 2008 (collectively the "Reports"). According to the Company's Reports, Virginia American borrowed a total of $24,000,000 from AWCC during the period authorized. The Company's borrowings from AWCC were made pursuant to long-term notes issued January 31, 2007 ($11,000,000), and March 29, 2007 ($13,000,000), upon terms reported.

THE COMMISSION, being advised by the Staff that Virginia American has complied with the Commission's reporting requirements in this case, finds that no further action is required and that this case should be closed.

IT IS ORDERED THAT, this case is hereby dismissed.

CASE NO. PUE-2006-00119
MAY 29, 2008

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

DISMISSAL ORDER

By Commission Order dated December 7, 2006, Virginia Natural Gas, Inc . ("VNG" or the "Company"), AGL Resources Inc., ("AGLR"), and AGL Services Company ("AGL Services") (collectively, "Applicants") were granted authority for VNG to: 1) issue up to $100,000,000 of short-term debt through participation in the AGLR Utility Money Pool administered by AGL Services; 2) issue long-term debt to AGLR in an amount not to exceed $250,000,000; and 3) issue and sell common stock to AGLR in an amount not to exceed $300,000,000, all through the period ending December 31, 2007.

VNG filed quarterly reports of action during the period of authority and a final report on May 23, 2008. According to the information provided by VNG in its quarterly and final reports, the Company's actions consisted entirely of short-term borrowings which never exceeded the limit of $100,000,000. Applicant never issued any long-term debt or common stock under the authority granted.

Upon consideration of the Company's quarterly and final reports, there appears to be nothing further to be done in this matter. Accordingly, IT IS ORDERED that this matter be dismissed.

CASE NO. PUE-2006-00128
MAY 19, 2008

APPLICATION OF
LAND'OR UTILITY COMPANY, INC.

For a general increase in rates

ORDER ON CERTIFICATION

On December 21, 2006, Land'Or Utility Company, Inc. ("Land'Or" or the "Company"), filed an application with the Commission for a two-phase general increase in rates. The application was deemed complete as of the date of filing. On March 22, 2007, Land'Or filed a corrected version of a tariff sheet on which proposed rates and fees were set forth by the Company. According to its application, and as amended by the March 22, 2007 filing, Land'Or has applied for a two-phase general increase in rates in accordance with Chapter 10 of Title 56 of the Code of Virginia ("Code") and the provisions for rate increases set forth in the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings (20 VAC 5-200-30). The Company sought a total rate increase that would produce additional annual jurisdictional revenues of $654,640. According to Land'Or's application, the

proposed increase should be implemented in two phases, a Phase 1 increase of $278,140 and a Phase 2 increase of $376,500. The Phase 1 increase of $278,140 is related entirely to increases in sewer revenues. The Phase 2 increase is comprised of additional sewer revenues of $299,000 and additional water revenues of $77,500. In its application, the Company requested that its Phase 1 increase be allowed to go into effect May 1, 2007, and that the Phase 2 increase be allowed to go into effect a year later. The Company's present[1] and proposed rates are as follows:

Water

	Present	**Phase 1**	**Phase 2**
Base Charge[2]	$22.00	no change	$12.00
Usage Charge (per 1,000 gallons)	$ 3.70	no change	$ 4.20

Sewer

	Present	**Phase 1**	**Phase 2**
Base Charge[3]	$17.00	$20.49	$30.00
Usage Charge (per 1,000 gallons)	$ 3.70	$ 6.78	$11.01

The Company also proposed increases in the water and sewer connection fees, the service initiation, extension, disconnect, reconnect, and returned check charges.

On May 16, 2008, the Chief Hearing Examiner issued a Ruling and Certification detailing the procedural history to date in this case, including the filing of testimony by the Company and Staff, and a hearing held on September 6, 2007, wherein 17 public witnesses appeared and testified. At the hearing, the Company and Staff offered a Stipulation recommending resolution of this case. Therein they agreed that the Phase 1 revenue requirement of $278,140 for sewer service was reasonable and that no Phase 1 annual increase in revenue requirements for water service should be adopted. The Company and Staff also agreed that the Company had a need for an additional revenue increase in Phase 2 for both water and sewer service and that this case should remain open to allow for a rate base update, as of March 31, 2008, to be used in setting the final Phase 2 revenue requirement and rates. The Company and Staff agreed that such rate base update should include: (i) updating all rate base components to balances as of March 31, 2008; (ii) annualizing revenues, using Staffs methodology, for the customer count as of March 31, 2008; and (iii) updating, using Staff s methodology, uncollectible expense, property tax expense, depreciation expense, and gross receipts and income taxes due to changes in rate base and revenue resulting from (i) and (ii). The Company agreed to, and did, file that updated information by April 30, 2008. In the Stipulation, the Staff agreed to file a report to the Hearing Examiner related to the Phase 2 rates within 30 days of receipt of that information.

In the May 16, 2008 Hearing Examiner's Ruling and Certification, the Chief Hearing Examiner found that the Company's updated data supported the recommendation in the Stipulation to allow the Company to implement its proposed Phase 2 rates subject to any refund the Commission may require in a final order. She certified her Ruling to the Commission *sua sponte* and recommended that the Commission issue an order pursuant to §§ 56-237 and 56-240 of the Code authorizing Land'Or's proposed Phase 2 increase in rates and charges to take effect on May 20, 2008, and subject to the Commission's power to fix and order substituted just and reasonable rates, charges, terms, and conditions, and to order refunds or credits, with interest.

NOW THE COMMISSION, having considered the recommendations of the Staff, the Company, and the Chief Hearing Examiner, finds that pursuant to §§ 56-237 and 56-240 of the Code, we will permit the Company to place Phase 2 of its proposed rates into effect on an interim basis, subject to refund on May 20, 2008, while the reasonableness of those rates and charges is being investigated. The proposed rates and charges shall take effect subject to the power of the Commission to fix and substitute just and reasonable rates and to order the utility to make refunds or give credits, with interest.

Accordingly, IT IS ORDERED THAT:

(1) As provided by §§ 56-237 and 56-240 of the Code, Land'Or's proposed Phase 2 increase in rates and charges may take effect on May 20, 2008, on an interim basis, subject to the Commission's power to fix and order substituted just and reasonable rates, charges, terms, and conditions, and to order refunds or credits, with interest.

(2) This case is continued.

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[1] Category listed as present rates reflects the rates last approved by the Commission in the November 17, 1995 Final Order in Case No. PUE-1994-00081. Proposed Phase 1 rates were put into effect on an interim basis subject to refund on May 20, 2007, pursuant to the April 17, 2007 Amending Order issued in this proceeding.

[2] The present Phase 1 Base Charges for water service includes 4,000 gallons of usage. The proposed Phase 2 Base Charge does not include any usage; therefore, the Phase 2 usage charges apply to all gallons used.

[3] The present Base Charge for sewer service includes 4,000 gallons of usage. No usage is included in Phase 1 or 2 Base Charges.

CASE NO. PUE-2006-00128
AUGUST 5, 2008

APPLICATION OF
LAND'OR UTILITY COMPANY, INC.

For a general increase in rates

FINAL ORDER

On December 21, 2006, Land'Or Utility Company, Inc. ("Land'Or" or the "Company"), filed an application with the Commission for a two-phase general increase in rates. The application was deemed complete as of the date of filing. On March 22, 2007, Land'Or filed a corrected version of a tariff sheet on which proposed rates and fees were set forth by the Company. According to its application, and as amended by the March 22, 2007 filing, Land'Or has applied for a two-phase general increase in rates in accordance with Chapter 10 of Title 56 of the Code of Virginia ("Code") and the provisions for rate increases set forth in the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings (20 VAC 5-200-30). The Company sought a total rate increase that would produce additional annual jurisdictional revenues of $654,640. According to Land'Or's application, the proposed increase should be implemented in two phases, a Phase 1 increase of $278,140 and a Phase 2 increase of $376,500. The Phase 1 increase of $278,140 is related entirely to increases in sewer revenues. The Phase 2 increase is comprised of additional sewer revenues of $299,000 and additional water revenues of $77,500. In its application, the Company requested that its Phase 1 increase be allowed to go into effect May 1, 2007, and that the Phase 2 increase be allowed to go into effect a year later. The Company's present[1] and proposed rates are as follows:

Water

	Present	Phase 1	Phase 2
Base Charge[2]	$22.00	no change	$12.00
Usage Charge (per 1,000 gallons)	$ 3.70	no change	$ 4.20

Sewer

	Present	Phase 1	Phase 2
Base Charge[3]	$17.00	$20.49	$30.00
Usage Charge (per 1,000 gallons)	$ 3.70	$ 6.78	$11.01

The Company also proposed increases in the water and sewer connection fees, the service initiation, extension, disconnect, reconnect, and returned check charges.

A hearing was held on September 6, 2007, at which time 17 public witnesses appeared to testify. The Company and the Staff presented a Stipulation to implement Phase 1 initially and to set up the methodology to implement the request for Phase 2. The Stipulation provided for the entry of all prefiled testimony of the Company and the Staff into the record without cross examination. The Stipulation also provided a schedule for the filing of updated information by the Company and a Staff Report on the requested Phase 2 revenue requirement. In the Stipulation, the Company and the Staff agreed that the Phase 1 revenue requirement of $278,140 for sewer service was reasonable and that no Phase 1 annual increase in revenue requirements for water service should be adopted. The Company and the Staff also agreed that the Company needs an additional revenue increase in Phase 2 for both water and sewer service and that this case should remain open to allow for a rate base update, as of March 31, 2008, to be used in setting the final Phase 2 revenue requirement and rates. The Company and the Staff agreed that such rate base update should include: (i) updating all rate base components to balances as of March 31, 2008; (ii) annualizing revenues, using Staff's methodology, for the customer count as of March 31, 2008; and (iii) updating, using Staff's methodology, uncollectible expense, property tax expense, depreciation expense, and gross receipts and income taxes due to changes in rate base and revenue resulting from (i) and (ii). The Stipulation provided that the Staff would submit a report to the Chief Hearing Examiner related to the Phase 2 rates within 30 days of receipt of the updated information from the Company. The Stipulation also provides that the Company could not make Phase 2 rates effective before May 20, 2008, and that Company and the Staff agreed that if a final order had not been entered on the Phase 2 rates prior to May 20, 2008, the Company could implement its proposed Phase 2 rates on an interim basis subject to refund.

On April 30, 2008, the Company filed rate base updates as of March 31, 2008 to be used in the Phase 2 revenue requirement and rates in accordance with the terms of the Stipulation.

On May 16, 2008, the Chief Hearing Examiner issued a Ruling and Certification detailing the procedural history to date in this case and certifying to the Commission the question of implementing interim rates for Phase 2 of the proceeding. The Chief Hearing Examiner noted that the Commission, in its Order for Notice and Hearing in this proceeding, stated that implementation of the proposed Phase 2 increase would be addressed by separate Order of the Commission. The Chief Hearing Examiner found that the Company's updated data supported the recommendation in the Stipulation to allow the Company to implement its proposed Phase 2 rates subject to any refund the Commission may require in a final order. She certified her Ruling to

[1] Category listed as present rates reflects the rates last approved by the Commission in the November 17, 1995 Final Order in Case No. PUE-1994-00081. Proposed Phase 1 rates were put into effect on an interim basis subject to refund on May 20, 2007, pursuant to the April 17, 2007 Amending Order issued in this proceeding.

[2] The present Phase 1 Base Charge for water service includes 4,000 gallons of usage. The proposed Phase 2 Base Charge does not include any usage; therefore, the Phase 2 usage charges apply to all gallons used.

[3] The present Base Charge for sewer service includes 4,000 gallons of usage. No usage is included in Phase 1 or 2 Base Charges.

the Commission *sua sponte* and recommended that the Commission issue an order pursuant to §§ 56-237 and 56-240 of the Code authorizing Land'Or's proposed Phase 2 increase in rates and charges to take effect on May 20, 2008, and subject to the Commission's power to fix and order substituted just and reasonable rates, charges, terms, and conditions, and to order refunds or credits, with interest.

On May 19, 2008, the Commission adopted the recommendation of the Chief Hearing Examiner and allowed the Company, pursuant to §§ 56-237 and 56-240 of the Code, to place Phase 2 of its proposed rates into effect on an interim basis, subject to refund on May 20, 2008, while the reasonableness of those rates and charges were being investigated.

On May 30, 2008, as corrected on June 10, 2008, the Staff filed its report on the Company's Phase 2 ratemaking updates, making a number of adjustments to the Company's numbers and making several recommendations for the Company to implement in the future.

On July 1, 2008, the Chief Hearing Examiner issued a Report which reviews the procedural and evidentiary hearing of both Phase 1 and Phase 2 of this proceeding, and recommends to the Commission that it adopt the findings in the Report and approve a Phase 1 sewer rate increase of $278,140, and a combined Phase 2 water and sewer increase of $364,200. The findings and recommendations of the Chief Hearing Examiner are as follows:

1. The Stipulation offered by the Company and the Staff is reasonable and should be accepted;

2. The use of a test year ending December 31, 2005, is proper in this proceeding;

3. Ratemaking adjustments through March 31, 2007, are proper for Phase 1;

4. Ratemaking adjustments through March 31, 2008, are proper for Phase 2;

5. For the twelve months ended December 31, 2005, as adjusted through March 31, 2007, the Company had combined revenues of $799,879, operating deductions of $886,550, net income available for common equity of ($187,340), and earned a negative 13.97% return on common equity;

6. A Phase 1 increase effective from May 20, 2007 through May 19, 2008 of $278,140 for sewer service is reasonable, but still resulted in a negative .97% return on common equity;

7. A monthly base customer charge of $20.49 and a volumetric rate of $6.97 per 1,000 gallons for sewer service as recommended in the Stipulation are reasonable for Phase 1;

8. After the Phase 1 increase, and as adjusted through March 31, 2008, the Company had wastewater revenues of $515,215, operating deductions of $484,239, net income available for common equity of ($73,122), and earned a negative 5.26% return on common equity;

9. For the twelve months ended December 31, 2005, as adjusted through March 31, 2008, the Company had water revenues of $584,898, operating deductions of $504,832, net income available for common equity of $28,220, and earned 4.09% return on common equity;

10. After the Phase 1 increase, as adjusted through March 31, 2008, the Company had combined revenues of $1,100,114, operating deductions of $989,071, net income available for common equity of ($44,903), and earned a negative 2.16% return on common equity;

11. Phase 2 increases in annual revenue effective May 20, 2008, of $299,000 for sewer service and $65,200 for water service are reasonable and will result in a combined 8.81% return on common equity;

12. Effective on the date of a Final Order in this case and going forward, a monthly base customer charge of $12 and a volumetric rate of $4.55 per 1,000 gallons for water service, and a monthly base customer charge of $30 and a volumetric rate of $12.33 per 1,000 gallons for sewer service are necessary to recover the Phase 2 revenue requirements;

13. The Company recovered less than the combined revenue requirement found reasonable herein during the interim period as a result of lower volumetric rates due to erroneous customer counts; therefore, no refunds are necessary;

14. Land'Or should prepare a depreciation study for its plant in service by December 31, 2010;

15. Land'Or should properly segregate the books and transactions of the water and sewer operations, including the recording of bad debt expense;

16. If the Commission approves the increase recommended herein, Land'Or, with annual combined revenues from its water and sewer in excess of one million dollars, will no longer be exempt from the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings, 20 VAC 5 200-30. Land'Or should make annual informational filings with the Commission beginning with the calendar year 2008;

17. The Company should develop a method to accurately identify customer counts for future rate proceeding and annual informational filings;

18. The Company should provide updated customer counts for its active and inactive wastewater and water customers, both usage and availability, to the Staff on or before August 27, 2008; and

19. On June 11, 2008, the Company filed a letter asking the Commission to adopt the Phase 2 rates recommended by the Staff, rates which I find to be reasonable herein.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the July 1, 2008 Report of the Chief Hearing Examiner are hereby adopted and the terms and conditions of the Stipulation between the Company and the Staff are incorporated herein.

(2) Land'Or shall be granted an increase in Phase 1 gross annual sewer revenues of $278,140, and an increase in Phase 2 of combined annual water and sewer revenues of $364,200. Based on test year operations, the rate revisions will produce a combined 8.81% return on common equity.

(3) The Company shall promptly file revised tariffs and terms and conditions of service with the Division of Energy Regulation that will produce the amount of additional annual operating authorized herein.

(4) There being nothing further to come before the Commission, this case is hereby dismissed, and the papers herein placed in the Commission's file for ended causes.

CASE NO. PUE-2007-00005
JANUARY 9, 2008

APPLICATION OF
SUNSET BAY UTILITIES, INC.

For the issuance of a Certificate of Public Convenience and Necessity to provide wastewater utility service pursuant to Sections 56-265.2 and 56-265.3 of the Code of Virginia

ORDER

On January 31, 2007, pursuant to §§ 56-265.2 and 56-265.3 of the Code of Virginia ("Code"), Sunset Bay Utilities, Inc. ("Company"), filed its application with the State Corporation Commission ("Commission") seeking the issuance of a Certificate of Public Convenience and Necessity to provide wastewater utility service in a portion of Chincoteague Island in Accomack County, Virginia. On May 8, 2007, the Company filed an amendment to its application, which clarified the service territory requested to be certificated. The Company proposes to provide wastewater treatment services for a private residential development located on Chincoteague Island in Accomack County, Virginia.

The Company is proposing an annual sewerage usage charge of $810. This will equate to projected annual revenues of $92,340 after the complex of 114 units have been sold out in its entirety. In addition, the Company is proposing several miscellaneous service charges in this proceeding. The charges are: late payment fee of 1-1/2 percent per month on all past due balances; bad check charge of $25; and turn-on charge of $100 to restore sewerage service which has been discontinued for non-payment of a bill or a violation of the Company's rates, rules and regulations of service.

On July 18, 2007, the Commission issued a Preliminary Order which directed the Company to give notice of its application and established procedures for receipt of comments and requests for hearing and directed the Staff to file a report presenting their findings and recommendations.

On August 29, 2007, the Staff filed a Staff Report of its investigation of the application and its recommendations. The Staff reports that the Company anticipates starting up wastewater operations to serve a projected total of fifty (50) connections as condominiums are constructed and go on-line. Staff reported that as of August 2007, thirty-five (35) customers were on-line. The Staff reports that the sewer system serving the projected 50 connections is funded by the developer, Sunset Bay, LLC, and will be contributed at zero cost to the Company.

While the application proposes a schedule of rates and charges for the Commission's approval, the Division of Public Utility Accounting has not conducted a financial audit to determine whether the Company's proposed rates are just and reasonable, because historical accounting records are not available. The Company provided an estimated cost of construction of the facilities of $400,000. The annualized projected operation and maintenance expenses are $77,000.[1]

The Staff believes that it is in the public interest for the Company to be issued a certificate of public convenience and necessity to provide wastewater service as provided by the Code of Virginia. Staff recommends that the Commission approve the Company's proposed rates, rules and regulations as consistent with prior Commission orders. Staff also recommends that the Company be ordered to: (1) maintain its books and records in accordance with the Uniform System of Accounts for Class "C" Wastewater Utilities; (2) depreciate plant, and amortize associated contributions in aid of construction, at a composite rate of 3%; (3) file Annual Financial and Operating Reports with the Commission's Division of Public Utility Accounting, pursuant to § 56-249 of the Code of Virginia by April 30th of each calendar year beginning in 2008, based on the previous year's operations; and (4) after one full year of operation file financial data with the Commission including an income statement, balance sheet, and a federal income tax return to enable the Commission to review the reasonableness of the proposed rates.

On December 3, 2007, the Company filed purported proof of notice belatedly given and a request that the Commission allow the notice to be published out of time. On December 26, 2007, the Company filed supplemental proof of notice given. The notice given was published belatedly on

[1] The basis for these operating costs are sludge removal, administrative services, electricity to power the plant, annual DEQ permit, normal maintenance, and the operations contract with ESS, Ltd.

November 7, 2007 and is as prescribed by the Commission's Preliminary Order except as to the sentence that follows: "Any interested person or entity desiring to comment on the application or to request a hearing may do so on or before November 26, 2007, by addressing such comments or requests to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218." The Company's filing of December 26, 2007, includes certification of notice mailed to the current property owners at Sunset Bay in Chincoteague, Virginia on October 24, 2007 and a letter signed by the Director of Public Works for the Town of Chincoteague, Inc. indicating that the Town has no comment after review of the "Rates, Rules and Regulations for Sewer Service in Territory Served by Sunset Bay Utilities, Inc., located in Accomack County, Virginia."

NOW THE COMMISSION, having considered the Company's application, the Staff Report, and the Company's filings of proof of notice given, finds that the Company should be granted leave to publish notice out of time and that due public notice has been given. No comments or requests for hearing have been received.

The application and the Staff Report establish that the public convenience and necessity require the construction and operation of the wastewater treatment facilities in the proposed service territory, and that a certificate of public convenience and necessity should be granted. The Commission further finds that the Company's proposed rates and charges and rules and regulations should be approved, and that Staff's recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) As provided by the Utility Facilities Act at §§ 56-265.1 and 56-265.3 of the Code, certificates of public convenience and necessity to construct or acquire wastewater facilities and to provide wastewater service in the territory requested by the Company is granted.

(2) The Company be issued certificate of public convenience and necessity S-95, which authorizes the furnishing of sewer service in Accomack County, as shown on maps attached to and made a part of the certificate.

(3) Within twenty-one (21) days of the date of this Order, the Company shall file with the Commission's Division of Energy Regulation its rates, charges, rules, and regulations to conform with the Staff recommendations adopted by this Order.

(4) The Company is hereby ordered within ninety (90) days of the completion of one year of operation to file financial data with the Commission, including an income statement, balance sheet, statement of cash flow, and a federal tax return to enable the Commission to review the reasonableness of the proposed rates.

(5) The Staff's recommendations as set out hereinabove are hereby adopted and the Company is ordered to comply with them.

(6) This case is continued for further order of the Commission.

CASE NOS. PUE-2007-00008 and PUE-2001-00720
MARCH 24, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its cogeneration tariff pursuant to PURPA Section 210

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its cogeneration and small power production tariffs pursuant to PURPA Section 210

FINAL ORDER

On January 22, 2007, Appalachian Power Company ("Appalachian" or "Company") filed an application with the State Corporation Commission ("Commission") for approval to revise its cogeneration and small power production rates under the Company's Schedule COGEN/SPP. The application was filed in response to the Commission's December 29, 2006 Order in Case No. PUE-2001-00720, which required the Company to file an application to revise its cogeneration standard payment schedule together with supporting testimony by no later than January 22, 2007.[1]

Under the Public Utility Regulatory Policies Act of 1978 ("PURPA"),[2] the Commission is directed to establish mandatory payments for power purchased from cogeneration and small power production facilities ("qualifying facilities" or "QFs") on the basis of costs avoided by Appalachian when it obtains power from QFs rather than acquiring power from other sources. Appalachian's Schedule COGEN/SPP is the Company's tariff that defines the payments, terms, and conditions of power purchases with a design capacity of 100 kW or less. The Company's avoided cost payment levels in Schedule COGEN/SPP have not been adjusted since 1998.[3]

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[1] *Application of Appalachian Power Company, To revise its cogeneration and small power production tariffs pursuant to PURPA Section 210*, Case No. PUE-2001-00720, Doc. Cont. No. 376410, (Order, December 29, 2006).

[2] 16 U.S.C.S. § 824a-3.

[3] *Application of Appalachian Power Company, To revise its cogeneration tariff pursuant to PURPA Section 210,* Case No. PUE-1997-00001, 1998 S.C.C. Ann. Rep. 355 (Order Approving Application, Jan. 21, 1998).

The Company's application proposes to revise Schedule COGEN/SPP to update the Company's avoided costs for energy and capacity and to update the Company's charges for metering. With respect to the energy rates under Schedule COGEN/SPP, the Company proposes to increase the on-peak energy rate to 3.507¢/kWh and increase the off-peak energy rate to 2.802¢/kWh. The Company's proposed energy rates were calculated using the PROMOD IV probabilistic production costing system, which the Company indicated is consistent with the calculation of the energy rates used in its prior Schedule COGEN/SPP filings before the Commission.

The application further proposes an on-peak capacity rate of $2.06/kW and an off-peak capacity rate of $.78/kW. The Company's current cogeneration schedule does not have capacity payments; the Company's avoided capacity cost was zero when the schedule was last approved by the Commission in 1998. However, the Company's supporting testimony indicates that growth in demand throughout American Electric Power's ("AEP") East Region and reserve requirements have necessitated the purchase of additional gas-fired peaking facilities. Accordingly, the Company's proposed capacity payments are based on the cost of ownership for the most recently purchased peaking unit on the AEP East System.

Finally, the Company proposed revised metering charges in Schedule COGEN/SPP to reflect the Company's incremental metering costs for the year ended December 31, 2005.

On March 2, 2007, the Commission issued an Order Establishing Cogeneration Proceeding which appointed a Hearing Examiner, directed that notice be given, provided for comments or requests for hearing, and directed the Staff to investigate the Company's application and file its report.[4]

Luminaire Technologies Inc. and Mark Fendig ("Luminaire") filed comments and a request for hearing on March 29, 2007. Luminaire has a small hydro project with a capacity of approximately 400 kW and is selling its output to Appalachian under a negotiated contract which provides for capacity payment equal to the capacity payments approved for Schedule COGEN/SPP. Luminaire opposed the Company's proposed methodologies for determining its avoided costs and recommended that the Company's energy and capacity payments be based on market prices. Luminaire also recommended the removal of the 100 kW or less size restriction for the applicability of Schedule COGEN/SPP. Finally, Luminaire requested that the Company be required to make retroactive capacity payments to existing renewable generation facilities because the Company has been able to sell capacity at or above market prices while the current Schedule COGEN/SPP provides no capacity payments to QFs.

The Staff investigated the application, considered the positions of Luminaire, and filed a Staff Report on April 25, 2007. The Staff reviewed the Company's models and procedures used to forecast energy sales, electricity demand, and fuel prices, and concluded that the Company used well-defined models and procedures, and reputable sources. The Staff further found that the methodologies employed by the Company to build its forecasting models and prepare forecasts were generally sound and appropriate. Accordingly, the Staff agreed that the Company's methodology to estimate avoided energy costs was adequate for the purposes of the current case.

The Staff Report noted that since the Company is a member of the PJM Interconnection, L.L.C., the Staff generally supported the use of market-based prices to determine the Company's avoided energy and capacity costs. However, given the possibility of QFs taking advantage of the spread between the market value of power and the Company's cost-based tariff, the Staff did not recommend that the Company's avoided energy and capacity payments be based on market-based prices in this proceeding. The Staff therefore recommended that the Company develop appropriate mitigation measures to address this potential problem, and use PJM-based market prices to determine its avoided energy and capacity costs beginning with its next application.

The Staff also opposed the Company's methodology for estimating its avoided capacity costs. The Company estimated its avoided capacity costs using the purchase costs of the Ceredo Power Station acquired in 2005. Staff contended these costs represent sunk costs and not the costs of the next generating capacity additions that the Company is planning for the 2006-2011 horizon, the time period for determining the Company's avoided energy costs. Staff therefore recommended a monthly on-peak capacity payment of $3.74/kW and an off-peak capacity payment of $1.41/kW based on the estimated cost of the Company's next avoidable combustion turbine addition.

The Staff also supported the Company's proposed changes to its metering charges. However, the Staff opposed Luminaire's proposal to remove the 100 kW size restriction for Schedule COGEN/SPP.

On May 1, 2007, Luminaire filed a letter with the Commission withdrawing its request for hearing and agreeing with the recommendations contained in the Staff Report. Luminaire stated that its concerns would be satisfied if the 2008 application developed market based rates based on PJM market data.

On May 2, 2007, the Company filed a Response to the Staff Report and Luminaire's recommendations. Appalachian advised that it did not oppose implementation of the Staff's proposed tariff changes because the results were similar to its filed proposal. It further agreed to provide information regarding QF payments based upon PJM capacity and energy markets in its next proceeding, but did not agree that such information would form the appropriate basis for future cogeneration and small power production payments under Schedule COGEN/SPP. Finally, the Company reserved the right to argue against the use of market-based energy payments and to contest any other issues in future proceedings.

On February 5, 2008, the Report of Deborah V. Ellenberg, Chief Hearing Examiner ("Report") was filed. The Chief Hearing Examiner found that:

1. The Company's proposed energy payments and metering charges are reasonable;

2. The Company's proposed capacity payments are not appropriate;

3. Capacity payments should be based on the next planned combustion turbine unit, and payments of $3.74/kW for purchases on-peak through time of day meters, and $1.41/kW for purchases off-peak and through standard meters are reasonable;

4. The Company should retain the 100 kW size restriction on its standard Schedule COGEN/SPP;

[4] The Company filed its Proof of Notice herein on March 28, 2007.

5. Payments approved in this proceeding should be approved January 1, 2007; and

6. The Company should be directed to develop QF payments on PJM capacity and energy markets with appropriate safeguards, if necessary, in its 2008 avoided cost filing to be filed on or before May 1, 2008.

The Chief Hearing Examiner recommended that the Commission enter an order adopting her findings; approving the Company's proposed energy payments and metering charges and the Staff's proposed alternative capacity payments; directing the Company to develop QF payments based on PJM capacity and energy markets with appropriate safeguards, if necessary in its 2008 avoided cost filing; and dismissing this case.

On February 26, 2008, Appalachian, by counsel, filed its "Comments on the Report of Deborah V. Ellenberg, Chief Hearing Examiner" ("Comments"). In its Comments, the Company takes issue with the Chief Hearing Examiner's recommendations that the effective date for the COGEN/SPP Schedules be January 1, 2007. The Company asserts that payments under the COGEN/SPP tariff should be treated no differently than the rates customers pay for regulated service as to the permissibility of retroactive ratemaking. It maintains that the COGEN/SPP tariff should not take effect earlier than the date of the Final Order entered in this case. Additionally, the Company noted that the instant case has overlapped its previous COGEN/SPP case, Case No. PUE-2001-00720, and requested the Commission to clarify that it will adopt a COGEN/SPP tariff in this case that will be the only effective COGEN/SPP Schedule thereafter.

The Company also commented that while it has determined not to contest the adoption of Staff's proposed capacity payments for purposes of this case, it reserved the right to do so in future proceedings and requested that the Commission leave open for future consideration whether the Company's COGEN/SPP Schedule should be converted to market-based rates. Appalachian noted that capacity payments derived from avoided costs estimates which are based on only planned construction expenditures may be inappropriate in future determinations of capacity payments to the extent that Appalachian may have opportunities to acquire additional intermediate or peak capacity through the purchase of existing facilities or purchases of capacity on the market at a much lower cost than the then-current cost of constructing a new combustion turbine.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the findings and recommendations contained in the February 5, 2008 Report of the Chief Hearing Examiner should be adopted. We further find that the Company should file a revised Schedule COGEN/SPP, effective January 1, 2007, in accordance with the findings and recommendations of the Chief Hearing Examiner.

We agree with the Chief Hearing Examiner that the Schedule COGEN/SPP defines the standard payment that the utility will pay for power purchased from certain generators. Accordingly we have authorized payments for such purchases effective on a date proceeding the date of a Final Order.[5]

Additionally, in Ordering Paragraph (2) of our January 24, 2002 Order Granting Motion entered in Case No. PUE-2001-00720, we directed that Appalachian's "current approved cogeneration and small power production tariffs on file with the Commission shall continue to apply on an interim basis, until the Company's revised tariffs are approved by the Commission."[6] Our Orders dated September 20, and December 29, 2006, entered in Case No. PUE-2001-00720, further directed that Appalachian's current cogeneration and small power production payments continue in effect until the Commission approved an updated payment Schedule.

In the instant case, Case No. PUE-2007-00008, the Company presented average avoided cost data for the 2007-2011 time period to calculate its proposed energy payment. The data relied upon presented avoided costs for the period, and supports payments beginning January 1, 2007. Thus, use of a January 1, 2007 effective date for this Schedule synchronizes the payments with the underlying data used to calculate these payments. We will, however, close Case No. PUE-2001-00720, and we find that the Schedule COGEN/SPP should be regarded as superseding and replacing the Company's payment obligation on and after January 1, 2007. Payments made from January 24, 2002, to January 1, 2007, on an interim basis, are found hereby to be sufficient as no evidence was presented in this record to challenge the adequacy of payments made, if any, during this period.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations contained in the Hearing Examiner's Report are hereby adopted.

(2) In accordance with the findings made herein, the Company's proposed energy payments and metering charges in Schedule COGEN/SPP are approved effective January 1, 2007.

(3) The Company's proposed capacity payments in Schedule COGEN/SPP are not appropriate and are therefore not approved.

(4) The Company's capacity payments in Schedule COGEN/SPP shall be based on the next planned combustion turbine unit, and payments of $3.74/kW for purchases on-peak through time of day meters, and $1.41/kW for purchases off-peak and through standard meters are approved effective January 1, 2007, and supersede and replace the Schedule previously in effect which the Company was directed to update.

(5) The Company shall retain the 100 kW size restriction on its standard Schedule COGEN/SPP.

(6) The Company shall filed a revised Schedule COGEN/SPP within fourteen (14) days from the entry of this Final Order with the energy payments, capacity payments, and metering charges found reasonable herein with an effective date of January 1, 2007.

(7) The Company shall develop QF payments based on PJM capacity and energy markets, with appropriate safeguards, if necessary, in its 2008 avoided cost filing.

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[5] *See Application of Virginia Electric and Power Company, To revise its cogeneration tariff pursuant to PURPA Section 210*, Case No. PUE-2005-00114, Doc. No. 379362, Final Order (March 21, 2007).

[6] *See Application of Appalachian Power Company d/b/a American Electric Power-Virginia, To revise its cogeneration and small power production tariff pursuant to PURPA Section 210*, Case No. PUE-2001-00720, Doc. Con. No. 020120263, slip op. at 2 (Jan. 24, 2002 Order Granting Motion).

(8) The Company shall file an application to revise its cogeneration standard payment schedule with supporting testimony not later than May 1, 2008.

(9) In accordance with the findings made herein, Case No. PUE-2001-00720 shall be closed, and a copy of this Order shall be associated with that docket.

(10) There being nothing further to be done herein, this matter is hereby dismissed from the Commission's docket of active cases, and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUE-2007-00014
JANUARY 11, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to amend Affiliates Agreements Under Title 56, Chapter 4 of the Code of Virginia

ORDER GRANTING AUTHORITY

On December 12, 2007, Appalachian Power Company ("APCO" or "the Company") filed an application with the State Corporation Commission ("Commission") for authority to amend an affiliate agreement approved by the Commission in this docket. Pursuant to Chapter 4 of Title 56 of the Code of Virginia, on February 22, 2007, APCO sought and received authority to sell its accounts receivables to an affiliate, AEP Credit, Inc. ("Credit"). The Commission approved the agreement by Order Granting Authority dated March 30, 2007.

Under the Agreement as approved, APCO sells its accounts receivables to Credit on a daily basis. APCO acts as the collection agent for the receipt of customer payments and remits these payments to Credit. The receivables are purchased based on a discount rate.

The Company is proposing three amendments to the underlying agreements governing the factoring program between APCO and Credit, which according to the Company will bring its factoring program more in line with current market standards.

First, the Purchase Agreement is being amended to eliminate the Carrying Cost Variance Payment. Currently, when Credit purchases accounts receivable, it uses a discount factor based upon the estimated cost of carrying the receivables purchased until they are paid. At the end of each month, Credit compares the actual cost of carrying the receivables to the estimated cost and an adjustment is made between the parties. According to the Company, this adjustment has historically been minimal and is not standard in the marketplace.

Second, the Purchase Agreement is being amended to eliminate the purchase price credit adjustment made by APCO to Credit for collections received by a sub-agent that are not remitted by the sub-agent to the designated bank within 5 business days of when the sub-agent is contractually obligated to remit said funds. According to the Company, this adjustment has not been required because APCO has contracted with a third party who ensures that sub-agents transmit daily files to the banks.

Lastly, the Agency Agreement is being amended to eliminate the Monthly Charge Off Limit Fee charged to APCO for charge-offs in excess of a certain limit. Under the current agreement, Credit held that amount for 12 months and then returned the funds to APCO. According to the Company, this amendment returns funds to APCO and reduces its working capital requirements.

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 amendments to the agreement is in the public interest. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, APCO is hereby granted authority to amend Affiliate Agreements approved by the Commission by Order Granting Authority dated March 30, 2007, as described herein.

2) All other provisions outlined in our March 30, 2007 Order shall remain in full force and effect.

3) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUE-2007-00016
JANUARY 30, 2008

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For an Annual Informational Filing for 2006

FINAL ORDER

On March 2, 2007, Columbia Gas of Virginia, Inc. ("Columbia" or the "Company"), filed a Petition with the State Corporation Commission ("Commission") requesting a partial waiver of Rule 20 VAC 5-200-30 A(9) of the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rate Case Rules"). In its Petition, Columbia proposed to file Schedules 1 through 7, 9 through 14, 30, as well as the Earnings Test Workpapers required by Schedule 21 as part of its Annual Informational Filing ("AIF"). Additionally, the Company proposed to file Schedule 25, in satisfaction of the Company's obligation to provide an Annual Report of Affiliate Transactions.

In support of its Petition, Columbia related that the Commission had issued a Final Order in Application of Columbia Gas of Virginia, Inc., For approval of a performance based rate regulation methodology pursuant to Va. Code § 56-235.6, Case No. PUE-2005-00098 ("PBR Plan") and Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte, In Re: Investigation of the justness and reasonableness of current rates, charges, and terms and conditions of service, Case No. PUE-2005-00100 ("Rate Investigation"), 2006 S.C.C. Ann. Rep. 366, that established a four-year PBR Plan for Columbia, effective January 1, 2007. The Company explained that during the course of the PBR Plan and Rate Investigation proceeding, Columbia filed the Schedules required for a general rate increase application based on a test year ended December 31, 2005, and subsequently filed updates to these schedules for known and measurable changes to the Company's core cost of service items for the period ending September 30, 2006. The Company represented that its request for a partial waiver of the requirements of Rule 20 VAC 5-200-30 A(9) would not affect the Company's obligation under the PBR Plan to supplement its AIF with a defined Earnings Test and quarterly program reports pertaining to metrics required by the Commission's Final Order entered in the PBR Plan Application and Rate Investigation proceeding, commencing with the Company's 2007 AIF. Columbia represented that the Commission Staff did not oppose the relief requested by the Company's Petition.

On March 8, 2007, the Commission entered an Order that granted Columbia's Petition for partial waiver of the requirements of Rule 20 VAC 5-200-30 A (9) of the Rate Case Rules. The Commission allowed Columbia to file Schedules 1 through 7, 9 through 14, 25, 30, and the Earnings Test workpapers specified in Schedule 21, based on the test year ended December 31, 2006. The captioned docket was left open to receive the Company's AIF for the twelve months ended December 31, 2006, when it was filed.

On April 30, 2007, the Company delivered its AIF to the Commission. Following notification from the Staff that its application was incomplete, Columbia completed its AIF by providing additional information and various revisions to Schedules 3, 4, 9, 10, 12, 13, 21, and 30 on June 12, 2007.

On November 1, 2007, the Staff filed its Report in the captioned matter. That Report consisted of financial and accounting analyses. On November 27, 2007, Staff filed Exhibit No. 3 Corrected, the "NiSource Inc. Capital Structure and Cost of Capital," and corrected page 3 of 3 to Exhibit No. 4, "NiSource Inc. Cost of Long-Term Debt and Preferred Stock" to correct its Report to include the effects of certain debt issuance costs that had been omitted. The Earnings Test analysis in the Staff Report indicated that Columbia's 8.55% return on common equity fell below the Company's currently authorized range of 10.65% to 11.65% authorized in Case No. PUE-1998-00287. The Staff noted in its Report that the Company had two regulatory assets, i.e., one related to an environmental clean-up and the other related to the other post-employment benefit ("OPEB") implementation deferral, and explained that based on Staff's earnings test analysis, because Columbia's return on equity fell below the return on equity range authorized in PUE-1998-00287, no acceleration of the amortization of these regulatory assets was necessary in this AIF.

On December 4, 2007, Columbia, by counsel, filed a letter in response to the Staff Report. In that letter, the Company agreed with the Staff's conclusions that the Company's return on equity for 2006 was below Columbia's authorized return on equity range and that the Company had not recovered charges related to its regulatory assets beyond the authorized level of amortization reflected in its current rates. Columbia stated that while it did not necessarily agree with all of the Staff's proposed adjustments, it would not address the propriety of those adjustments at this time since the acceptance of these adjustments would not result in accelerated amortization of Columbia's regulatory assets. Columbia cautioned that its decision not to challenge any of the individual Staff adjustments should not be construed as acquiescence to the positions taken in the Staff Report. The Company reserved the right to take issue with the Staff's proposed adjustments in future proceedings before the Commission.

NOW THE COMMISSION, upon consideration of the Company's AIF, the Staff's November 1, 2007 Report as revised on November 27, 2007, the Company's December 4, 2007 letter filed in response to the Staff Report, and the applicable statutes, is of the opinion and finds that based upon the record in this proceeding, no acceleration of the amortization of Columbia's regulatory assets is necessary in this AIF. We further find that this case should be dismissed.

We note that Columbia's next AIF for the twelve months ending December 2007, must be prepared in accordance with the provisions of the Proposed Stipulation and Recommendation (hereafter "Stipulation") accepted by our December 28, 2006 Final Order entered in Case Nos. PUE-2005-00098 and PUE-2005-00100. Among other things, paragraph 9 of that Stipulation directs Columbia to prepare its AIFs for each year of the PBR Plan in accordance with the Rate Case Rules and specifically provides for the calculation of Columbia's Earnings Test in accordance with our Rate Case Rules using the actual NiSource capital structure for the appropriate test year, adjusted to remove any and all effects of SFAS No. 158, as provided in paragraph 5 of the Stipulation, and a return on equity range of 9.5% to 10.5%. Other paragraphs within the Stipulation address the write-off of certain regulatory assets and provide that Columbia will not create any new regulatory assets during the term of the PBR Plan. Paragraph 7 of the Stipulation states that the Company will not seek recovery of the acquisition adjustment associated with the acquisition of Columbia through its parent company, Columbia Energy Group, by NiSource Inc. Our decision to dismiss the Company's 2006 AIF should not be construed as amending the provisions of the Stipulation accepted in Case Nos. PUE-2005-00098 and PUE-2005-00100, or as altering the treatment of the accounting adjustments that are specifically addressed therein.

Accordingly, IT IS ORDERED THAT:

(1) In accordance with the findings and discussion set out above, Columbia need not accelerate the amortization of its regulatory assets for purposes of this AIF for the test period ending December 31, 2006.

(2) There being nothing further to be done in this proceeding, this case shall be dismissed, and the papers filed herein shall be passed to the Commission's file for ended causes.

CASE NO. PUE-2007-00020
OCTOBER 31, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER

For a certificate of public convenience and necessity to construct facilities: Carson-Suffolk-Thrasher 500 kV and 230 kV Transmission Lines

ORDER GRANTING CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT CARSON-SUFFOLK-THRASHER 500 KV AND 230 KV TRANSMISSION LINES

On May 4, 2007, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power" or "Company") filed with the State Corporation Commission ("Commission") an Application for Approval and Certification of the Company's proposed Carson-Suffolk-Thrasher 500 kV and 230 kV Transmission Lines, Application No. 232 (hereinafter, "Application"). Subsequent to the filing of its Application, the Company filed revisions to its proposed and alternate routes on July 13, 2007, October 5, 2007, and January 31, 2008. These revisions reduce the impact of the proposed 500 kV transmission line on homes in the vicinity of the proposed and alternate routes, revise the proposed route to avoid the Millstone residential subdivision located in the City of Suffolk,[1] and reduce the impact of the proposed transmission line on the scenic, historic, and environmental assets in the vicinity of the proposed and alternate routes.

The proposed and alternate routes for the 500 kV and 230 kV transmission lines are described in the Commission's July 20, 2007 Order for Notice and Hearing ("Scheduling Order"), the Hearing Examiner's October 9, 2007 Ruling, and the Company's supplemental rebuttal testimony filed on January 31, 2008. Pursuant to the Commission's Scheduling Order, local public hearings were held in Sussex County and the City of Suffolk, and an evidentiary hearing was held in the Commission's courtroom in Richmond to receive evidence on the Company's Application. Following the receipt of all evidence, the hearing was adjourned on February 5, 2008.

On May 1, 2008, the Report of Howard P. Anderson, Jr., Hearing Examiner ("Report"), was filed recommending that the Commission enter an order approving the Application and authorizing the Company to construct the 500 kV and 230 kV transmission lines on the Company's proposed routes, as amended. The Hearing Examiner made the following findings:

1. There is a need for the Company's proposed 500 kV and 230 kV transmission lines. The Hearing Examiner explained that:

> . . . the evidence is sufficient to prove a need for the proposed 500 kV and 230 kV lines to maintain continued reliability of service to the Company's customers in the South Hampton Roads load area in accordance with standards established by the [North American Electric Reliability Corporation] NERC and approved by the Federal Energy Regulatory Commission. The Company's load flow models show that, beginning in the summer of 2011, the Company's transmission facilities serving the South Hampton Roads load area will not meet the mandatory NERC standards. The Company has clearly shown that a generation alternative is not feasible and that the combination of the proposed 500 kV line coupled with the proposed 230 kV line is the best and most cost-effective combination to address the load growth in the South Hampton Roads load area.

(Report at 8).

2. The Company's proposed routes as modified herein should be approved because they will reasonably minimize the adverse impacts on scenic and historic assets, and the environment of the area concerned as required by § 56-46.1 of the Code of Virginia ("Code");[2]

3. The Company's proposed routes use existing rights-of-way to the fullest extent practical;

4. The Commission should direct the Company to follow the normal federal and state guidelines pertaining to construction and maintenance procedures regarding endangered species and environmentally sensitive areas; and

5. The proposed transmission lines should be built using overhead construction.

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[1] The Millstone subdivision is approved but unbuilt.

[2] The Hearing Examiner specifically rejected the Isle of Wight supervisors' proposal that the transmission line be placed underground in Isle of Wight County and declined to enforce any requirements forbidding windrowing of cleared plant material on the right-of-way. Report at 12. Two modifications to the Company's proposed route were found to be needed and are described in the Report at 11.

On May 21, 2008, the City of Suffolk filed Comments to the Report requesting that the Commission re-examine the impact the Hearing Examiner's recommended route for the 500 kV transmission line will have on three separate land parcels within the city. The City of Suffolk's Comments represent that the land parcels are the sites for three future economic development projects that will provide economic benefits:

> . . . to the City of Suffolk and the Commonwealth of Virginia in regard to capital investment, increased tax revenues, and job creation, [and] should warrant additional consideration of the proposed transmission lines' impact, prior to final approval. . . .

(City of Suffolk's Comments at 2).

On May 21, 2008, Staff filed on behalf of public witness Andy Thomas certain e-mailed Comments to the Report opposing the Company's proposed transmission line route on his property in the City of Suffolk.

On May 22, 2008, Dominion Virginia Power filed Comments on the Report. The Company's Comments agree with the Hearing Examiner's finding of need for the proposed 500 kV and 230 kV transmission lines. The Company's Comments also offer a clarification of the statement in the Report at page 8:

> . . . suggesting the proposed Carson-Suffolk 500 kV transmission line would be built on 'totally' new right-of-way that would largely adjoin the Company's existing right-of-way. The Company notes that of the approximately 60.3 miles of Proposed Route, approximately 34.6 miles does not adjoin existing right-of-way. Furthermore, of the approximately 25.8 miles that does adjoin existing right-of-way, the 500 kV transmission line will share a portion of the existing right-of-way, therefore not acquiring as much right-of-way as would normally be required for a stand alone line.

(Dominion Virginia Power's Comments at 5 (citations omitted)).

The Company also agrees with the finding on page 12 of the Report that the Company should not be required to comply with Isle of Wight County's request to forbid windrowing in the county, but requests that the Commission state clearly that the Company may windrow if it determines windrowing is appropriate. The Company further requests in its Comments that certain recommendations of the Virginia Department of Game and Inland Fisheries ("DGIF") contained in the coordinated environmental review conducted by the Virginia Department of Environmental Quality ("DEQ Report"), not be converted into mandatory requirements by the Commission adopting such recommendations or directing the Company to follow such recommendations.[3] The Company requests that it be given latitude in working with DGIF and other agencies with regard to these recommendations.

On May 22, 2008, McDonald Ventures XXVII, LLC, and McDonald Development Company (collectively "McDonald") filed a Petition for Relief ("McDonald Petition"), pursuant to 5 VAC 5-20-80 and 5 VAC 5-20-100 B of the Commission's Rules of Practice and Procedure ("Rules"). McDonald requests the Commission to reopen the record and afford McDonald an opportunity to participate as a respondent in this proceeding and to give McDonald an opportunity to be heard on the merits of the recommended route for the proposed 500 kV transmission line in the City of Suffolk. McDonald represents that property it owns in the City of Suffolk will be adversely impacted by the recommended route for the proposed 500 kV transmission line. The property owned by McDonald is also one of the parcels described in the City of Suffolk's Comments as one of three economic development projects for which the City seeks additional review.[4]

On May 22, 2008, Centerpoint Properties Trust ("Centerpoint") filed a Motion for Leave to Participate as a Respondent ("Motion"), pursuant to 5 VAC 5-20-80, 5 VAC 5-20-100 B, and 5 VAC 5-20-120 of the Commission's Rules and Ordering Paragraph (7) of the Commission's Scheduling Order. Also on May 22, 2008, Centerpoint filed a Petition for Relief and Opposition to Hearing Commissioner's Report ("Centerpoint Petition"), pursuant to §§ 12.1-28 and 56-46.1 of the Code and 5 VAC 5-20-80, 5 VAC 5-20-100 B, and 5 VAC 5-20-120 of the Commission's Rules. Centerpoint requests the Commission to reopen the record and allow Centerpoint to participate as a respondent in this proceeding and to submit evidence and otherwise be heard on the merits of its Petition. Centerpoint represents that property it owns in the City of Suffolk will be adversely impacted by the recommended route for the proposed 500 kV transmission line. The property owned by Centerpoint is also one of the three economic development projects for which the City seeks additional review.[5]

On May 30, 2008, the Commission issued an Order granting Dominion Virginia Power and Staff leave to file responses to the pleadings filed by McDonald and Centerpoint and granted McDonald and Centerpoint leave to file replies to any responses.

On June 18, 2008, the Staff Response was filed. The Staff does not oppose the requests to reopen the record to consider the impact the recommended route for the 500 kV transmission line will have on the three properties scheduled for future industrial development in the City of Suffolk, as described in the pleadings of the City of Suffolk, McDonald, and Centerpoint. The Staff recommends, however, that if the Commission reopens the record, it should do so as an exercise of its legislative discretion, and not on the basis of any alleged defect in the public notice or any unrestricted right claimed by McDonald and Centerpoint to request a hearing at any stage of the proceeding.

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[3] The DGIF recommendations complained of in the Company's Comments concern equipment crossings of streams using clear span footbridges rather than culverts, increasing the Company's standard 100-foot buffers to 300-foot buffers along certain waters and anadromous fish use areas, and time-of-year restrictions on clearing right-of-way that are not consistently and similarly applied to loggers. See Dominion Virginia Power's Comments at 6-8.

[4] McDonald Petition for Relief, paragraph 11, at 6.

[5] Centerpoint Petition, paragraph 33, at 9.

The responses and replies subsequently filed by Dominion Virginia Power, McDonald, and Centerpoint are noted below without further discussion,[6] because the Company, McDonald, and Centerpoint have settled their dispute over the routing of the 500 kV line and filed on October 9, 2008, a Joint Motion to Reopen the Record to Receive and Approve Modification to Proposed Transmission Line in the City of Suffolk, Confirm Compliance with Applicable Notice Requirements and Issue Final Order ("Joint Motion"). By the Joint Motion, the Company moves the Commission to reopen the record in this proceeding for the limited purpose of receiving and approving a modification to the Hearing Examiner's recommended route for the 500 kV Carson-Suffolk transmission line in the City of Suffolk ("Fall 2008 Modification"); to confirm the Company's compliance with the applicable requirements for providing notice of its Application and this proceeding to affected landowners, local public officials, and the public; and to expeditiously issue a Final Order approving the proposed transmission line project.

The Company advises that negotiations with McDonald, Centerpoint, and certain adjoining landowners have produced a successful resolution that fully addresses the matters raised by the McDonald and Centerpoint Petitions. By their Joint Motion, the Company, McDonald, and Centerpoint stipulate and agree that the notice of the Company's Application provided to affected landowners, the City of Suffolk, and the public fully complied with all applicable requirements imposed by the Code and the Commission's Orders in this proceeding, and McDonald and Centerpoint withdraw all claims to the contrary.

As indicated in the Joint Motion, the McDonald and Centerpoint properties are located in an area of the City of Suffolk bounded on the north by the east-west running tracks of the CSX railroad, on the south by the Norfolk Southern railroad, also running east-west, and bisected in the middle by Route 58, running northeast-southwest. The McDonald and Centerpoint properties are crossed by the Hearing Examiner's recommended route for the 500 kV line at a point approximately 2,000 feet west of Route 58's intersection with Route 643 and approximately 4,000 feet west of its intersection with Route 631.

The Company further represents in the Joint Motion that it learned during negotiations with Centerpoint and McDonald that constructing the proposed transmission line across the CSX railroad along the Hearing Examiner's recommended route will preclude Centerpoint's planned construction and use of its proposed intermodal loading and unloading facilities at that location. The Company further discovered that the impacts on the development could not be mitigated by realigning the 500 kV transmission line completely within the Centerpoint property.[7] Instead, the railroad crossing would have to be shifted significantly away from that location to avoid Centerpoint's loading and unloading facilities and additional property would need to be acquired to avoid a building to be constructed near the western edge of the Centerpoint property. Accordingly, in order to mitigate the impact of the transmission line on its property, Centerpoint has entered into contracts to acquire 53.83 acres of additional property adjoining the Centerpoint property on the west ("Western Addition") to provide an alternate route for the 500 kV line outside of Centerpoint's proposed development area.[8]

The Company has determined that locating the transmission line on the Western Addition would be feasible if the Hearing Examiner's recommended crossing of the CSX railroad could be shifted to the west, and then turned south to run along the western side of the Centerpoint property and through the Western Addition. After exiting the Western Addition, the line would be aligned along the western edge of the Centerpoint and McDonald properties until it rejoins the Hearing Examiner's recommended route for the 500 kV line.[9] Certain adjoining landowners that would be impacted by the Fall 2008 Modification have also given their consent to the proposed realignment of the line over their properties.[10]

The Joint Motion, attached affidavits, and geographic maps describe in detail the development by the Company, Centerpoint, and McDonald of the Fall 2008 Modification to the route recommended by the Hearing Examiner, as well as how the impacts of the Fall 2008 Modification have been mitigated. The Joint Motion also contains a revised construction estimate of $229.6 million for the Carson-Suffolk-Thrasher project with the Fall 2008 Modification.[11]

The Company, Centerpoint, and McDonald represent in the Joint Motion that the Fall 2008 Modification provides a reasonable solution to the issues raised in the Centerpoint and McDonald Petitions and is in the public interest. The Company, therefore, requests that the Commission accept the proposed Fall 2008 Modification to the route recommended by the Hearing Examiner for the 500 kV line in order to minimize delay in the commencement of construction of the line, compared to further litigated proceedings, and to increase the Company's ability to complete construction of the project on a timely basis.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Company's public notice of its Application and proceedings herein is proper; that Centerpoint and McDonald should be made respondents in this proceeding; that the Joint Motion should be granted and the record reopened; and that the Company's Application, as amended by the Fall 2008 Modification, should be granted.

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[6] On June 19, 2008, Dominion Virginia Power filed its Response of Virginia Electric and Power Company Opposing Petitions and Motion. On July 1, 2008, McDonald filed a Reply to the Responses filed by the Commission Staff and Virginia Electric and Power Company. On July 3, 2008, Centerpoint filed a Reply to the Commission Staff's Response and to Dominion Virginia Power's Opposition to Petitions and Motion. On July 25, 2008, Dominion Virginia Power filed its Motion for Leave to File Affidavits and Limited Comments and Clarify Position on Due Diligence of Developers and a Motion for Entry of a Protective Order. On July 30, 2008, McDonald filed a Reply to the Motion of Virginia Electric and Power Company for Leave to File Affidavits and Limited Comments and to Clarify Position on Due Diligence of Developers and Entry of a Protective Order. On August 6, 2008, the Company filed its Reply to the McDonald July 30, 2008 Reply.

[7] Joint Motion at 6-7, Harper Affidavit at 2-3.

[8] Joint Motion at 7, Harper Affidavit at 3, and Exhibit B.

[9] Joint Motion at 7-8, Harper Affidavit at 3-4.

[10] Joint Motion at 8, Carter Affidavit 1-2.

[11] *Id.*, Cox Affidavit at 1-2.

Approval

The Commission is of the opinion and finds that the public convenience and necessity require the construction of the Company's proposed transmission lines on the routes recommended by the Hearing Examiner, as amended by the Fall 2008 Modification proposed by the Company, Centerpoint, and McDonald.

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code of Virginia. Section 56-265.2 A of the Code provides that "[i]t 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 (i) shall consider the effect of the proposed facility on economic development within the Commonwealth and (ii) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B 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."

Finally, the Code requires the Commission to 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."

Need

The record in this case is uncontroverted that there is a need for the Company's proposed 500 kV and 230 kV transmission lines. Accordingly, we accept the Hearing Examiner's finding that the proposed 500 kV and 230 kV transmission lines are needed to maintain continued reliability of service to the South Hampton Roads load area in accordance with the reliability standards of the NERC.

Economic Development

Having found that the Company's proposed 500 kV and 230 kV transmission lines are required to maintain continued reliability of service, we conclude that such continued reliability of service to customers in the South Hampton Roads load area is essential to continued economic development within the Commonwealth. We have also considered the impact on economic development of routing certain portions of the 500 kV line, identified as the Fall 2008 Modification, in the City of Suffolk. Based on the representations in the Joint Motion, we find the route recommended by the Hearing Examiner, as modified by the Fall 2008 Modification to accommodate the industrial development projects of McDonald and Centerpoint, will provide significant economic benefits to the City of Suffolk and the Commonwealth of Virginia.

Scenic and Historic Assets and Existing Rights-of-Way

We further note that the presiding Hearing Examiner, following local public hearings on September 24 and 27, 2007, met with property owners who requested further inspection of their properties to review potential impacts of the proposed transmission line. On January 14 and 15, 2008, the Hearing Examiner met with these property owners to physically inspect the properties as requested, having previously flown and observed the proposed and alternate routes from air by helicopter.[12]

We find that, as noted earlier in the Company's Comments to the Report, of the approximately 60.3 miles of proposed route, approximately 34.6 miles will not adjoin existing right-of-way and approximately 25.8 miles will adjoin existing right-of-way, thereby allowing a portion of the 500 kV transmission line to share a portion of the Company's existing right-of-way. The proposed route for the 500 kV line will, therefore, not require acquisition of as much right-of-way as would normally be required for a stand alone line.[13] The proposed Suffolk to Thrasher 230 kV line, in contrast, will be built entirely within existing right-of-way. We, therefore, accept the Hearing Examiner's finding that the Company's proposed routes use existing rights-of-way to the fullest extent practical.

We further find the incremental impact of the recommended routing on the scenic and historic assets of the area have been minimized to the extent practicable. Accordingly, we accept the Hearing Examiner's finding that the proposed routes will reasonably minimize the adverse impacts on scenic and historic assets of the area as required by § 56-46.1 of the Code.

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[12] Hearing Examiner Report at 11.

[13] Dominion Virginia Power's Comments at 5.

Environmental Impact

Under § 56-46.1 A and B of the Code, the Commission is required to consider a proposed transmission line'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 facility by state agencies concerned with environmental protection.

In order to assist the Commission with its review of the environmental impact of the proposed transmission lines, the DEQ filed its coordinated environmental review on August 16, 2007.[14] The specific recommendations in the DEQ Report are summarized as follows:

- Coordinate this project with the Department of Conservation and Recreation and follow the recommendations of that Department regarding the protection of natural heritage resources and avoidance of natural area preserves (Environmental Impacts and Mitigation, item 1(c), pages 14-15 and item 13, page 31).

- Coordinate this project with the Department of Game and Inland Fisheries (DGIF) with respect to impacts to species, and follow the recommendations of that Department (Environmental Impacts and Mitigation, item 2, pages 15-21).

- Follow DEQ's recommendations to avoid impacts to wetlands and streams, and minimize indirect and temporary impacts to wetlands (Environmental Impacts and Mitigation, item 4, pages 23-24).

- Conduct an environmental investigation for each area along the line where work will occur that includes a search of waste-related databases on and around the property to identify any solid or hazardous waste sites or issues before work begins (Environmental Impacts and Mitigation, item 5(a), page 25).

- Reduce solid waste at the source, re-use it, and recycle it to the maximum extent practicable (Environmental Impacts and Mitigation, item 5(b), page 25).

- Coordinate with the Department of Historic Resources on the surveys necessary to identify, evaluate and recover data from archaeological sites (Environmental Impacts and Mitigation, item 7(e), page 27).

- Coordinate with the Department of Forestry and the Department of Conservation and Recreation concerning appropriate mitigation measures to offset the clearing of over 700 acres of timberland and to minimize the impacts of forest fragmentation on natural habitat (Environmental Impacts and Mitigation, item 10, page 28-30).

- Coordinate road and transportation impacts with the localities and the appropriate VDOT Residencies (Environmental Impacts and Mitigation, item 12, pages 30-31 and "Regulatory and Coordination Needs" item 11, page 38).

- Follow the principles and practices of pollution prevention to the maximum extent practicable (Environmental Impacts and Mitigation, item 14, page 31).

- Limit the use of pesticides and herbicides to the extent practicable (Environmental Impacts and Mitigation, item 15, page 32).

- Follow the requirements of the Federal Aviation Regulations by notifying the Federal Aviation Administration about the construction of the proposed transmission line (Environmental Impacts and Mitigation, item 17, page 32).

- Work with local officials to address local concerns related to the proposed power line (Environmental Impacts and Mitigation, item 18, page 33).

A wetland impact consultation was conducted by DEQ's Director of the Office of Wetlands & Water Protection. After reviewing the wetland impact analysis information submitted by the Company, the Director made the following recommendations:

1. Prior to commencing project work, all wetlands and streams within the project corridor should be field delineated and verified by the U.S. Army Corps of Engineers (the Corps), using accepted methods and procedures.

2. Wetland and stream impacts should be avoided and minimized to the maximum extent practicable.

3. At a minimum, compensation for impacts to State Waters, if necessary, shall be in accordance with all applicable state wetland regulations and wetland permit requirements, including the compensation for permanent conversion of forested wetlands to emergent wetlands.

4. Any temporary impacts to surface waters associated with this project shall require restoration to pre-existing conditions.

[14] Exhibit 25, Attachment 4.

5. No activity may substantially disrupt the movement of aquatic life indigenous to the water body, including those species, which normally migrate through the area, unless the primary purpose of the activity is to impound water. Culverts placed in streams must be installed to maintain low flow conditions. No activity may cause more than minimal adverse effect on navigation. Furthermore the activity must not impede the passage of normal or expected high flows and the structure or discharge must withstand expected high flows.

6. Erosion and sedimentation controls shall be designed in accordance with the Virginia Erosion and Sediment Control Handbook, Third Edition, 1992. These controls shall be placed prior to clearing and grading and maintained in good working order to minimize impacts to state waters. These controls shall remain in place until the area is stabilized and shall then be removed. Any exposed slopes and streambanks shall be stabilized immediately upon completion of work in each permitted area. All denuded areas shall be properly stabilized in accordance with the Virginia Erosion and Sediment Control Handbook, Third Edition, 1992.

7. No machinery may enter surface waters, unless authorized by a Virginia Water Protection permit.

8. Heavy equipment in temporarily impacted surface waters shall be placed on mats, geotextile fabric or other suitable material, to minimize soil disturbance to the maximum extent practicable. Equipment and materials shall be removed immediately upon completion of work.

9. Activities shall be conducted in accordance with any Time-of-Year restriction(s) as recommended by the Department of Game and Inland Fisheries, the Department of Conservation and Recreation, or the Virginia Marine Resources Commission. The permittee shall retain a copy of the agency correspondence concerning the Time-of-Year restriction(s), or the lack thereof, for the duration of the construction phase of the project.

10. All construction, construction access, and demolition activities associated with this project shall be accomplished in a manner that minimizes construction materials or waste materials entering surface waters, unless authorized by a permit. Wet, excess, or waste concrete shall be prohibited from entering surface waters.

11. Herbicides used in or around any surface water shall be approved for aquatic use by the United States Environmental Protection Agency (EPA) or the U.S. Fish and Wildlife Service. These herbicides should be applied according to the label directions by a licensed herbicide applicator. A non-petroleum based surfactant shall be used in or around any surface waters.

The Company, as previously noted, requested in its Comments to the Hearing Examiner's Report that certain DGIF recommendations contained in the DEQ Report not be converted into mandatory requirements by the Commission adopting such recommendations or directing the Company to follow such recommendations.[15] The Hearing Examiner reported that no representatives of DEQ or DGIF appeared at the hearings and, thus, we are not given a testimonial record to determine what recommendations complained of by the Company are reasonable.

We will condition the certificates granted herein upon the Company's receipt of all environmental and other permits necessary to construct and operate the transmission lines. Additionally, the DEQ and DGIF recommendations not objected to in the Company's Comments to the Report are found necessary to minimize the adverse impact of the transmission facility and are made a condition of the Company's certificates. Finally, based on the record in this case, we find that the DGIF recommendations contained in the DEQ Report regarding (1) equipment crossings of streams using clear span structures, (2) the maintenance of 300-foot buffers for certain waters and anadromous fish use areas, and (3) time-of-year restrictions on clearing right-of-way, are not necessary to minimize adverse environmental impacts. We accept the Hearing Examiner's recommendation not to impose restrictions above and beyond the normal restrictions noted herein and to direct the Company to work with the agencies to arrive at workable and reasonable solutions to the Company's areas of concern discussed herein. We accept the Hearing Examiner's finding that if windrowing of right-of-way in Isle of Wight County is not currently required, then the Company should not be required to comply with the request.[16]

Accordingly, IT IS ORDERED THAT:

(1) Centerpoint and McDonald are hereby made respondents.

(2) The Joint Motion is hereby granted and the record reopened to receive the Fall 2008 Modification to the Hearing Examiner's recommended route for the 500 kV line in the City of Suffolk.

(3) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code of Virginia, Dominion Virginia Power's Application for a certificate of public convenience and necessity to construct and operate the proposed transmission lines, as discussed herein, is granted.

(4) Dominion Virginia Power is authorized to construct and operate on the route recommended by the Hearing Examiner, as revised by the Fall 2008 Modification, an overhead 500 kV transmission line from the Company's Carson Substation in Dinwiddie County to its Suffolk Substation in the City of Suffolk, and a 230 kV transmission line from the Company's Suffolk Substation to its Thrasher Substation in the City of Chesapeake.

[15] See footnote 3 herein for the recommendations complained of.

[16] Report at 12. The Company shall coordinate with the DEQ its implementation of the recommendations adopted herein, including any potential modifications or clarifications thereto mutually agreeable to the Company and DEQ.

(5) Pursuant to the Utility Facilities Act, Chapter 10.1 (§§ 56-265.1 *et seq.*) of Title 56 of the Code of Virginia, Virginia Electric and Power Company is issued the following certificates of public convenience and necessity:

> Certificate No. ET-76j authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the proposed Carson-Suffolk 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00020; and to operate previously certificated transmission lines and facilities in Dinwiddie County, all as shown on the map attached to the certificate. Certificate No. ET-76j cancels Certificate No. ET-76i issued to Virginia Electric and Power Company on June 16, 1994.
>
> Certificate No. ET-104l authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the proposed Carson-Suffolk 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00020; and to operate previously certificated transmission lines and facilities in Prince George County, all as shown on the map attached to the certificate. Certificate No. ET-104l cancels Certificate No. ET-104k issued to Virginia Electric and Power Company on October 6, 1989.
>
> Certificate No. ET-112e authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the proposed Carson-Suffolk 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00020; and to operate previously certificated transmission lines and facilities in Sussex County, all as shown on the map attached to the certificate. Certificate No. ET-112e cancels Certificate No. ET-112d issued to Virginia Electric and Power Company on July 25, 1980.
>
> Certificate No. ET-110d authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the proposed Carson-Suffolk 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00020; and to operate previously certificated transmission lines and facilities in Southampton County, all as shown on the map attached to the certificate. Certificate No. ET-110d cancels Certificate No. ET-110c issued to Virginia Electric and Power Company on June 1, 1979.
>
> Certificate No. ET-87j authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the proposed Carson-Suffolk 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00020; and to operate previously certificated transmission lines and facilities in Isle of Wight County, all as shown on the map attached to the certificate. Certificate No. ET-87j cancels Certificate No. ET-87i issued to Virginia Electric and Power Company on February 12, 1982.
>
> Certificate No. ET-95v authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the proposed Carson-Suffolk 500 kV and Suffolk-Thrasher 230 kV transmission lines and facilities as authorized in Case No. PUE-2007-00020; and to operate previously certificated transmission lines and facilities in the Cities of Chesapeake, Norfolk, Suffolk, Portsmouth, and Virginia Beach, all as shown on the map attached to the certificate. Certificate No. ET-95v cancels Certificate No. ET-95u issued to Virginia Electric and Power Company on August 29, 2005, in Case No. PUE-2004-00139.

(6) Within thirty (30) days from the date of this Order, the Company shall submit to the Commission's Division of Energy Regulation three (3) copies of revised routing maps that are needed to replace the routing maps submitted with its Application.

(7) The certificates authorized in Ordering Paragraph (5) above are conditioned upon the Company's compliance with Ordering Paragraph (6) and the recommendations of DEQ and DGIF as set out above.

Judge Dimitri did not participate in this case.

CASE NO. PUE-2007-00023
JULY 23, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

2006 Annual Informational Filing

FINAL ORDER

On April 5, 2007, Virginia Electric and Power Company ("Virginia Power" or "Company") filed with the State Corporation Commission ("Commission") a Motion for Waiver to File Schedules 15, 16, 17, 19, and 20 as part of the Company's Annual Informational Filing for 2006 ("2006 AIF"). In support of its Motion, the Company argued that Schedules 15, 16, 17, 19, and 20 contain *pro forma* adjustments to the Company's test year operations that allow the Commission to determine the adequacy of the Company's rates during 2007. However, since the Company's rates are capped through December 31, 2008, pursuant to § 56-582 F of the Code of Virginia ("Code"), the Company claimed "that the requirement to provide *pro forma* projections of 2007 financial results is unnecessary given that rates cannot be changed in 2007 or 2008 based on a 2007 test year."[1]

On April 24, 2007, the Staff of the Commission filed a response opposing the Motion. On April 25, 2007, the Virginia Committee for Fair Utility Rates filed a response also opposing Virginia Power's Motion.

[1] Virginia Power Motion at 2.

On April 25, 2007, Virginia Power filed a reply withdrawing its Motion and requesting leave of the Commission for an additional fourteen (14) days to file Schedules 15, 16, 17, 19, and 20 of its 2006 AIF.

On May 1, 2007, the Commission entered an Order Granting Partial Waiver of 20 VAC 5-200-30 A 9 of the Commission's Rules governing utility rate increase applications and annual informational filings ("Rate Case Rules"), and ordered the Company to file Schedules 15, 16, 17, 19, and 20 on or before May 15, 2007.

On April 30, 2007, Virginia Power filed its 2006 AIF based on calendar year 2006 financial information. On May 14, 2007, the Company filed Schedules 15, 16, 17, 19, and 20 to complete its 2006 AIF.

On July 1, 2008, the Staff filed its Report ("Staff Report"). The Staff Report noted that the Company's 2006 AIF contained an earnings test reflecting an 8.73% average return on equity on a jurisdictional per books basis and an 8.57% average return on equity after adjustments to reflect earnings on a regulatory accounting basis.

The Staff Report further noted that the Company filed a rate of return statement (Schedule 15), which projected revenues, rate base and rate base sensitive items (*i.e.* depreciation expense and property tax expense) through December 31, 2007, and reflected projected operations and maintenance expense for items such as payroll and benefit costs for calendar year 2007. On a jurisdictional per books basis, the Company's adjusted rate of returns statement reflects a 7.24% return on rate base and an 8.75% return on equity for its bundled operations, and a 10.16% return on rate base and a 14.73% return on equity for its transmission and distribution operations. On a fully adjusted basis, the Company reflects an 8.31% return on rate base and a 10.78% return on equity for its bundled operations, and a 10.08% return on rate base and a 14.21% return on equity for its transmission and distribution operations.

The Staff Report did not take exception to the regulatory accounting adjustments and the going-forward ratemaking adjustments proposed by the Company in its 2006 AIF. However, the Staff indicated that it will perform an in-depth audit of the Company's per books earnings and adjustments as a part of the Company's 2009 rate review conducted pursuant to § 56-585.1 A of the Code.

On July 7, 2008, counsel for Virginia Power, Edward L. Flippen, advised the Staff that the Company does not intend to file a response to the Staff Report.

NOW THE COMMISSION, upon consideration of the Company's 2006 AIF, the Staff Report, and the applicable statutes, is of the opinion and finds that this matter should be dismissed.

Accordingly, IT IS ORDERED THAT, this matter be dismissed from the Commission's docket of active proceedings and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUE-2007-00029
FEBRUARY 26, 2008

APPLICATION OF
AQUA VIRGINIA, INC.

Annual Informational Filing for a 2006 calendar test year

FINAL ORDER

On April 16, 2007, Aqua Virginia, Inc. (formerly Lake Monticello Service Company) ("Company" or "Lake Monticello") filed with the State Corporation Commission ("Commission") a petition for extension of time to file its Annual Informational Filing ("AIF") until July 1, 2007. An Order Granting Extension was issued April 20, 2007.

On July 2, 2007, the Company filed its 2006 AIF. On July 11, 2007, the Staff filed a memorandum of incompleteness, which requested submission of revised Schedules 7, 9, 10, 11, 12, 15, 16, 17, and 21 to reflect separate operations between water and wastewater utility services.[1] On July 31, 2007, the Company filed the revised schedules requested. The Staff filed a memorandum of completeness on August 2, 2007.

On November 1, 2007, the Staff filed its Staff Report which included: a financial review by the Division of Economics and Finance of the Company for the 2006 test year, comments on the financial health of the Company's parent, Aqua America, and an analysis of Lake Monticello's ratemaking capital structure; and an accounting review by the Division of Public Utility Accounting of the 2006 AIF as well as a review for conformance with the Commission's Order Approving Stipulation issued September 21, 2006, Case No. PUE-2005-00080. The Staff Report indicates that the Company's fully adjusted test-year returns after Staff's adjustments are 6.79% on common equity and 6.26% on rate base for the water operation, and 7.98% on common equity and 6.80% on rate base for the wastewater operation.

Based on the earnings test results for the test year ended December 31, 2006, Staff recommended no additional write-off of deferred rate case costs. The Staff also recommended that the Company begin maintaining the same level of account detail for Other Revenue at the wastewater operation as is maintained at the water operation. The Company's earnings on a fully adjusted ratemaking basis for both water and wastewater operations are below the 10% rate of return on equity stipulated in the Company's last rate case in PUE-2005-00080. Therefore, the Staff Report concludes that no further action concerning the Company's rates is required at this time.

[1] The breakout of water and wastewater operations to be reported in the 2006 AIF is consistent with the Stipulation approved in Lake Monticello's last rate case in PUE-2005-00080, which requires the Company to properly segregate the books and transactions of the water and wastewater operations (Order Approving Stipulation, September 21, 2006, Case No. PUE-2005-00080) ("Rate Order").

On December 7, 2007, the Company filed a response to the Staff Report maintaining that, as the Company has not over earned on either a fully adjusted ratemaking basis or an earnings test basis, no further action by the Commission is required. The Company noted that the Staff Report raises several matters that involve changes in accounting or other matters. The Company states it will continue to cooperate with the Staff to resolve matters noted in the Staff Report, but reserved the right to argue the merits of those matters in future proceedings if they cannot be resolved.

NOW THE COMMISSION, upon consideration of the Company's complete application, the Staff Report, the Company's response, and the applicable law, is of the opinion that the issue of the Company's compliance with its last rate order, specifically the approved Stipulation at Paragraph 13, should be addressed before concluding this AIF proceeding.

The Company's response to the Staff Report did not contest or otherwise dispute Staff's several booking adjustments made to report the Company's Base Revenues, Availability Revenue, Other Revenue, and Gross Receipts Tax.[2] Whether the Company's response is silent on Staff's several book adjustments because Staff's book adjustments did not disturb the ultimate finding that the Company met its earnings test, or because the Company prefers to address these matters in a future proceeding, the Commission is of the opinion that the Company should again be ordered to comply with the Stipulation approved in the last Rate Order, which provides at Paragraph 13 that, "Aqua Virginia agrees to properly segregate the books and transactions of the water and wastewater operations and to file a cost of service study with its next rate case." In the conclusion to the Staff Report, the Staff states its belief that many of the problems arising in this AIF review will be resolved once the Company makes a more complete segregation of revenues and costs between water and wastewater operations.

The Commission finds that the Company should take whatever steps are necessary to maintain its books and records in compliance with the requirement approved in the Rate Order to properly segregate the books and transactions of the water and wastewater operations. This includes steps to begin maintaining the same level of account detail for Other Revenue at the wastewater operation as is maintained at the water operation. The Company's full compliance with this requirement will allow Staff to more effectively review the next AIF application and will assist the Company's preparation of a fully distributed cost of service study to support its next rate application.

Accordingly, IT IS ORDERED THAT:

(1) Aqua Virginia, Inc. is hereby ordered to take steps necessary to maintain its books and records in compliance with the requirements of the Stipulation approved in Case No. PUE-2005-00080 to properly segregate the books and transactions of the water and wastewater operations, consistent with the findings above. The steps ordered include compliance with Staff's recommendation that Aqua Virginia, Inc. begin maintaining the same level of account detail for Other Revenue at the wastewater operation as is maintained at the water operation.

(2) This matter shall be dismissed from the Commission's docket of active proceedings and the papers herein placed in the Commission's file for ended cases.

[2] Staff's review of Base Revenue found that water revenues were overstated by $118,000, and that wastewater revenues were understated by $118,000. Staff found that Availability Revenue was booked entirely to the water operation and correcting book adjustments were made. Staff found discrepancies in Other Revenue booked to the water and wastewater operations and reclassified a portion of Other Revenue to Base Revenue and reallocated the remaining portion of Other Revenue from wastewater to water operation. Staff made an adjustment to Gross Receipts Tax expense and employee benefits booked to correct the test year split made by the Company between water and wastewater operations.

CASE NOS. PUE-2007-00031 and PUE-2007-00033
OCTOBER 7, 2008

JOINT APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER,
and
TRANS-ALLEGHENY INTERSTATE LINE COMPANY

For certificates of public convenience and necessity to construct facilities: 500 kV Transmission Line from Transmission Line #580 to Loudoun Substation

APPLICATION OF
TRANS-ALLEGHENY INTERSTATE LINE COMPANY

For certificates of public convenience and necessity to construct facilities: 500 kV Transmission Line from Virginia-West Virginia Boundary to Virginia Electric and Power Company Transmission Line #580

ORDER

On April 19, 2007, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion") filed with the State Corporation Commission ("Commission"), on its own behalf and on behalf of Trans-Allegheny Interstate Line Company ("TrAILCo") (an affiliate of The Potomac Edison Company d/b/a/ Allegheny Power), a joint application for approval of a 500 kV transmission line project ("Dominion Application"). On April 19, 2007, TrAILCo filed with the Commission an application for approval of an additional 500 kV transmission line project ("TrAILCo Application").[1] The transmission lines proposed in these two applications involve the Virginia segments of the 502 Junction - Loudoun line, which is a proposed 500 kV transmission line that begins in Pennsylvania, crosses West Virginia, and terminates at Dominion's Loudoun Substation.

[1] Dominion and TrAILCo also are referred to herein collectively as "Applicants."

In the Dominion Application, Dominion and TrAILCo seek authority to build a new 500 kV transmission line from a point in Warren County on the west side of the Appalachian Trail near the boundary of Warren and Fauquier Counties to Dominion's existing Loudoun Substation in Loudoun County.[2] TrAILCo would jointly own with Dominion an undivided 50% interest in a specified portion of the line.[3] The TrAILCo Application addresses the Virginia portion of the proposed 502 Junction - Loudoun transmission line that begins at the Virginia/West Virginia state line, connects with the Meadow Brook Substation, and ends at a point in Warren County approximately 300 feet west of the western boundary of the Appalachian Trail.[4]

On June 1, 2007, the Commission issued an Order for Notice and Hearing that directed public notice of the applications to be published, established a procedural schedule, set hearing dates to receive public comment and evidence, and appointed a Hearing Examiner to conduct further proceedings.

On July 28, 2008, Hearing Examiner Alexander F. Skirpan, Jr., entered a 223-page report that explained the extensive procedural history of this case, summarized the record, analyzed the evidence and issues in this proceeding, and made certain findings and recommendations ("Hearing Examiner's Report").

The Hearing Examiner identified the following as respondents who filed notices of participation for one or both of these cases by August 1, 2007:

- Piedmont Environmental Council ('Piedmont');
- Board of Supervisors of Fauquier County ('Fauquier County');
- Prince William County Board of Supervisors ('Prince William County');
- Power-Line Landowners Alliance ('PLA');
- Board of Supervisors of Loudoun County ('Loudoun County');
- Richard B. Clifford and Julianne C. Clifford ('Cliffords');
- Perch Associates, LLC ('Perch');
- Board of Supervisors of Culpeper County ('Culpeper County');
- CPV Warren, LLC ('CPV Warren');
- Virginians for Sensible Energy Policy ('Sensible Energy');
- Virginia's Commitment, LLC ('Virginia's Commitment');
- Board of Supervisors for Rappahannock County ('Rappahannock County');
- Virginia Outdoors Foundation ('Virginia Outdoors');
- Dominion Country Club, L.P. ('Country Club');
- Dominion Valley Owners Association and Regency at Dominion Valley Owners Association ('Regency');
- Madison at Greenfields ('Greenfields');
- William Nesbitt ('Nesbitt'); and
- Allen and Jennifer Richards, John Daniel McCarty, Montana Farm, LLC, Mt. Joy Farm, LP, Oakwood Enterprises, LLC, Richardson Oakwood Enterprises, LLC, Warrant K. Montouri Trust, William T. Semple; Robert B. Semple, Jr., Lloyd A. Semple, Nathaniel M. Semple, Elizabeth S. Knight, Kenneth C. Rietz, Christopher Paige, Sheila Paige, Ursula Landsrath, George M. Chester, Jr., and Virginia Farms, LLC (collectively, 'Individual Respondents').[5]

As explained by the Hearing Examiner, public hearings in this proceeding were held throughout the Commonwealth as follows: (1) July 26-27, 2007, Warrenton; (2) August 9-10, 2007, Bristow; (3) August 13-14, 2007, Winchester; (4) August 15-16, 2007, Front Royal; and (5) January 14, February 25-29, March 3, 5-7, 10-14, 17-18, and July 9, 2008, Richmond.[6] The Commission also received over 1,300 written and electronic comments in this proceeding.

The Hearing Examiner's Report included the following findings:

> 1. The PJM Interconnection, LLC ('PJM') generation deliverability and load deliverability tests and the Dominion test properly apply mandatory North American Electric Reliability Corporation ('NERC') transmission reliability planning standards;
>
> 2. The Applicants' load forecasts are based on reasonable assumptions for transmission planning purposes, including assumptions that project future savings from demand-side management ('DSM') programs to remain at current levels;
>
> 3. The Applicants' assumptions regarding future generation are consistent with the federally-mandated functional separation of transmission and generation, and PJM's general lack of authority to cause generation to be constructed. However, I find that PJM's generation assumptions produce less and less reliable load-flow results the farther projections are made into the planning horizon;

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[2] Exh. 5 at 2.

[3] *Id.*

[4] Exh. 37 at 2.

[5] Hearing Examiner's Report at 6. The Hearing Examiner subsequently granted motions to withdraw from CPV Warren and from Allen and Jennifer Richards, John Daniel McCarty, Kenneth C. Rietz, and Ursula Landsrath. *Id.* at 6 n.6, 8.

[6] *Id.* at 6-9.

4. The Applicants' projected load-flow results for 2011 and 2012 support the need for additional transmission to address violations of NERC transmission reliability planning standards;

5. The Amos - Kemptown line is a viable alternative, but the proposed 502 Junction - Loudoun line is the best alternative to meet the need demonstrated in these proceedings;

6. The Commission should condition approval of the Virginia segments of the 502 Junction - Loudoun line on approval in Pennsylvania and West Virginia;

7. For Case No. PUE-2007-00031, the proposed Southern Route reasonably minimizes adverse impact, makes use of existing right-of-way, and should be designated by the Commission as the route for the proposed line;

8. For Case No. PUE-2007-00033, Route B reasonably minimizes adverse impact, makes use of existing right-of-way, and should be designated by the Commission as the route for the proposed line;

9. Recommendations contained in the Department of Environmental Quality ('DEQ') Report should be adopted by the Commission as conditions of approval, with the exceptions of DEQ's overall routing recommendation in Case No. PUE-2007-00031, and the Department of Game and Inland Fisheries ('DGIF') recommendations regarding clear-span bridges, a general prohibition of clearing and maintenance, and increased buffers;

10. Where existing Dominion right-of-way crosses land that is now subject to open space easements, Dominion has agreed to locate the proposed new line within the existing easement or provide landowners with an option of shorter transmission towers in exchange for an additional 60-foot easement into the open space land by providing written confirmation that the open space easement has been released within a month of the final order in this case. Dominion should be required to provide this option to such landowners;

11. Applicants should be required to develop and file with the Commission a detailed right-of-way clearing plan that follows Federal Energy Regulatory Commission ('FERC') guidelines and addresses future maintenance of the right-of-way; and

12. To ensure adherence to the right-of-way clearing plan, the Commission should require Applicants to each have one of its foresters, or a contract forester or arborist, supervise the day-to-day operations of its clearing contractor.[7]

Participants filed comments on the Hearing Examiner's Report on or before August 18, 2008.[8]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the public convenience and necessity require construction of the transmission lines proposed in this proceeding, as provided for and subject to the requirements and conditions set forth in this Order.

Code of Virginia

Section 56-265.2 A of the Code of Virginia ("Code") provides that "[i]t 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 A of the Code directs the Commission to consider several factors in reviewing proposed new facilities. It provides in part:

> 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 (i) shall consider the effect of the proposed facility on economic development within the Commonwealth and (ii) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code states that, with regard to overhead transmission lines, "[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."

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[7] *Id.* at 221-222.

[8] On September 2, 2008, Prince William County, Sensible Energy, Virginia's Commitment, PLA, and Piedmont jointly filed a letter with the Commission that "move[d] to lodge in the record in these proceedings the August 15, 2008 Recommended Decision of Pennsylvania Public Utility Commission (PaPUC) Administrative Law Judges Mark A. Hoyer and Michael A. Nemec." On September 11, 2008, TrAILCo and Dominion filed letters that objected to "lodging" additional information into the record in this proceeding. The Commission will not re-open the record in response to this motion.

Section 56-46.1 B of the Code also directs that "[i]n 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."

Section 56-46.1 D of the Code explains 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."

Section 56-46.1 C of the Code directs 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."

Section 56-259 C of the Code states 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

We conclude, as did the Hearing Examiner, that the proposed 502 Junction - Loudoun line is needed in accordance with Virginia statutes. We find that: (1) it is reasonable to determine need based on violations of the NERC transmission reliability planning standards; (2) the tests employed by PJM and Dominion properly apply the NERC standards; (3) the results of those tests show NERC violations beginning in 2011; (4) the proposed 502 Junction - Loudoun line eliminates those NERC violations; and (5) sufficient Virginia need has been shown to give full weight to the line's regional need.[9] In reaching these conclusions, and as discussed in the Hearing Examiner's Report, the Commission has complied with the following directive in § 56-46.1 B of the Code: "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." In addition, we find that the alternatives raised by those opposed to this line provide neither a factual nor legal basis requiring denial of the Applications.

Load Flow Modeling

We conclude that the load and generation assumptions used in the PJM and Dominion tests are reasonable,[10] and further adopt the following findings by the Hearing Examiner: (i) "[t]he PJM generation deliverability and load deliverability tests and the Dominion test properly apply mandatory NERC transmission reliability planning standards;" (ii) "[t]he Applicants' load forecasts are based on reasonable assumptions for transmission planning purposes, including assumptions that project future savings from DSM programs to remain at current levels;" (iii) "[t]he Applicants' assumptions regarding future generation are consistent with the federally-mandated functional separation of transmission and generation,[11] and PJM's general lack of authority to cause generation to be constructed;" and (iv) "[t]he Applicants' projected load-flow results for 2011 and 2012 support the need for additional transmission to address violations of NERC transmission reliability planning standards."[12]

We find that the tests employed by PJM and Dominion using 2006 data, 2007 data, and data updated through February 2008 result in NERC violations as follows:

> The 2006 [Regional Transmission Expansion Plan ('RTEP')] as conducted by PJM identified seven Category B NERC violations beginning in 2011, with the most severe violations predicted to occur on the Mt. Storm - Doubs line. The most severe overload for the PJM generation deliverability test was 101% of the line's emergency rating, and the most severe overload for the PJM load deliverability test was 106%. The Dominion test produced eight Category B NERC violations beginning in 2011, with the most severe overload occurring on the Edinburg - Mt. Jackson line, which was modeled to be 114%, or 20% above the Dominion loading criteria of 94%. Applicants showed that both the number and severity of Category B NERC violations increase each year subsequent to 2011.
> . . .
> The tests conducted for the 2007 RTEP are limited in that they begin with 2012, with results for 2011 to be inferred from the 2006 RTEP. These tests show the need for additional transmission capacity in 2012.
> . . .
> The PJM and Dominion tests updated through February 2008, like the 2007 RTEP results, are limited in scope to 2012 and continue to show the need for additional transmission capacity.[13]

The Hearing Examiner also considered additional tests for NERC violations designed to incorporate the results of PJM's May 2008 Reliability Pricing Model ("RPM") auction ("RPM Tests"), which further support the finding of need made herein. We agree with the Hearing Examiner that: (1) "[f]or

[9] *See generally,* Hearing Examiner's Report at 167-199.

[10] *See, e.g., id.* at 172-182.

[11] *See, e.g.,* FERC Order No. 889, Open Access Same-Time Information System (formerly Real-Time Information Networks) and Standards of Conduct, Docket No. RM95-9-000, 75 FERC ¶ 61,078 (Apr. 24,1996) ("FERC Order 889").

[12] Hearing Examiner's Report at 221-222 (footnote added).

[13] *Id.* at 182, 184, 186 (citations omitted). The Hearing Examiner explained that to pass the PJM tests (*i.e.*, PJM's generator deliverability test and load deliverability test), maximum loading for any transmission facility should not exceed 100% of its applicable rating: "NERC Reliability Standards mandate that the maximum loading for any transmission facility should stay within its 'Applicable Rating' for both thermal and voltage operating conditions, both pre-contingency and post-contingency." *Id.* at 169 (quoting Exh. 5, Appendix at 39) (internal quotations omitted). Under the Dominion test, no transmission facility should exceed 94% of its thermal rating under the following circumstances: "[Dominion's] planning criteria, which reflect NERC Reliability Standards, provide that, for the loss of a transmission line or for the loss of the most critical transmission line while the largest generating unit in the area is also not available, no facility should be loaded above 94% of its thermal rating." *Id.* at 170 (quoting Exh. 5, Appendix at 39) (internal quotations omitted).

2011, the most useful scenario is Scenario 3D, which is the 2011 without the proposed 502 Junction - Loudoun line, based on generation resources that cleared the RPM auction, including Mirant Potomac River units, and existing generation that bid but failed to clear;" (2) "the results for Scenario 3D supported the need for the proposed transmission line;" (3) "'[f]or 2012, Joint Respondents' Scenario 7B showed that without either the proposed 502 Junction - Loudoun line or the Amos - Kemptown lines, the Dominion test produces a NERC violation for an overload on the Mt. Storm-Doubs line of 1.4%," and (4) "the results for 2012 continue to show a need for additional transmission."[14]

As to the regional need for the proposed line, our January 29, 2008 Order in this proceeding explained as follows:

> Regional, multi-state need for a proposed line – and regional, multi-state benefits projected therefrom - are factors that we may properly consider in reviewing an application to build the line. As further observed by Staff, the 'Commission has, however, uniformly granted its approval of lines on finding that Virginia consumers benefit from construction of the facility,' but 'the Commission has not held, however, that the public convenience and necessity required approval of a facility *solely* because of conditions outside Virginia.' We may properly consider regional, multi-state need and benefits as part of our evaluation under Virginia statutes; the weight accorded evidence of regional, multi-state need and benefits logically would increase to the extent that such need and benefits are related to, or affect, need and benefits within Virginia.[15]

In this regard, we adopt the Hearing Examiner's finding that "sufficient Virginia need has been shown to give full weight to the line's regional need."[16] Thus, we find *both* a Virginia need and a regional need; we are not required to determine, in this proceeding, whether need under Virginia law is met solely because of conditions outside Virginia, even should those conditions solely outside Virginia be alleged to raise the threat of indirect effects within Virginia, such as load shedding ordered by PJM.

Generation Alternatives

As discussed above, we have concluded that the load flow model used in the PJM generation deliverability and load deliverability tests and the Dominion test includes reasonable generation assumptions. We do not find, contrary to assertions by many of the opponents to this line, that the possibility of additional new generation - *i.e.,* proposed generation not included in the PJM and Dominion tests - warrants a denial of the Applications under the law and the facts presented in this case.

For example, several parties assert that Dominion should place CPV Warren and Possum Point 7 in service by 2011 as an alternative to the 502 Junction - Loudoun line. As a result of the current development status of these plants and the limitations imposed by PJM, however, we cannot reasonably assume that these facilities will be available for dispatch by that date. The availability of a proposed generation facility is dependent upon, among other things, its place in the PJM Generation Interconnection Request Queue ("queue"). In this regard, PJM witness Herling confirmed that PJM cannot - and will not - ensure that critical generation facilities will be interconnected to the transmission grid by any date certain:

> We really have no ability to move generators ahead in the process based on their ability to solve one problem or another. The rights of one generator are in competition with the rights of every other generator and the process is very, you know, strictly structured to protect the rights of those parties with respect to their queue dates.[17]

Thus, regardless of how critical a new generation facility is in solving a reliability problem, Mr. Herling explained that PJM - which is regulated by FERC - does not have the authority to "move it to the top of the queue."[18] Moreover, Mr. Herling explained that PJM does not believe it should have such authority and is opposed to asking FERC for the same.[19]

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[14] *Id.* at 191-192. The Hearing Examiner also noted that Joint Respondents' Scenario 7B included 600 MW of generation from a proposed facility that had its certificate of public convenience and necessity canceled and 742 MW of generation from two facilities that are scheduled to be retired prior to the summer of 2012. *See, e.g., id.*; Exh. 225.

[15] January 29, 2008 Order at 3 (emphasis in original) (citation omitted).

[16] Hearing Examiner's Report at 197.

[17] Tr. 1935-36.

[18] Tr. 1936 (cross-examination of Mr. Herling by Piedmont counsel Mr. Watkiss):

> Q. [If a new generation project] satisfies the reliability criteria violations that we established in the 2006 RTEP, let's move it to the top of the queue and say please go ahead with that in competition to some other solutions, you can't do that, can you?
>
> A. No, I can't.

[19] Tr. 1937-38 (cross-examination of Mr. Herling by Piedmont counsel Mr. Watkiss):

> Q. [D]id you recommend to FERC that if there are projects in the queue that resolve criteria reliability violations that you have some authority to move them to the head of the queue so that they can compete with other potential solutions?
>
> A. No, we did not. That would be [] extremely disruptive to the queue process. It would create tremendous uncertainty for developers. And we recognize the need to move the process forward on a more timely basis and have taken a lot of steps to do so, but queue-jumping I firmly believe is not one of the ways to resolve this problem.

In addition, even if we could reasonably assume that PJM would accept these facilities for dispatch into the grid by 2011, we find that the proposed transmission line is still needed. Dominion's load flow analyses show that if CPV Warren's projected 600 MW is available, transmission line overloads still occur - overloads that would be resolved by the 502 Junction - Loudoun line.[20] If the projected additional 600 MW at Possum Point is available, overloads may be reduced by approximately 2%, which still results in transmission line overloads necessitating the proposed line.[21] Furthermore, the evidence in this case does not establish that Dominion can complete construction of these facilities such that they would necessarily be physically available by 2011.[22] In sum, there has been no showing that either CPV Warren or Possum Point 7 can realistically be brought on line by 2011, and even if they could, they would not solve the problem that establishes the need for this line.

Opponents of the line also claim that if over 3,500 MW of new generation is constructed and in-service, the line is not needed; that is, the Commission should assume that over 3,500 MW of new generation will be available to meet the need identified herein, thus eliminating the necessity of the proposed line. Piedmont witness Merrill, for example, provided a 2012 sensitivity study based on modeling an additional sixteen proposed generation projects, apparently totaling over 7,800 MW.[23] We do not find, however, based on the evidence in this case, that it is reasonable to assume that a sufficient amount of additional new generation necessarily will be available from these proposed projects in order to obviate the reliability need established herein. Rather, as explained above, we conclude that the generation assumptions used in the PJM and Dominion tests - which includes both existing and new generation - are reasonable for the purposes herein.[24] Furthermore, even if we could reasonably assume that some unknown combination of these additional new generating units are in service and dispatched by PJM in 2011, we cannot necessarily conclude that such generation will result in zero reliability violations. As explained in the Staff consultant Bates White Report: "[A]dding generation resources at the 'wrong' location actually aggravates the severity of the expected reliability violations in 2011, as is shown by the Bath County and Tenaska cases."[25]

In summary, the Hearing Examiner found - and we agree that the record supports his finding - that PJM's and the Applicants' identification of a reliability problem by 2011 on the Mt. Storm - Doubs line is supported by the record, including the generation assumptions in the PJM and Dominion tests, and that the transmission line proposed herein will solve that problem. We have no assurance or proof that additional new power plants could realistically be constructed and available on a timely basis - in large part due to PJM's queue limitations and uncertain construction completion dates - sufficient to be found as a factual alternative or a legal basis to deny the applications.

DSM and Transmission System Upgrades

We also adopt the Hearing Examiner's findings regarding DSM and transmission system upgrades. As noted above, the load forecasts that we utilize herein include projected megawatt savings from DSM programs at current levels. We do not find, however, that DSM alone - or in a hypothetical combination with other alternatives - is a reasonable proposal to meet the need satisfied by the transmission line approved herein. As explained by the Hearing Examiner, "[the] uncertainty regarding projected DSM savings made such projections inappropriate for transmission system reliability planning[, and t]his same uncertainty eliminates DSM as a viable alternative to the proposed transmission line."[26]

In addition, we likewise adopt the Hearing Examiner's findings regarding transmission system upgrades: (1) "[b]ased on the testimony of [Dominion consultant] Mr. Palermo and the [Staff consultant] Bates White Report, . . . flow control devices do not represent a viable alternative to the proposed 502 Junction - Loudoun line;" and (2) "[b]ased on the testimony of [Dominion witnesses] Mr. Allen and James R. Bailey, I find that upgrading the Mt. Storm - Doubs line is not a viable option in this case."[27]

Amos - Kemptown Transmission Line

Next, in discussing the RPM Tests, the Hearing Examiner also concluded that "PJM and Dominion test results for 2012 based upon the various updated versions of the 2007 RTEP and reflecting the May 2008 RPM auction, indicate that if the Amos - Kemptown line is in service by 2012 it will

[20] *See, e.g.,* Exh. 142. Dominion's load flow analyses indicated that, at best, CPV Warren reduced overloads on Mt. Storm - Doubs by approximately 2% for some contingencies, but served to increase overloads on Mt. Storm - Doubs and on other transmission lines for other contingencies tested. *See id.*

[21] *See, e.g.,* Tr. 4053-54 (Dominion witness Bailey). Moreover, under the most current load flow analysis, which incorporated RPM auction results for 2011 and all existing generation that bid but failed to clear the market (*i.e.*, Scenario 3D discussed above), the overload on Mt. Storm - Doubs is 6% using the Dominion test. *See, e.g.,* Hearing Examiner's Report at 189. A combined projected overload reduction of 4% from CPV Warren and Possum Point 7 would fail to eliminate this estimated 6% overload for 2011.

[22] *See, e.g.,* Tr. 3000 (Dominion witness Martin discussing CPV Warren) (confidential).

[23] *See, e.g.,* Exh. 81. Further evidence showed that the estimated capacity available from these proposed projects could actually be significantly less. *See, e.g.,* Exhs. 103, 227, 228, 229, 231.

[24] *See also,* Hearing Examiner's Report at 196:

> Because the industry structure and market mechanisms are policy decisions that have been made primarily at the federal level, the approach taken in this case has been to update generation information and focus on the most current information, especially the May RPM auction, and to limit the analysis period. Therefore, because assumptions concerning future generation are built into the various tests as discussed above, there can be no reliance on other future generation as an alternative to the needs identified in the prior section.

[25] Exh. 92 (Staff consultant Bates White Report at 78).

[26] Hearing Examiner's Report at 192.

[27] *Id.* at 194-195.

eliminate the anticipated NERC violations for 2012."[28] We conclude, however, as did the Hearing Examiner, that the proposed Amos - Kemptown line does not eliminate the need found herein for the 502 Junction - Loudoun line. Based on the record in this case, we find that the potential for construction of the Amos - Kemptown line remains too speculative for us reasonably to conclude that the 502 Junction - Loudoun line will not be needed.[29] We cannot take the risk that a proposed Amos - Kemptown line will be available to meet on a timely basis the proven need found herein.

Integrated Resource Planning and PJM

As set forth herein, we have found need for the 502 Junction - Loudoun line under the Virginia statutes that we must apply to the instant applications, and we have concluded that the public convenience and necessity require construction of the line as provided for and subject to the requirements and conditions set forth in this Order. This finding notwithstanding, several of the respondents that oppose this line in effect ask us - in this case - to initiate an integrated resource planning ("IRP") exercise under Virginia law to determine whether there is any other conceivable combination of possible alternatives that represents a better solution to the threat to service reliability in Northern Virginia represented by the NERC violations on the Mt. Storm - Doubs line. For example, respondents assert that the Hearing Examiner erred as a matter of law by not considering IRP and associated economic considerations. Examples of such assertions include:

- [T]he law and market structure in existence in the Commonwealth today not only contemplates that the Commission will consider the optimal combinations of generation, demand management and *transmission* investments, but *mandates* integrated planning of those resources. In other words, current law requires exactly the analysis that the Hearing Examiner refused to engage in.[30]

- Dominion's assertion of an IRP prohibition, not surprisingly, is not supported by reference to any law or regulation. There is no such law, regulation, or prohibition. . . . [T]he Commonwealth's IRP law not only permits, but *requires* the Applicants and other Virginia electric utilities to integrate *transmission*, generation and demand resource planning. Va. Code § 56-597, *et seq*.[31]

- The IRP statute clearly demonstrates the legislature's move toward creating reasonable and cost-effective measures for providing energy through a comprehensive planning strategy, which includes not only *transmission* but generation and demand resources as well.[32]

- The Hearing Examiner rejected out of hand . . . evidence - completely unrebutted on the record below - [which] proved that locating generation in proximity to the Mid-Atlantic markets that cause PJM's power flow simulations to overload the Mt. Storm - Doubs line is a more economical solution than is building the Loudoun line. . . .[33]

- Virginia Code § 56-597 *et seq*. reinstated integrated resource planning in Virginia. . . . It is within the Commission's authority to begin implementing Virginia's integrated resource planning policies during these proceedings. In-state generation is more reliable, reduces Virginia's dependence on energy imports, and, compared to large transmission projects, environmentally responsible, and should be considered as an alternative to the Loudoun line.[34]

- [T]he Hearing Examiner erred as a matter of law by refusing to consider economic issues and integrated resource planning. . . . [T]he Hearing Examiner's refusal to consider demand response programs in assessing need for the transmission line does not comport with the new Virginia IRP legislation.[35]

In this case, as required by Virginia statutes, we have evaluated the reliability needs presented to justify the proposed line. We also recognize, as did the Hearing Examiner, that "[a]ssumptions regarding future generation have a direct bearing on the need for the proposed transmission line,"[36] and, as discussed above, we have included such assumptions (including reasonable DSM assumptions) in our needs analysis. Opponents of the line, however, advocate using this case to initiate a new planning process under Virginia law to mesh the myriad of transmission, generation and conservation (including DSM) options into a comprehensive plan that could be presented as a better alternative than building the proposed transmission line.

We are indeed sympathetic to the opponents' position that planning for transmission, generation and conservation should be done in an integrated and holistic process, in order to arrive at the most rational and cost-effective plan to meet Virginia's future load growth and transmission reliability needs. As a policy matter, such an integrated planning approach may have significant merit. The reality is, however, that the law and facts applicable to this matter

[28] *Id.* at 192.

[29] *See, e.g., id.* at 192-193.

[30] Piedmont's August 18, 2008 Comments at 51 (emphasis added).

[31] *Id.* at 59-60 (emphasis added).

[32] Prince William County's August 18, 2008 Comments at 5 (emphasis added).

[33] Piedmont's August 18, 2008 Comments at 53 (citations omitted).

[34] Virginia's Commitment's August 18, 2008 Comments at 34-35.

[35] Sensible Energy's August 18, 2008 Comments at 3, 6 (typeface and case modified).

[36] Hearing Examiner's Report at 176.

do not enable us to use a transmission line case brought under Va. Code §§ 56-265.2 and 56-46.1 to conduct an IRP exercise pursuant to Va. Code § 56-597 *et seq*. - and then use the result of that exercise as the legal basis to deny an application filed under §§ 56-265.2 and 56-46.1 when a clear reliability need has been shown and the proposed transmission line is an acceptable option under Virginia statutes to meet that need.[37]

Federal policy restricts Virginia utilities - and PJM - from conducting integrated transmission and generation planning of the type some respondents urge us to order in this proceeding.[38] For example, the record in this case illustrates that FERC's regulations and policies mandating functional separation of transmission and generation limit Dominion's ability to integrate planning for generation with planning for transmission. Indeed, Dominion witness Bailey, who works on the transmission side of the business, testified as follows:

> I cannot collaborate or communicate with our generation side of the house. You know, I'm there to build a - make sure that the transmission system can deliver the generation regardless of who the developer is. So I don't - I'm not privy to the plans of Dominion generation any more than I am of any other developer.[39]

Mr. Bailey further explained that such integrated operational planning simply does not exist as it did prior to FERC's orders on open access in wholesale power markets and Dominion's entry into PJM:

> Q. . . . And again, going back a few years, wasn't one of the functions the Company went through in managing its rate base and its operations was to use a mix of generation and transmission to provide abundant, reliable power to its service territory at the best price, balancing the mix of transmission and generation?
>
> A. I mean, I guess you're talking, you know, some time ago when there was - it sounds like you're talking about integrated resource type planning issues.
>
> Q. Before PJM?
>
> A. Well, it was long before PJM that we did that. Open access sort of changed all that. . . . I believe at one time, and I don't know when that was, it was before I got involved in this part of the Company, that the generation and transmission planning were under one organization. Today that does not exist.[40]

In this regard, an electric utility is required to functionally separate its generation and transmission business units. As related by Dominion:

> PJM and the [Dominion] transmission function do not control or have influence over whether and where new generation will be sited or when it will become operational. Prior to FERC Order No. 889, transmission planning and generation planning were integrated. Today, that integration is prohibited. Tr. 2322. The Company's transmission function does not coordinate with the generation business portion of Dominion Virginia Power. Tr. 1780. Mr. Ronnie Bailey explained that federal and state Standards and Codes of Conduct restrict his communication and coordination with the generation side of Dominion Virginia Power. Tr. 4057; 4072.[41]

TrAILCo further explained that in place of an integrated planning process, PJM has attempted to create integrated market solutions:

> PJM is required to allow market solutions to develop to meet generation resource needs, without interference or preference in that process. The PJM planning process is highly integrated, with a range of wholesale markets related to the provision of generation and demand response services, and is designed to provide signals to generation developers as to where their resources will be most valuable and where they will be most effective with respect to the resolution of reliability and transmission congestion-related problems. The planning process, however, does not identify or in any way select, nor does PJM have any authority to select, the most effective generation or demand response solutions.[42]

Accordingly, in responding to requests in this proceeding for integrated planning that concurrently evaluates economic considerations attendant to both generation and transmission, the Hearing Examiner explained as follows:

> On brief, Fauquier County asserted that '[p]rofit is the underlying motive to the proposed transmission line.' Prince William County faulted Applicants for failing to provide a comprehensive cost/benefit analysis. Prince

[37] The Hearing Examiner also noted that "Dominion witness Palermo confirmed that if enough new generation is built in the right locations, there would be no need for the proposed transmission line." *Id.* at 176 (citing Palermo, Tr. at 2602-03). There is a distinct difference, however, between: (1) including reasonable generation assumptions in our needs analysis; and (2) performing, as urged by opponents to this line, an IRP analysis under separate Virginia statutes to conclude that the Applicants should meet the reliability needs identified herein through means other than new transmission, such as building new generation.

[38] *See, e.g.,* Hearing Examiner's Report at 195; FERC Order No. 2004, Standards of Conduct for Transmission Providers, Docket No. RM01-10-000, 105 FERC ¶ 61,248 (Nov. 25, 2003); FERC Order 889; Dominion's May 19, 2008 Brief at 59.

[39] Tr. 4056-57.

[40] Tr. 2321-2322 (cross-examination of Mr. Bailey by Fauquier County counsel Mr. Sutliff).

[41] Dominion's May 19, 2008 Brief at 59 (footnote omitted). *See also,* Hearing Examiner's Report at 195.

[42] TrAILCo's May 19, 2008 Brief at 49-50. *See also,* Hearing Examiner's Report at 195-196.

> William County offered the testimony of Jeffery Brown who presented potential cost savings that could be achieved through local generation using gas-fired turbines. Virginia's Commitment and Piedmont also raise similar economic issues.
>
> In this case, the question of need will be answered in terms of reliability based on projected power flows, loads, and available generation, not in terms of economics. Moreover, as discussed above, the current market structure does not permit integrated resource planning as proposed by Mr. Brown.[43]

As a matter of policy, transmission planning and control of transmission assets are now conducted on a regional, multi-state basis by a regional transmission entity ("RTE"), which in this case is PJM. This is a direct result of the Virginia statute that requires Virginia's utilities to join an RTE.[44] Not only was the primary responsibility for transmission planning given to the RTE, but along with it control of Virginia's transmission assets and generation dispatch. It is also undisputed from the record of this case that under federal policy PJM itself cannot order a generating plant to be built to solve a clear reliability problem on a transmission line.[45] As the Hearing Examiner pointed out, that clearly tilts the field towards PJM recommending more and more new transmission lines when other options might be a more efficient use of capital and much less intrusive on the landscape.[46] Since PJM is regulated by FERC, whether these federal rules represent sensible policy is ultimately for the United States Congress to decide.

Finally, even if as a practical matter Dominion could accelerate construction of CPV Warren or Possum Point 7 as an alternative to the 502 Junction - Loudoun line, neither Dominion - nor PJM - can move these plants ahead of other planned generation plants in the PJM queue and allow these plants to interconnect with the electric grid on an accelerated basis. PJM has testified - and no one disputes - that federal law prevents PJM from ordering new generation to be built to satisfy a transmission need and further prevents PJM from moving a proposed plant ahead of others in its queue to satisfy a transmission need. As explained by the Hearing Examiner: "Indeed, [PJM witness] Mr. Herling testified that PJM cannot move critical generation projects ahead in its queue process."[47] This is the "market structure" that the Hearing Examiner referenced in his Report when finding that neither an IRP process as envisioned by opponents of this line, nor the CPV Warren and Possum Point 7 unbuilt plants, represent valid alternatives sufficient under Va. Code §§ 56-265.2 and 56-46.1 to deny these applications.[48]

West Virginia and Pennsylvania

We adopt the Hearing Examiner's finding that the "Commission should condition approval of the Virginia segments of the 502 Junction - Loudoun line on approval in Pennsylvania and West Virginia."[49] The Hearing Examiner stated that the "Applicants have failed to provide any evidence that construction of a 500 kV transmission line from the West Virginia-Virginia border to Loudoun provides any resolution to the NERC violations that are the subject of this case, namely overloads on the Mt. Storm - Doubs line."[50] Indeed, we find that the Applicants have not provided sufficient evidence, if any, to establish that the transmission lines proposed in these proceedings are needed if the 502 Junction - Loudoun line is not completed in its entirety.

Accordingly, the certificates of public convenience and necessity and the authorizations granted herein are conditioned on the respective state commission approval of both a West Virginia portion and a Pennsylvania portion of the proposed 502 Junction - Loudoun line. Prior to commencing construction of the lines approved herein, the Applicants must submit to the Commission's Division of Energy Regulation a copy of the orders from the Public Service Commission of West Virginia and the Pennsylvania Public Utility Commission approving, respectively, a West Virginia segment and a Pennsylvania segment of the 502 Junction - Loudoun line.

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[43] Hearing Examiner's Report at 197 (citations omitted).

[44] Va. Code § 56-579.

[45] *See, e.g.,* Hearing Examiner's Report at 177-78 (citing Dominion Brief at 59-60; Exh. 101 at 21; Herling, Tr. 2021):

> Dominion also stressed the lack of control exercised by PJM over the construction of new generation, as well as the functional separation between transmission and generation planning. PJM cannot order a generator to be built and cannot keep a generator from retiring.

[46] *See, e.g., id.* at 178.

[47] *Id.* at 178 (citing Herling, Tr. 1935-36).

[48] *See, e.g., id.* at 2 ("current market structure . . . no longer permits integrated resource planning to optimize planned generation and transmission"), 196-197. *See also*, *id.* at 178:

> I partially agree with the Applicants that its assumptions regarding future generation are consistent with the federally-mandated functional separation of transmission and generation, and PJM's general lack of authority to cause generation to be constructed. PJM's limited authority in regard to generation amplifies the uncertainty of the queue process. That is, because the timing and location of new generation may have either a positive or negative impact on system reliability, PJM's limited authority, coupled with the historic completion rates of projects in the PJM queue, support PJM's conservative assumptions regarding future generation for system reliability planning.

[49] *Id.* at 222; *see also, id.* at 198-199.

[50] *Id.* at 199.

Route

We adopt the Hearing Examiner's recommendation regarding the route of the proposed transmission lines: (1) for the TrAILCo Application, we approve Route B; and (2) for the Dominion Application, we approve the Southern Route. The Hearing Examiner found that: (1) "[f]or Case No. PUE-2007-00033, Route B reasonably minimizes adverse impact, makes use of existing right-of-way, and should be designated by the Commission as the route for the proposed line;" and (2) "[f]or Case No. PUE-2007-00031, the proposed Southern Route reasonably minimizes adverse impact, makes use of existing right-of-way, and should be designated by the Commission as the route for the proposed line."[51]

In recommending Route B for the TrAILCo Application, the Hearing Examiner concluded as follows:

> As discussed by Staff witness McCoy, the environmental differences, though small, extend beyond wetlands and favor Route B. Moreover, TrAILCo ignored the impact on residences within 500 feet of the centerline, which also favors Route B. Therefore, I agree with Staff and DEQ and find that Route B is the route that 'reasonably minimizes adverse impact' by the greatest degree.[52]

In recommending the Southern Route for the Dominion Application, the Hearing Examiner concluded as follows:

> The recommendation as to a route generally comes down to a weighing of the benefits of using an existing right-of-way and corridor, against the greater number of homes impacted. In this case, use of the existing right-of-way and corridor by the proposed Southern Route is further strengthened by that route's lesser impact on historic and cultural assets, and by uncertainty raised by [the Virginia Department of Transportation ('VDOT')] regarding the alternate I-66 Route. Furthermore, the number of homes impacted is somewhat weakened by the fact that many of the homes were constructed subsequent to the existing transmission line. Though the alternate I-66 Route has a lower cost and less of an impact on agricultural and forest lands and other advantages as discussed above, these advantages do not tip the balance in favor of the alternate I-66 Route. Therefore, I find that the proposed Southern Route 'reasonably minimizes adverse impact.'[53]

In addition, the Hearing Examiner found as follows: (1) as to undergrounding, "[b]ased on the significant difference in cost and the novelty of an underground installation of a transmission line of this length and capacity, I agree with Dominion that this transmission line should not be installed underground;" and (2) as to the existing right-of-way from Meadow Brook to Doubs, "the Meadow Brook to Doubs option was considered and based on the evidence, rightfully rejected."[54]

Although we do not discuss herein all of the concerns expressed by each participant and public witness regarding the proposed routes, we have considered and weighed the relevant factors raised in this proceeding. We also have considered and weighed the factors set forth in §§ 56-265.2 A, and 56-46.1, and 56-259 C of the Code, factors that are, to a large extent, interrelated and overlapping. We have considered, as did the Hearing Examiner, comparisons of proposed routes, use of rights-of-way, impacts on residents (including probable effects of the line on the health and safety of the persons in the area concerned), open space easements, costs, agricultural and forest lands, environmental impacts, and historical and cultural impacts. We have reviewed all alternative proposals and have fully considered the adverse impacts of the proposed routes as required by statute.

We find that Route B and the Southern Route meet the need to maintain adequate reliability of service, while satisfying the legal standards set forth in the Code. We have considered each statutory criterion on an individual basis and as part of the whole, in light of all the relevant statutory criteria and with regard to the concerns raised by the participants and public witnesses. We also have considered the effect of the proposed lines on economic development within the Commonwealth, the improvements in service reliability that may result from the construction of these facilities, and local comprehensive plans that have been adopted. We find that the Applicants have provided adequate evidence that, to the extent new rights-of-way are required for the routes approved herein, existing rights-of-way cannot adequately serve the needs thereof. We further conclude that the routes recommended by the Hearing Examiner and approved herein reasonably minimize adverse impact on scenic assets, historic districts, and environment of the areas concerned.

Department of Environmental Quality

The DEQ "coordinated a review of the proposed transmission line by a number of state, federal, and local agencies" ("DEQ Report").[55] The DEQ Report identified permits and approvals required for the transmission lines.[56] The Hearing Examiner explained that the DEQ Report also included the following recommendations:[57]

- The alternate I-66 Route was recommended by DEQ's Office of Wetland and Water Protection ('DEQ-OWWP'), Department of Conservation and Recreation ('DCR'), DGIF, and Virginia Marine Resources ('VMRC'). Furthermore, if the alternate I-66 Route is chosen by the Commission, DEQ recommended that

[51] *Id.* at 222.

[52] *Id.* at 221.

[53] *Id.* at 218-219.

[54] *Id.* at 201.

[55] *Id.* at 209 (citation omitted).

[56] *Id.* at 209-211.

[57] *Id.* at 211-213 (citations omitted).

> Applicants coordinate during the planning phase with [VDOT] (to prevent conflicts with long-range plans to widen I-66) and [the Department of Historic Resources ('DHR')] (to avoid, minimize, and mitigate any potential adverse impacts to cultural resources).
>
> - Follow DEQ recommendations to avoid wetlands and streams, and minimize indirect and temporary impacts to wetlands.
> - Follow the recommendations of DCR's Division of Chesapeake Bay Local Assistance and Prince William County to minimize the impacts of the project on Resource Protection Areas.
> - Take precautions to limit emissions of volatile organic compounds and oxides of nitrogen when working in ozone non-attainment areas.
> - Conduct an environmental investigation that includes a search of waste-related databases to identify any solid or hazardous waste sites or issues on and around the property before work begins.
> - Reduce solid waste at the source, re-use it, and recycle it to maximum extent practicable.
> - Follow recommendations of the DCR and DHR to minimize the impacts of the project on the Appalachian National Scenic Trail.
> - Coordinate this project with and follow the recommendations of the DCR regarding the protection of designated scenic rivers and trails, natural heritage resources and avoidance of natural area preserves.
> - Coordinate this project with and follow the recommendations of the DGIF with respect to impacts to wildlife and protected species.
> - Protect trees that are not identified for removal from the adverse effects of construction to the extent practicable.
> - Coordinate with the DHR regarding archaeological and architectural surveys necessary to determine the full extent of the impacts of the selected route on historic properties and to develop measures for the avoidance, minimization, or mitigation of adverse effects.
> - Coordinate road and transportation impacts with the affected counties and the appropriate VDOT District and Residency Offices.
> - Follow the principles and practices of pollution prevention to the maximum extent practicable.
> - Limit the use of pesticides and herbicides to the extent practicable.
> - Follow the requirements of the Federal Aviation Regulations by notifying the Federal Aviation Administration about the construction of the proposed transmission line.
> - Work with local officials to address local concerns related to the proposed line.

We adopt the Hearing Examiner's finding that the "[r]ecommendations contained in the DEQ Report should be adopted by the Commission as conditions of approval, with the exceptions of DEQ's overall routing recommendation in Case No. PUE-2007-00031, and DGIF recommendations regarding clear-span bridges, a general prohibition of clearing and maintenance, and increased buffers."[58] Based on the record in this matter, we find that the recommendations in the DEQ Report, absent the Hearing Examiner's aforementioned exceptions, are necessary to minimize the adverse environmental impacts of the proposed lines; the Applicants shall comply with such recommendations as a condition of our approval herein.[59]

Open Space Easements

The Hearing Examiner made the following finding:

> Where existing Dominion right-of-way crosses land that is now subject to open space easements, Dominion has agreed to locate the proposed new line within the existing easement or provide landowners with an option of shorter transmission towers in exchange for an additional 60-foot easement into the open space land by providing written confirmation that the open space easement has been released within a month of the final order in this case. Dominion should be required to provide this option to such landowners.[60]

[58] *Id.* at 222; *see also, id.* at 213-216.

[59] The Applicants shall coordinate with DEQ the implementation of the DEQ recommendations adopted herein, including any potential modifications or clarifications thereto mutually agreeable to the Applicants and DEQ.

[60] *Id.* at 222.

Dominion asserts that the Hearing Examiner "has converted [Dominion's] limited request for such authorization into a requirement, which is not appropriate or necessary for [Dominion] to honor its commitment."[61] Conversely, Rappahannock County contends, among other things, that the Commission should "give landowners 180 days in which to make the written confirmation" and should "begin the 180 day period when Dominion provides the landowner with a plat showing the size, type, number and location of the towers for each alternative."[62]

We find that where existing Dominion right-of-way crosses land that is now subject to open space easements, Dominion shall locate the proposed new line within the existing easement or provide landowners with an option of shorter transmission towers in exchange for an additional 60-foot easement into the open space land as follows: (a) for such landowners that have previously requested this option, and for those requesting this option within 30 days from the date of this Order, Dominion shall provide a diagram showing the size, type, number and location of the towers for each alternative; and (b) within 90 days from the date that the landowner receives such diagram, the landowner shall provide written confirmation to Dominion that the open space easement has been released.

Right-of-Way Clearing Plan

We adopt the following findings by the Hearing Examiner:

> Applicants should be required to develop and file with the Commission a detailed right-of-way clearing plan that follows FERC guidelines and addresses future maintenance of the right-of-way; and
> . . .
> To ensure adherence to the right-of-way clearing plan, the Commission should require Applicants to each have one of its foresters, or a contract forester or arborist, supervise the day-to-day operations of its clearing contractor.[63]

Accordingly, IT IS HEREBY ORDERED THAT:

(1) In Case No. PUE-2007-00031, Dominion and TrAILCo are authorized to construct and operate a 500 kV transmission line as provided for and subject to the requirements and conditions set forth in this Order.

(2) In Case No. PUE-2007-00033, TrAILCo is authorized to construct and operate a 500 kV transmission line as provided for and subject to the requirements and conditions set forth in this Order.

(3) Pursuant to §§ 56-265.2, 56-46.1, and related provisions of Title 56 of the Code of Virginia, the applications for certificates of public convenience and necessity in Case Nos. PUE-2007-00031 and PUE-2007-00033 are granted as provided for and subject to the requirements and conditions set forth in this Order, and otherwise are denied.

(4) Pursuant to the Utility Facilities Act, Chapter 10.1 (§§ 56-265.1 *et seq.*) of Title 56 of the Code of Virginia, Trans-Allegheny Interstate Line Company is issued the following certificates of public convenience and necessity:

> Certificate No. ET-184 authorizes Trans-Allegheny Interstate Line Company under the Utility Facilities Act to construct and operate the proposed Trans-Allegheny Interstate Line 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00033 in Frederick County, all as shown on the map attached to the certificate.
>
> Certificate No. ET-185 authorizes Trans-Allegheny Interstate Line Company under the Utility Facilities Act to construct and operate the proposed Trans-Allegheny Interstate Line 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00033 in Warren County, all as shown on the map attached to the certificate.
>
> Certificate No. ET-186 authorizes Trans-Allegheny Interstate Line Company under the Utility Facilities Act to construct and operate the proposed Trans-Allegheny Interstate Line 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00031 in Fauquier County, all as shown on the map attached to the certificate. Portions of the proposed transmission line in Fauquier County are jointly owned with Virginia Electric and Power Company, which is issued a separate certificate.
>
> Certificate No. ET-187 authorizes Trans-Allegheny Interstate Line Company under the Utility Facilities Act to construct and operate the proposed Trans-Allegheny Interstate Line 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00031 in Rappahannock County, all as shown on the map attached to the certificate. The proposed transmission line in Rappahannock County is jointly owned with Virginia Electric and Power Company, which is issued a separate certificate.
>
> Certificate No. ET-188 authorizes Trans-Allegheny Interstate Line Company under the Utility Facilities Act to construct and operate the proposed Trans-Allegheny Interstate Line 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00031 in Culpeper County, all as shown on the map attached to the certificate. The proposed transmission line in Culpeper County is jointly owned with Virginia Electric and Power Company, which is issued a separate certificate.

[61] Dominion's August 18, 2008 Comments at 35.

[62] Rappahannock County's August 15, 2008 Comments at 4.

[63] Hearing Examiner's Report at 222.

(5) Pursuant to the Utility Facilities Act, Chapter 10.1 (§§ 56-265.1 *et seq*.) of Title 56 of the Code of Virginia, Virginia Electric and Power Company is issued the following certificates of public convenience and necessity:

Certificate No. ET-189 authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the proposed Meadow Brook-Loudoun 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00031; and to operate previously certificated transmission lines and facilities in Warren County, all as shown on the map attached to the certificate.

Certificate No. ET-80n authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the proposed Meadow Brook-Loudoun 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00031; and to operate previously certificated transmission lines and facilities in Fauquier County, all as shown on the map attached to the certificate. Portions of the proposed transmission line in Fauquier County are jointly owned with Trans-Allegheny Interstate Line Company, which is issued a separate certificate. Certificate No. ET-80n cancels Certificate No. ET-80m issued to Virginia Electric and Power Company on November 13, 2006, in Case No. PUE-2006-00048.

Certificate No. ET-139a authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the proposed Meadow Brook-Loudoun 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00031; and to operate previously certificated transmission lines and facilities in Rappahannock County, all as shown on the map attached to the certificate. The proposed transmission line in Rappahannock County is jointly owned with Trans-Allegheny Interstate Line Company, which is issued a separate certificate. Certificate No. ET-139a cancels Certificate No. ET-139 issued to Virginia Electric and Power Company on November 25, 1975.

Certificate No. ET-74e authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the proposed Meadow Brook-Loudoun 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00031; and to operate previously certificated transmission lines and facilities in Culpeper County, all as shown on the map attached to the certificate. The proposed transmission line in Culpeper County is jointly owned with Trans-Allegheny Interstate Line Company, which is issued a separate certificate. Certificate No. ET-74e cancels Certificate No. ET-74d issued to Virginia Electric and Power Company on May 2, 1978.

Certificate No. ET-105x authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the proposed Meadow Brook-Loudoun 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00031; and to operate previously certificated transmission lines and facilities in Prince William County, all as shown on the map attached to the certificate. Certificate No. ET-105x cancels Certificate No. ET-105w issued to Virginia Electric and Power Company on November 13, 2006 in Case No. PUE-2006-00048.

Certificate No. ET-91q authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the proposed Meadow Brook-Loudoun 500 kV transmission line and facilities as authorized in Case No. PUE-2007-00031; and to operate previously certificated transmission lines and facilities in Loudoun County, all as shown on the map attached to the certificate. Certificate No. ET-91q cancels Certificate No. ET-91p issued to Virginia Electric and Power Company on February 15, 2008 in Case No. PUE-2005-00018.

(6) Within thirty (30) days from the date of this Order, Dominion and TrAILCo shall file with the Commission's Division of Energy Regulation two copies of appropriate maps that show the routing of the transmission lines approved herein.

(7) Dominion and TrAILCo shall comply with the recommendations in the DEQ Report, with the exception of DEQ's overall routing recommendation in Case No. PUE-2007-00031, and DGIF recommendations regarding clear-span bridges, a general prohibition of clearing and maintenance, and increased buffers.

(8) Where existing Dominion right-of-way crosses land that is now subject to open space easements, Dominion shall locate the proposed new line within the existing easement or provide landowners with an option of shorter transmission towers in exchange for an additional 60-foot easement into the open space land as follows: (a) for such landowners that have previously requested this option, and for those requesting this option within thirty (30) days from the date of this Order, Dominion shall provide a diagram showing the size, type, number and location of the towers for each alternative; and (b) within ninety (90) days from the date that the landowner receives such diagram, the landowner shall provide written confirmation to Dominion that the open space easement has been released.

(9) Within thirty (30) days from the date of this Order, Applicants shall develop and file with the Commission a detailed right-of-way clearing plan that follows FERC guidelines and addresses future maintenance of the right-of-way.

(10) Each of the Applicants shall have one of its foresters, or a contract forester or arborist, supervise the day-to-day operations of its clearing contractor.

(11) The certificates of public convenience and necessity and the authorizations granted herein are conditioned on the respective state commission approval of both a West Virginia portion and a Pennsylvania portion of the proposed 502 Junction - Loudoun line.

(12) Prior to commencing construction of the lines approved herein, the Applicants must submit to the Commission's Division of Energy Regulation a copy of the orders from the Public Service Commission of West Virginia and the Pennsylvania Public Utility Commission approving, respectively, a West Virginia segment and a Pennsylvania segment of the 502 Junction - Loudoun line.

(13) The transmission lines approved in Case Nos. PUE-2007-00031 and PUE-2007-00033 must be constructed and in-service by July 1, 2011; however, Dominion and TrAILCo are granted leave to apply for an extension for good cause shown.

(14) The September 2, 2008 joint letter request from Prince William County, Sensible Energy, Virginia's Commitment, PLA, and Piedmont that moved the Commission to re-open the record is denied.

(15) This matter is continued.

Commissioner Shannon participated in this matter.

Commissioner Dimitri did not participate in this matter.

SHANNON, Commissioner, Concurs:

While I concur with the result, which properly applies the facts of this case to the current state of the law, I write separately to emphasize the following:

I had the honor to serve on this Commission from 1972 to 1996. During that period, and for decades prior, this Commission and the Commonwealth's electric utilities continually worked to plan - on an integrated basis - both transmission and generation. These efforts permitted the Commission to evaluate and to implement a *combination* of generation and transmission planning in order to reach the most efficient balance of both. This enabled Virginia's electric utilities to meet the rising demand for electricity in the Commonwealth at the least cost to ratepayers and at the least intrusion on the beautiful Virginia landscape. That system served the people of Virginia well, as the factual history of that period will demonstrate.

Subsequent to my active service on this Commission, the General Assembly - in moving toward retail market competition that ultimately did not develop - (1) vested the Commission with *discretion*[64] over the divestiture of *generating* assets, but (2) *required*[65] the transfer of management and control of *transmission* assets to a regional transmission entity ("RTE"). Regarding generation, the Commission exercised its discretion and denied Dominion's request to divest its generating assets.[66] With respect to transmission assets, the Commission implemented the required transfer to an RTE, which in this region is PJM, headquartered in Pennsylvania and regulated by the federal government.[67]

The transfer of management and control of transmission assets to PJM places a myriad of restrictions on Virginia's sovereign authority over its public utilities - including effectively placing the responsibility for transmission planning, as well as Dominion's ability to interconnect its new generating facilities to its transmission facilities, under the control of the federally-regulated PJM. As a result, transmission planning and interconnection of generating plants to the grid are no longer based solely on what is best for Virginia, but also on the outcome of PJM's planning and interconnection process for a region currently consisting of thirteen states and the District of Columbia.

In addition, the federal policies put in place by the United States Congress and the Federal Energy Regulatory Commission ("FERC") governing PJM further affect the outcome for Virginians. PJM explained during this proceeding that due to FERC policies and regulations: (1) it cannot plan transmission and generation together to produce a reliable least-cost mix of both; (2) it cannot advance a generation project through its queue relative to other pending projects even when a specific project would solve a critical transmission problem; and (3) it cannot order a specific new generation alternative even if that option could be a preferable alternative in solving a critical transmission overload. Moreover, PJM has not asked for, and does not believe that it should have, such authority. Consequently, the PJM process may result in overbuilding transmission versus other alternatives, with the accompanying costs being borne by the ratepayers and the appearance of the Virginia landscape being adversely affected.

Moreover, while the Energy Policy Act of 2005 ("Act")[68] does not dictate a certain outcome in this case, it is worth noting that under the Act Congress permitted the federal government to designate "National Interest Electric Transmission Corridors" ("NIETC"). As a result, if a state does not approve a transmission line recommended by an RTE, and that line is in a federally-designated NIETC, state jurisdiction could be pre-empted and the federal government could order the line to be built notwithstanding the final decision of the state. The line proposed in this case is in an NIETC.

In my judgment, the mandate that Virginia electric utilities join a federally-regulated RTE such as PJM has not served Virginia well. PJM, by definition, performs regional planning and regional operations, while trying to maintain generation neutrality. As a result, PJM procedures could prevent critical generation, needed in Virginia, from being implemented on a timely basis. PJM can also reduce power flowing to parts of Virginia to solve infrastructure problems caused by other states. Although I conclude that the result in this case is dictated by the current laws that this Commission must follow in conjunction with the facts presented, I do not believe that the PJM transmission planning process and the concomitant federal authority has produced the best result for Virginia.

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[64] Va. Code § 56-590.

[65] Va. Code § 56-579.

[66] *See Application of Virginia Elec. and Power Co.*, Case No. PUE-2000-00584, 2001 S.C.C. Ann. Rept. 467 (Dec. 18, 2001).

[67] *See Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: In the matter concerning the application of Virginia Elec. and Power Co. d/b/a Dominion Virginia Power for approval of a plan to transfer functional and operational control of certain transmission facilities to a regional transmission entity*, Case No. PUE-2000-00551, 2004 S.C.C. Ann. Rept. 294 (Nov. 10, 2004).

[68] Pub. L. No. 109-58, 119 Stat. 594 (2005).

CASE NO. PUE-2007-00032
JANUARY 29, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION WHOLESALE, INC.

For approval and certification of electric generating facilities under §§ 56-580(D) and 56-46.1 of the Code of Virginia and for approval of affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL OF AFFILIATE TRANSACTIONS

On August 24, 2007, the State Corporation Commission ("Commission") issued a Final Order in this case granting Virginia Electric and Power Company ("Dominion Virginia Power" or "DVP") a certificate of public convenience and necessity ("CPCN") to construct and operate two new dual fuel gas- and oil-fired turbine generator units (Units 3 and 4) at its existing Ladysmith Combustion Turbine Generation Facility ("Ladysmith Generation Facility").[1]

DVP filed a Petition for Reconsideration on September 13, 2007, requesting that the Commission modify its Final Order for the purpose of allowing DVP to submit supplemental information in support of construction and operation of a fifth combustion turbine ("Unit 5") at its existing Ladysmith Generation Facility while maintaining all other aspects of the Final Order.

On September 14, 2007, the Commission issued its Order on Reconsideration, which granted reconsideration and continued the Final Order generally to allow the filing of supplemental information in support of the proposed Unit 5, while allowing all other provisions of the Final Order to remain in full force and effect.

On November 1, 2007, DVP and Dominion Wholesale, Inc. ("Dominion Wholesale") (the "Applicants") filed a Supplemental Application, Transaction Summary, DEQ Supplement, and Direct Testimony and Exhibits ("Supplemental Application"). The Supplemental Application requests approval for the construction and operation of Unit 5 under § 56-580 D of the Code of Virginia ("Code") and approval of the Proposed Affiliate Transactions, including the Assignment Agreement and the Bill of Sale under the Affiliates Act under § 56-77 of the Code, which would authorize the sale and transfer of the Unit 5 natural gas turbine unit, currently in storage, from Dominion Wholesale, an affiliate, to Dominion Virginia Power.

Dominion Virginia Power is a Virginia public service corporation providing electric service to customers in its service territory in Virginia and North Carolina. Dominion Virginia Power is a wholly owned, direct subsidiary of Dominion Resources, Inc. ("Dominion"). Dominion is a "holding company," as defined in the Public Utility Holding Company Act of 2005 ("PUHCA 2005"), and is subject to regulation as such under PUHCA 2005 by the Federal Energy Regulatory Commission.

Dominion Wholesale is a general business corporation and is a wholly owned subsidiary of Dominion Energy, Inc., which is wholly owned by Dominion. Therefore, DVP and Dominion Wholesale are considered affiliated interests under § 56-76 of the Code.

The Applicants propose to transfer one natural gas turbine unit, along with certain auxiliary equipment, from Dominion Wholesale to DVP at the lower of cost or market pricing in connection with DVP's proposed construction and operation of one additional new dual fuel gas-and oil-fired turbine generator unit at DVP's Ladysmith Generation Facility (the "Turbine Transfer"). The proposed price of the turbine to be purchased by DVP from Dominion Wholesale is $35,589,279, which represents Dominion Wholesale's cost of the turbine. DVP would be responsible for shipping, including insurance. The warranties and service deliveries originally provided by the manufacturer of the unit survive and will be assigned to DVP as part of the Turbine Transfer pursuant to a Partial Assignment, Assumption and Release Agreement between DVP and Dominion Wholesale (the "Assignment Agreement"). As with Units 3 and 4, the Applicants request approval of the transfer of the additional combustion turbine, including the Assignment Agreement and the Bill of Sale, subject to approval and certification of electric generating facilities at DVP's Ladysmith Generation Facility.

The Applicants represent that DVP cannot acquire the needed turbine internally, and if it had to order the new unit from the manufacturer, there could be a significant delay in the construction schedule for the Unit 5, because the lead time required for such equipment could be up to approximately 12 months, depending on shop loading and the current demand for the equipment. Therefore, the Applicants believe that the proposed purchase of the turbine from Dominion Wholesale is in the public interest and should be approved.

NOW THE COMMISSION, upon consideration of the above-referenced Application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds that DVP's proposed purchase of the natural gas turbine unit from Dominion Wholesale at a total price of $35,589,279 is in the public interest and should be approved. Such approval should include the Assignment Agreement and Bill of Sale and should be subject to approval of the proposed Unit 5.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, Dominion Virginia Power is hereby granted approval to purchase the natural gas turbine unit from Dominion Wholesale at a total purchase price of $35,589,279, as described herein.

(2) Such approval shall include the Assignment Agreement and the Bill of Sale as described herein and shall be subject to the Commission's approval of the proposed Unit 5.

(3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code.

[1] On June 15, 2007, the Commission issued an Order Granting Approval of Affiliate Transactions, which granted Dominion Virginia Power approval to purchase the natural gas turbines for Units 3 and 4.

(4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

(5) Dominion Virginia Power shall include the transaction approved herein in its Annual Report of Affiliate Transactions submitted to the Director of Public Utility Accounting of the Commission.

(6) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Dominion Virginia Power shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

(7) The Applicants shall file a report of the action taken pursuant to the approval granted herein within thirty (30) days of the Turbine Transfer taking place, which deadline may be extended administratively by the Commission's Director of Public Utility Accounting. Such report shall include the date the transfer took place, the actual sales price, the actual accounting entries reflecting the transaction, and documentation that the actual sales price was at the lower of cost or market at the time of purchase.

(8) This matter shall be continued pending further order of the Commission.

CASE NO. PUE-2007-00032
MARCH 19, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION WHOLESALE, INC.

For approval and certification of electric generating facilities under § 56-580 D and § 56-46.1 of the Code of Virginia and for approval of affiliate transactions under Chapter 4, Title 56 of the Code of Virginia

SUPPLEMENTAL ORDER

On September 14, 2007, the State Corporation Commission ("Commission") issued an Order On Reconsideration which Modified the Commission's Final Order of August 24, 2007, to allow Virginia Electric and Power Company ("Dominion Virginia Power" or the "Company") to file supplemental information supporting the Company's request for approval for an additional combustion turbine unit ("Unit 5") at the Company's existing Ladysmith Generation Site, located near the Town of Ladysmith in Caroline County, Virginia.

On November 1, 2007, Dominion Virginia Power and Dominion Wholesale, Inc. ("Dominion Wholesale", together with Dominion Virginia Power, the "Companies"), filed a supplemental application for approval of generating facilities under §§ 56-580 (D) and 56-46.1 of the Code of Virginia ("Code"), and for approval of affiliates transactions under Chapter 4 of Title 56 of the Code.[1]

On December 3, 2007, a Second Order for Notice and Comment and Requests for Hearing ("Order of December 3, 2007") was issued, which provided for comments and requests for hearing and participation by respondents, prescribed notice to be published and directed the Commission Staff to investigate the supplemental application and file a report.[2] On December 21, 2007, an Order Extending Time for Review was issued which extended the period of review of issues governed by § 56-77 of the Code through January 30, 2008.

On January 29, 2008, the Commission issued an Order Granting Approval of Affiliate Transactions, which granted Dominion Power approval to purchase one additional natural gas turbine unit (Unit 5) from Dominion Wholesale, subject to the conditions approved therein.

On January 4, 2008, the Company filed proof of notice given as required by the Order of December 3, 2007.

On January 17, 2008, the coordinated environmental review by the DEQ for the proposed Unit 5 Project was filed.[3]

On February 15, 2008, the Commission issued an Order Granting Motion which extended the due date for filing of the Staff report to February 22, 2008, and the due date for filing rebuttal testimony to March 5, 2008.

On February 22, 2008, Commission Staff filed Supplemental Staff Testimony which recommended the Company be granted a certificate of public convenience and necessity ("CPCN") to construct and operate an additional 150 megawatts ("MW") combustion turbine unit (Unit 5) in Caroline County at the Company's existing Ladysmith Generation Facility.

On February 28, 2008, the Company filed a letter stating its agreement with and support of the conclusions and recommendations in the supplemental Staff Testimony, indicated no further response would be made, and requested approval of the supplemental application.

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[1] The supplemental application for the proposed Unit 5 Project includes a transaction summary, supplemental testimony and exhibits, and supplemental Department of Environmental Quality ("DEQ") Supplement.

[2] An Order Nunc Pro Tunc was issued December 7, 2007, which amended the prescribed notice.

[3] Earlier on December 3, 2007, a report was filed from the DEQ's Office of Wetland and Water Protection which stated that the project would not impact state waters, including wetlands, and concluded that a Virginia Water Protection permit would not be required.

Dominion Virginia Power proposes to construct and operate at its existing Ladysmith Combustion Turbine Generation facility ("Ladysmith Generation Facility"), located near the Town of Ladysmith in Caroline County, Virginia, a fifth new dual fuel gas- and oil-fired turbine generator unit with a nominal summer rating of approximately 150 megawatts. This proposed generator unit would augment the two simple cycle combustion turbine generator units presently in operation at the Ladysmith Generation Facility[4] and Units 3 and 4 which were certificated by Final Order issued herein on August 24, 2007, and are currently under construction. The Company states that the Ladysmith Generation Facility was originally designed for a total of five generating units.

The Staff considered in its investigation of the proposed Ladysmith Unit 5 facility two criteria enumerated in § 56-580 D of the Code for permitting construction and operation of the proposed electric generating and associated facilities; that there be no material adverse affect upon reliability of electric service provided by any regulated public utility; and that the generating and associated facilities are not otherwise contrary to the public interest.[5]

The Staff further noted that pursuant to § 56-46.1 of the Code, the Commission must consider the effect of the proposed generating facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact. In addition, the Staff testimony considered the effects of the proposed Unit 5 Project (Ladysmith Unit 5) on economic development within the Commonwealth and the effects of any improvement in service reliability to be provided by Ladysmith Unit 5 with respect to economic development in the Commonwealth.[6]

Virginia Power is an incumbent electric utility as defined in § 56-576 of the Code and the Commission's Rules at 20 VAC 5-302-20 (b) (c) and is thus qualified to construct and operate the proposed facilities. The site of the proposed Ladysmith Unit 5 unit was previously developed by the Company at the existing Ladysmith Generation Facility located at 8063 Cedon Road (SR 632), Woodford, Virginia. It is located in Caroline County between U.S. Route 1 and west of Interstate 95, approximately 1/2 mile east of the village of Cedon. The Ladysmith Generation Facility, as we have noted, has been previously developed to accommodate up to five generation units and Staff reported on infrastructure already developed or in place.

The Staff reported that no additional transmission facilities will be required for connection of the proposed Ladysmith Unit 5 unit to the transmission grid. Only minor equipment changes are anticipated at the Ladysmith substation to accommodate the connection with the existing single circuit 230 kV transmission line to the Dominion/PJM transmission systems.[7]

The Staff reported that current natural gas facilities and current natural gas capacity (released and interruptible) should be sufficient to power the proposed Ladysmith Unit 5 unit. The proposed Ladysmith Unit 5, like the existing units, may also operate on fuel oil, which is available on-site in two existing 2.7 million-gallon storage tanks, which are sufficient to operate both the two existing units and two units under construction, as well as the proposed fifth unit.

The Staff reported that local zoning and land use approvals are already granted by the Caroline County Board of Supervisors and that no amendments to the granted authority are required. Additionally, the Virginia Department of Transportation has previously issued permits for access to the fuel truck unloading facilities and no amendments are expected to be required for the fifth proposed unit. Necessary local building permits required to construct the new Ladysmith Unit 5 generation facility will be obtained from Caroline County.

The Staff reported the proposed Ladysmith Unit 5 generation facility will contribute to PJM's generation reserve margin and, based upon designed 30-minute start up capability, will provide operators with additional real-time operating reserves. Regarding the planned location, Dominion Virginia Power maintains that the proposed generation facility is most needed in northern Virginia to help support voltage during high load periods as well as to serve as reserves for reliability contingencies.

As the Commission noted in its Final Order certificating Units 3 and 4, the Company previously conducted a competitive solicitation for this docket with bids received in January 2007. Based on its assessment of the bids, the Company concluded that it should construct units 3 and 4, and after further review, concludes that it should also construct Unit 5. The Staff, after reviewing the results, concurs with the Company's conclusions that, like Units 3 and 4, the proposed Unit 5 Project will also impose less cost on the Company, and/or provide greater reliability than any of the outside proposals received in January 2007.

The Staff reported on the coordinated environmental review conducted by the DEQ (filed on January 17, 2008 and also attached to Staff testimony). A summary of the recommendations by the DEQ (referencing the Impacts and Mitigation section of the DEQ's report) is given below:

- Reduce solid waste at the source, re-use it and recycle it to the maximum extent practicable (Environmental Impacts and Mitigation, item 6(c), page 10).

- Update natural heritage information if a significant amount of time passes before the project is implemented (Environmental Impacts and Mitigation, item 7(d), page 11).

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[4] The Ladysmith Generation Facility was certificated in Application of Virginia Electric and Power Company, Case No. PUE-2000-00009, 2000 S.C.C. Ann. Rept. 490 (Final Order, October 6, 2000).

[5] These are the same two criteria applied under § 56-580 D (i) (iii) of the Code to Units 3 and 4, approved by Final Order herein on August 24, 2007. We will allow the supplemental application to relate back to the filing of the initial application for the purposes of applying the same criteria of § 56-580 D of the Code to our review. Accordingly, a finding of public convenience and necessity, which is required of petitions filed after July 1, 2007, under § 56-580 (ii) will not be applied in this Order.

[6] The analysis followed the directives of § 56-46.1 A and § 56-596 A to consider the effect of the proposed facilities on economic development in the Commonwealth.

[7] Pursuant to a PJM Feasibility Study Report received by the Company concerning the proposed additional generation, additional redundant transmission facilities are required for plants exceeding 500 MW. Because the total capacity of the Ladysmith Generation Facility following completion of the proposed unit will be approximately 800 MW, a redundant feed will be required in the future.

- Adhere to strict erosion and sediment control measures throughout project construction to minimize general impacts to wildlife resources (Environmental Impacts and Mitigation, item 8(c), page 12).

- Coordinate road and transportation impacts with Caroline County and the VDOT Bowling Green Residency (Environmental Impacts and Mitigation, item 11(b), page 13).

- Follow the principals and practices of pollution prevention to the maximum extent practicable (Environmental Impacts and Mitigation, item 12, pages 13 and 14).

- Limit the use of pesticides and herbicides to the extent practicable (Environmental Impacts and Mitigation, item 13, page 14).

The Staff evaluated the economic impact of the proposed Ladysmith Unit 5 by considering the unit's contribution to the Company's voltage support requirements and to the Company's reserve requirements for meeting reliability contingencies. Staff concluded that the relevant economic impact of this unit requires a calculation of the contributed value of the electrical service to northern Virginia, and more broadly, to the entire Commonwealth's economy. Staff did not attempt quantification of this value; however, Staff asserted that in the instance of a need for electric generating facilities, a positive economic benefit is clearly implied.

With respect to the impact of the proposed Ladysmith Unit 5 on the Company's exertion of market power in its control area, Staff finds that the proposed unit will not significantly increase the ability of Virginia Power to exert market power within the PJM South region beyond the Company's current level.

Based upon the positive impact of the proposed unit on economic development within the Commonwealth and on the negligible contribution to Virginia Power's market power within the control area, Staff finds that Virginia Power's request for authority to construct the proposed Ladysmith Unit 5 is reasonable. Staff recommends that the Company be granted a CPCN to construct and operate an additional 150 MW combustion unit in Caroline County at its existing Ladysmith Generating Facility.

NOW THE COMMISSION, upon consideration of the record, is of the opinion and finds that the supplemental application should be approved, and we will grant a CPCN effective the date of this Order to Virginia Electric and Power Company to construct and operate the proposed Ladysmith Unit 5 generation facility.

We find that the proposed Ladysmith Unit 5 facility will have no material adverse effect upon the reliability of electric service provided by any regulated public utility and that it is not otherwise contrary to the public interest. With respect to the effect of the generating facility on the environment, we find that the Company should comply with all applicable state and federal laws and regulations as described in the coordinated environmental review of the DEQ and, further, that the Company should comply with the recommendations of DEQ as summarized above.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-580 D and § 56-46.1 of the Code, Virginia Electric and Power Company is hereby granted authority and a CPCN to construct and operate the Ladysmith Generation Unit 5 facility as described herein above.

(2) As a condition of the CPCN granted herein, Virginia Electric and Power Company shall comply with the recommendations of DEQ as summarized above.

(3) The CPCN granted herein shall be conditioned upon the receipt of any additional permits and approvals that may be required to construct and operate the Ladysmith Generation Unit 5 facility.

(4) This case is closed.

CASE NO. PUE-2007-00033
JUNE 19, 2008

APPLICATION OF
TRANS-ALLEGHENY INTERSTATE LINE COMPANY

For certificates of public convenience and necessity to construct facilities: 500 kV Transmission Line from Virginia-West Virginia Boundary to Virginia Electric and Power Company Transmission Line # 580

APPLICATION OF
THE POTOMAC EDISON COMPANY
and
TRANS-ALLEGHENY INTERSTATE LINE COMPANY

For Approval of a Contract or Arrangement

ORDER

On June 6, 2008, Trans-Allegheny Interstate Line Company ("TrAILCo") and The Potomac Edison Company filed with the State Corporation Commission ("Commission") their Motion to Dismiss the Affiliate Transaction, which is now included in the application docketed as Case No. PUE-2007-00033. As discussed in this Order, the Commission will grant the motion.

As described in their Motion to Dismiss Affiliates Transaction, the companies applied for approval of a contract or arrangement related to the proposed 500 kV transmission lines, as required by §§ 56-76 to -87 of the Code of Virginia (hereinafter Code). If approved, Potomac Edison would grant its affiliate TrAILCo an easement for use of property at Potomac Edison's existing Meadow Brook Substation in Frederick County. The Commission noted in the Order for Notice and Hearing of June 1, 2007, in Case No. PUE-2007-00031 and Case No. PUE-2007-00033, the application for approval of the contract or arrangement. We did not assign this affiliates matter to a hearing examiner. By Order Granting Motion to Hold in Abeyance of July 2, 2007, the Commission granted the motion of TrAILCo and Potomac Edison to defer action on the easement arrangement. As we noted in Order of July 2, 2007, at 2, the companies could withdraw from this Case No. PUE-2007-00033 the application for approval of the easement arrangement. TrAILCo and Potomac Edison have now filed for leave to withdraw that portion of their application.[1]

The Commission will grant the motion to dismiss the application for approval of an affiliates' contract or arrangement from Case No. PUE-2007-00033. In light of this action, we will also vacate Ordering Paragraph (3) of our Order of July 2, 2007, which addressed timing of review of the proposed transaction. The grant of this motion shall have no force or effect on any other issue in Case No. PUE-2007-00033 or any other case or matter before the Commission. The granting of the motion should not be interpreted as prejudging of the grant of any other right or privilege sought by TrAILCo or Potomac Edison in Case No. PUE-2007-00033 or any other case or matter before the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The Motion to Dismiss the Affiliate Transaction be granted.

(2) Approval of an arrangement or contract between the companies as required by §§ 56-76 to -87 of the Code be dismissed from Case No. PUE-2007-00033.

(3) Ordering Paragraph (3) of the Order Granting Motion to Hold in Abeyance of July 2, 2007, be vacated as moot.

[1] Now pending before the Commission is the Joint Application of Trans-Allegheny Interstate Line Company and The Potomac Edison Company for Authority to Enter Into an Easement Agreement, which we have docketed as Case No. PUE-2008-00048. The Companies seek approval of an easement arrangement at the Meadow Bank Substation.

CASE NO. PUE-2007-00037
SEPTEMBER 16, 2008

APPLICATION OF
KENTUCKY UTILITIES COMPANY D/B/A OLD DOMINION POWER COMPANY

2006 Annual Informational Filing

FINAL ORDER

In accordance with the State Corporation Commission's ("Commission") Rules Governing Utility Rate Increase Applications and Annual Informational Filings, Kentucky Utilities Company ("K.U.") d/b/a Old Dominion Power Company ("ODP" or the "Company") filed on April 30, 2007, the above captioned 2006 Annual Informational Filing ("AIF") for the test period ended December 31, 2006.

On March 14, 2008, the Staff filed a Staff Report containing a financial review and accounting analysis. Staff reported that K.U.'s fully adjusted jurisdictional return on equity for the test period was 6.13%, which is below the currently authorized rate of return on equity range of 12.00%-13.00%, as established in Case No. PUE-1997-00041. The Staff Report noted that prior to 2006, the Company has not had any regulatory assets for Virginia ratemaking purposes. In June 2006, the Company withdrew from the Midwest Independent System Operator ("MISO"), effective September 1, 2006, and contracted with the Tennessee Valley Authority to act as its transmission reliability coordinator and Southwest Power Pool, Inc., to function as its independent transmission operator. As a result, an exit fee of $20,097,494 was paid to MISO, and booked as a regulatory asset. The Staff considered the MISO exit fee to be an extraordinary, nonrecurring, and material cost to K.U. and therefore agreed that it should be treated as a regulatory asset, subject to an annual earnings test.[1] Staff recommended that the Company begin amortizing this regulatory asset for ratemaking purposes, net of the future credit from MISO, by the earlier of three years from the end of the test year (January 1, 2010), or by the effective date of rates in the Company's next rate case.

On May 30, 2008, the Company filed a letter reporting several issues the Company had with the Staff Report and further reporting an agreement between Staff and the Company on adjustments to certain exhibits to the Staff Report, none of which affect the Company's fully adjusted jurisdictional return on equity for the test period of 6.13%. The Company is in agreement with Staff's conclusion in the Staff Report and has no further comment beyond the agreed adjustments to the Staff Report.

NOW THE COMMISSION, upon consideration of the Company's application, the Staff Report, and the Company's response, is of the opinion and finds that the Staff's booking recommendation should be approved for ratemaking purposes and, there being no over-earnings for the test period found, this case should be dismissed.

[1] The Federal Energy Regulatory Commission ("FERC") approved a recalculation agreement between the Company and its parent and the MISO which resulted in an anticipated credit to the Company and its parent of approximately $6.4 million over a period of eight (8) years beginning in 2009. The Company has not booked this credit as of the filing of the Staff Report.

Accordingly, IT IS ORDERED THAT:

(1) The Company shall book the net MISO exit fee as a regulatory asset subject to annual earnings tests and begin amortizing the MISO exit fee regulatory asset by the earlier of January 1, 2010, or by the effective date of rates in the Company's next rate case.

(2) This case is hereby dismissed from the docket of active proceedings and the papers herein placed in the Commission's file for ended cases.

CASE NO. PUE-2007-00041
MARCH 4, 2008

APPLICATION OF
SPECTRA ENERGY VIRGINIA PIPELINE COMPANY

2007 Annual Informational Filing

FINAL ORDER

In accordance with the State Corporation Commission's ("Commission") Rules Governing Utility Rate Increase Applications and Annual Informational Filings, 20 VAC 5-200-30, Spectra Energy Virginia Pipeline Company ("Spectra" or "Company") was required to submit an Annual Informational Filing ("AIF") for the test period ending December 31, 2006. The Company filed its AIF on May 1, 2007, and filed supplemental information to complete its AIF on July 9, 2007.

On January 25, 2008, the Staff filed its Staff Report which contains two main sections, financial review and accounting analysis. The Staff Report notes that Spectra's return on equity for the test period after all adjustments was 3.73%, a return significantly below the level of returns that the Commission has recently authorized for gas utility companies. Based on the Company's adjusted returns for the test year, the Staff recommends that the Commission take no action on Spectra's rates at this time and find that there should be no accelerated recovery of the amortization of the regulatory asset associated with the abandonment of Segment 5 of the P-25 pipeline.

On February 20, 2008, the Company filed a letter stating that it has no comment regarding the Staff Report.

NOW THE COMMISSION, upon consideration of the Company's application, the Staff Report, and the applicable statutes, is of the opinion and finds that the Company's current rates and charges should remain in full force and effect until further Order of the Commission; that there should be no accelerated recovery of the amortization of the regulatory asset associated with the abandonment of Segment 5 of the P-25 pipeline; and that this matter should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The Company's current rates and charges shall remain in full force and effect until further Order of the Commission.

(2) No accelerated recovery of the amortization for the regulatory asset associated with the abandonment of Segment 5 of the P-25 pipeline shall be required at the present time.

(3) This matter shall be dismissed from the Commission's docket of active proceedings and the papers herein shall be placed in the Commission's filed for ended causes.

CASE NO. PUE-2007-00066
MARCH 31, 2008

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

FINAL ORDER

On July 13, 2007, Virginia Electric and Power Company ("Virginia Power" or "Company") filed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to construct and to operate an electric generation facility in Wise County, Virginia, and for approval of a rate adjustment clause, "pursuant to §§ 56-585.1.A.6, 56-580.D, and 56-46.1" of the Code of Virginia ("Code") ("Application").[1] Virginia Power stated that the proposed facility "will be a carbon capture compatible, clean-coal powered 585 megawatt (nominal) coal-fueled generating plant" and "will use circulating fluidized bed ('CFB') technology. . ." ("Coal Plant").[2]

[1] Application at 3.

[2] *Id.* at 4 (internal quotations omitted).

On August 9, 2007, the Commission issued an Order for Notice and Hearing that, among other things, required the Company to publish notice of its Application, established a procedural schedule for this matter, permitted the filing of written and electronic public comments, and scheduled a public hearing to commence on January 8, 2008 to receive testimony of public witnesses and evidence on the Application.

The Commission received over 700 written or electronic public comments on the Application. In addition, the following filed notices of participation in this matter: Virginia Committee For Fair Utility Rates ("Committee"); Appalachian Voices; Chesapeake Climate Action Network ("CCAN"); Southern Environmental Law Center ("SELC"); Sierra Club; Southern Appalachian Mountain Stewards ("SAMS"); Competitive Bidding Group;[3] Apartment and Office Building Association of Metropolitan Washington; MeadWestvaco Corporation; and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On December 20, 2007, Virginia Power filed a motion to delay the evidentiary hearing. On December 21, 2007, the Commission issued an Order that (1) retained the January 8, 2008 hearing for purposes of receiving testimony from public witnesses, and (2) scheduled a hearing to begin on February 5, 2008 to receive evidence on the Application.

On January 8, 2008, the Commission held a public hearing in which it received testimony from 121 public witnesses.

The hearing re-convened on February 5, 2008 and continued daily through February 8, 2008. The following participated at the hearing: Virginia Power; Committee; SELC, Appalachian Voices, CCAN, Sierra Club, and SAMS (jointly) ("SELC Group"); Competitive Bidding Group; Consumer Counsel; and the Commission's Staff ("Staff"). At the conclusion of the hearing on February 8, 2008, the Commission directed that post-hearing briefs be filed on or before March 10, 2008.

On March 4, 2008, a Joint Motion ("Motion") and Proposed Stipulation and Recommendation ("Stipulation") was filed on behalf of the following participants in this case: Virginia Power; Consumer Counsel; and Staff. On March 4, 2008, the Commission entered an order that extended the due date for post-hearing briefs to March 14, 2008, and provided that post-hearing briefs also include any response to and/or comments in support of, or in opposition to, the Motion and Stipulation.

On March 14, 2008, the following filed post-hearing briefs: Virginia Power; Committee; SELC Group; Competitive Bidding Group; Consumer Counsel; and Staff.[4]

NOW THE COMMISSION, having considered the record, the pleadings, and the applicable law, is of the opinion and finds that the Application is approved subject to the requirements set forth below.

Code of Virginia

Section 56-585.1.A.6 of the Code states in part as follows:

> To ensure 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 (i) a coal-fueled generation facility that utilizes Virginia coal and is located in the coalfield region of the Commonwealth, as described in § 15.2-6002, regardless of whether such facility is located within or without the utility's service territory, . . . however, such a petition concerning . . . facilities described in clause (i) may also be filed before the expiration or termination of capped rates.

Section 56-585.1.A.6 of the Code further includes a public interest declaration, to wit:

> The construction of any facility described in clause (i) is in the public interest, and in determining whether to approve such facility, the Commission shall liberally construe the provisions of this title.

Section 56-585.1.A.6 of the Code also provides for cost recovery during construction and for an enhanced rate of return:

> A utility that constructs any such facility 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 costs, life-cycle costs, 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. . . . The basis points to be added to the utility's general rate of return to calculate the enhanced rate of return on common equity, and the first portion of that facility's service life to which such enhanced rate of return shall be applied, shall vary by type of facility, as specified in the following table:

[3] The Competitive Bidding Group is composed of: Virginia Independent Power Producers, Inc.; Virginia Energy Providers Association; and Electric Power Supply Association.

[4] On March 17, 2008, SELC Group filed a Motion for Leave to File Corrected Brief. SELC Group explained that the only corrections are the form of certain citations and affirmed that no new citations, argument, or materials were added to the corrected brief. We will grant such motion, and we find that no party is prejudiced thereby.

Type of Generation Facility	Basis Points	First Portion of Service Life
Nuclear-powered	200	Between 12 and 25 years
Carbon capture compatible, clean-coal powered	200	Between 10 and 20 years
Renewable powered	200	Between 5 and 15 years
Conventional coal or combined-cycle combustion turbine	100	Between 10 and 20 years

In addition, § 56-585.1.D of the Code preserves the Commission's authority to determine the reasonableness and prudence of any cost incurred or projected to be incurred:

> Nothing in this section shall preclude the Commission from determining, 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.) of this title.

Section 56-580.D of the Code states in part as follows:

> The Commission shall permit the construction and operation of electrical generating facilities 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, (ii) are required by the public convenience and necessity, if a petition for such permit is filed after July 1, 2007, and if they are to be constructed and operated by any regulated utility whose rates are regulated pursuant to § 56-585.1, and (iii) are not otherwise contrary to the public interest. In review of a petition for a certificate to construct and operate a generating facility described in this subsection, 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 states in part as follows:

> 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. Additionally, the Commission (i) shall consider the effect of the proposed facility on economic development within the Commonwealth and (ii) shall consider any improvements in service reliability that may result from the construction of such facility.

Sections 56-46.1.A and 56-580.D of the Code also contain nearly identical language explicitly limiting the Commission's authority:

> 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. Nothing in this section shall affect the ability of the Commission to keep the record of a case open. Nothing in this section shall affect any right to appeal such permits or approvals in accordance with applicable law.

Finally, § 56-596.A of the Code states in part that "[i]n all relevant proceedings pursuant to [the Virginia Electric Utility Restructuring Act], the Commission shall take into consideration, among other things, the goals of advancement of competition and economic development in the Commonwealth."

United States Constitution

SELC Group asserts that § 56-585.1.A.6 of the Code is *per se* unconstitutional because it violates the Commerce Clause of the Constitution of the United States, U.S. CONST. art. 1, § 8, cl. 3.[5] Specifically, SELC Group states as follows:

[5] *See* SELC Group's March 14, 2008 post-hearing brief at 2-9.

> [T]o gain the benefit of early filing (before the expiration of capped rates) and to bypass the public interest analysis, a utility is required to use in-state, Virginia coal, to the detriment of out-of-state and foreign coal markets. This requirement is unconstitutional and the statute is therefore void.[6]

No other party addressed this constitutional question in its post-hearing brief. We will not, however, dismiss the Application on constitutional grounds. The statute does not require that the Coal Plant use *only* Virginia coal, and the Commission's approval of the Application herein is not subject to such an exclusive requirement. We have not found § 56-585.1.A.6 of the Code to be unconstitutionally discriminatory under the *City of Philadelphia v. New Jersey* line of cases.[7] In addition, the Virginia statute is factually distinct from the Oklahoma statute found unconstitutional in *Wyoming v. Oklahoma*, 502 U.S. 437 (1992).

Public Interest

The General Assembly has made a policy decision that the construction of "a coal-fueled generation facility that utilizes Virginia coal and is located in the coalfield region of the Commonwealth . . . is in the public interest."[8] The proposed Coal Plant fits this description. Thus, the Commission has no discretion to make a separate public interest determination; by statute, the proposed facility is "not otherwise contrary to the public interest" under § 56-580.D of the Code.

Bidding Rules

The "Company requests that the Commission find that the Competitive Bidding Rules, 20 VAC 5-301-10 *et seq*. ('Bidding Rules' or 'Rules'), have no application to this proceeding, or in the alternative, that it grant exemptions from certain aspects of those Rules."[9]

This facility has a unique statutory posture—*i.e.*, the General Assembly has statutorily determined that the construction of "a coal-fueled generation facility that utilizes Virginia coal and is located in the coalfield region of the Commonwealth . . . is in the public interest" and that a "utility that constructs any such facility" shall be entitled to specifically-defined cost recovery mechanisms.[10] The Committee, however, asserts that bidding should be required. In this regard, the Committee points out that the "statute does not, however, require that such a plant be owned and operated by such a utility . . . and nowhere does § 56-585.1 A 6 state or imply that only a utility may build, own, and operate a coalfield plant."[11] Though this may be so, the statute also does not obviate the Commission's discretion to waive its own Bidding Rules. Based on the particular statutory nature of this facility, in conjunction with the specific complexities associated with developing, permitting, and implementing this statutorily favored facility, we find that it is reasonable to grant certain exemptions from the Bidding Rules.

Accordingly, as requested by the Company, pursuant to 20 VAC 5-301-10 the Commission grants an exemption "from those parts of the Rules contemplating that a [Request for Proposals] be issued, bids be accepted from other suppliers, bids be evaluated, and an award be made in connection with building the Coal Plant," which includes the following Bidding Rules: 20 VAC 5-301-30, -40, -50, -80, and -110.[12]

We emphasize, however, that the exemption granted herein is specifically limited as set forth above. For example, the Company explains that its requested exemptions do not apply to matters such as the development of cost benchmarks (20 VAC 5-301-60) or evaluations based on other factors (20 VAC 5-301-70).[13] In addition, § 56-233.1 of the Code requires, in part, that the Company "use competitive bidding to the extent practicable in its purchasing and construction practices," and the Company shall comply with this statutory mandate in its procurement and related activities attendant to the Coal Plant approved herein.

Finally, the Committee and the Competitive Bidding Group also assert that § 56-233.1 of the Code requires competitive bidding, separate and apart from the Bidding Rules, on the threshold question of whether to construct the Coal plant.[14] The Competitive Bidding Group further states that "the Commission has never issued a written interpretation of § 56-233.1."[15] In addition, Virginia Power notes that the Bidding Rules "were based on Va. Code § 56-234.3, as well as other statutes, but not on Va. Code § 56-233.1, although it predated the Rules by about twelve years."[16] Under § 56-233.1 of the Code, whether competitive bidding is "practicable" is to be determined by this Commission. In this instance, the reasons supporting our decision to grant

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[6] *Id.* at 3.

[7] *See City of Philadelphia v. New Jersey*, 437 U.S. 617 (1978).

[8] Va. Code § 56-585.l.A.6.

[9] Application at 7.

[10] Va. Code § 56-585.1.A.6.

[11] Committee's March 14, 2008 post-hearing brief at 14-15.

[12] Application at 11.

[13] *Id.*

[14] *See* Committee's March 14, 2008 post-hearing brief at 17-18; Competitive Bidding Group's March 14, 2008 post-hearing brief at 11, 19.

[15] Competitive Bidding Group's March 14, 2008 post-hearing brief at 10-11.

[16] Virginia Power's March 14, 2008 post-hearing brief at 91.

certain exemptions to the Bidding Rules also support a finding that competitive bidding — for the threshold decision to construct this particular facility — is not "practicable" under § 56-233.1 of the Code.[17]

Electricity Supply and Native Load

Pursuant to § 56-585.1.A.6 of the Code, we find the proposed Coal Plant will serve "to ensure a reliable and adequate supply of electricity" and "to meet the [Company's] projected native load obligations."[18]

Reasonableness or Prudence

As noted above, § 56-585.1.D of the Code preserves the Commission's authority to determine the reasonableness or prudence of any cost incurred or projected to be incurred in connection with the Coal Plant:

> Nothing in this section shall preclude the Commission from determining, 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.) of this title. (Emphasis added.)[19]

We find that the construction costs projected by the Company to be incurred in connection with the proposed Coal Plant are reasonable and prudent at Virginia Power's currently projected level of $1.8 billion.[20] We conclude that Virginia Power's projected level of costs are reasonable and prudent as applied to this particular facility.[21] The Company testified that it has secured a fixed-price contract that will cover 86% of the construction costs of this facility.[22] In addition, a CFB facility is not a novel construct but, rather, represents a proven technology that has been, and continues to be, used in commercial power plants of appreciable size.[23] The reasonableness and prudence of the total cost estimate, in conjunction with the proven track record in commercial use of this type of facility, has been sufficiently established by the record.[24] This type of facility in this location is statutorily favored as discussed above, and it also represents a reasonable coal-fired addition to Virginia Power's generation fleet.[25]

The Committee, however, asserts that the Commission should not approve full cost recovery because the Company has failed to prove that "its proposed ownership and operation of the coalfield plant is a prudent and reasonable investment for the benefit of its Virginia jurisdictional customers."[26] In support thereof, the Committee discusses the Company's cost estimates, congestion and transmission costs, and comparisons with other options.[27] The Committee further asserts that the Company "has not even attempted to show that its unit is its least cost resource."[28] The Committee also concludes as

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[17] Having made this finding, we need not reach the following legal question posed by the Competitive Bidding Group: "[Does] § 56-233.1 require[] utilities subject to its provisions, such as Virginia Power, to use competitive bidding in connection with the threshold decision whether to build a power plant or purchase capacity from a non-utility, unless the utility can affirmatively show that the use of competitive bidding would not be practicable in a particular case." Competitive Bidding Group's March 14, 2008 post-hearing brief at 11.

[18] *See, e.g.*, Exh. 55 (Morgan Rebuttal) at 1-6; Exh. 13 (Martin Direct) at 11; Exh. 56P (Martin Rebuttal) at 23; Exh. 46 (Stevens Direct) at 12-14; Virginia Power's March 14, 2008 post-hearing brief at 13-16 (citations omitted).

[19] We further note that the Commission has additional authority over public utilities under various other provisions of Chapter 10 of Title 56. For example, § 56-234.3 of the Code contains specific provisions related to construction projects such as the one approved herein, including the requirement that "the Commission shall investigate and monitor the major construction projects of any public utility to assure that such projects are being conducted in an economical, expeditious, and efficient manner."

[20] *See* Exh. 51 (Bolton Rebuttal) at 24. See also Exh. 56C (Martin Rebuttal) at Attach. JKM-10; Tr. at 1342 (Staff witness John A. Stevens) ("[W]e concluded that the . . . costs of [the Coal Plant] appear reasonable."). Financing costs approved below are not included in the $1.8 billion cost projection.

[21] In addition, the Company explains that its "review of other coal-fueled generation projects around the country confirms that the [Coal] Plant's costs are in line with other projects, and that the combination of price, terms, and conditions for the [Coal] Plant is at, if not better than, market." Virginia Power's March 14, 2008 post-hearing brief at 65 (citing Exh. 56P (Martin Rebuttal) at 22; Exh. 14P (Martin Supp. Direct) at 5).

[22] *See, e.g.*, Tr. at 1471 (Company witness James K. Martin) ("Concerning the fixed price of this project, 86 percent of the price of [the Coal Plant] has now been fixed. As explained in my direct testimony, Shaw has contractually accepted the risk of overruns and has locked in their price at $1.4 billion.").

[23] *See, e.g.*, Exh. 56C (Martin Rebuttal) at 6-7 ("CFB technology is fully mature, with over 500 operating units worldwide, with some units in service for over 28 years. Units up to 300 MW are currently in service and larger units are under construction (as described below, the [Coal] Plant at 585 MW (nominal) consists of 2 units)."); Tr. at 1472 (Company witness James K. Martin); Exh. 46 (Stevens Direct) at 25-26. Indeed, CFB combustion technology "has been in use domestically and abroad since the early 1980s." Virginia Power's March 14, 2008 post-hearing brief at 55 (footnote omitted).

[24] See also Exh. 56C (Martin Rebuttal) at 21-32; Tr. at 1327 (Staff witness John A. Stevens).

[25] *See also* Exh. 56C (Martin Rebuttal) at 2-6; Exh. 55 (Morgan Rebuttal) at 4-6; Tr. at 1448 (Company witness Gregory J. Morgan); Virginia Power's March 14, 2008 post-hearing brief at 13-24.

[26] Committee's March 14, 2008 post-hearing brief at 23.

[27] *See, e.g., id*. at 2740.

[28] *Id*. at 28 (footnote omitted).

follows: "What Virginia Power is not entitled to do is sacrifice its customers for the greater good of the Commonwealth by having only its ratepayers subsidize economic development in the coalfield region. "[29]

First, as noted above, we find that the Company's cost estimates are reasonable. Virginia Power has provided extensive evidence on the reasonableness and prudence of its costs, including project cost reports, bid comparison report, fixed-price contract, and operations update.[30] The Company estimates that "the all-in or life cycle cost of power will average, in nominal terms, about $93/MWh over the [Coal] Plant's useful life" and explains that this "cost is reasonable, especially when one considers that the Company will be adding a baseload plant with proven reliability.[31] In addition, the Company explains why the assumptions comprising its estimated all-in costs are reasonable, addressing issues related to future carbon costs, fuel costs, capacity factor, market comparisons, and integrated resource plans.[32]

Next, we agree with Virginia Power that the statute does not require the Commission to find that the Coal Plant is the Company's least cost option.[33] That is, the Company does not need to establish that the Coal Plant is the least cost option in order for us to conclude that the total level of currently projected costs is reasonable or prudent as required by § 56-585.1.A.6 of the Code. As further explained by Virginia Power, "the General Assembly has determined such a facility is in the public interest — not at any cost, but so far as costs are reasonable and prudent.[34] The Company concludes that "[g]iven that Va. Code § 56-585.1.A.6 states a need for the [Coal] Plant, declares such a facility is in the public interest, and includes numerous incentives in order to have such a facility actually constructed, it would be improper to read Title 56 generally as somehow authorizing disallowance of otherwise reasonable and prudent costs incurred in furtherance of the [legislation's] objectives."[35] Contrary to the Committee's assertion, Virginia Power has also established that additional market purchases do not effectively meet the needs served by the Coal Plant such that the Company's projected cost level for this project becomes unreasonable or imprudent.[36]

The Committee also argues that this investment is not reasonable and prudent because (i) of the significant congestion and transmission costs that will be incurred by locating the facility outside of the Company's service territory, and (ii) the Company fails to compare the costs of the Coal Plant to new coal-fired generation in another location.[37] We agree with the Company, however, that the statute does not permit us to find that the proposed facility is unreasonable or imprudent due to such factors. Specifically, the General Assembly has directed that a coal-fueled facility in the coalfield region of the Commonwealth utilizing Virginia coal is in the public interest, "regardless of whether such facility is located within or without the utility's service territory."[38] Thus, if the proposed facility could be rejected on reasonableness or prudence grounds because (i) of congestion costs incurred due to the facility's location outside of Virginia Power's service territory, or (ii) of comparisons to a hypothetical facility in another location, the specific statutory public interest finding would be effectively nullified.

Indeed, the Company further explains this as follows:

> Such a disallowance would be particularly unsupportable if based on a theoretical comparison . . . to what a utility might endeavor to build that is not a coal-fueled generation facility utilizing Virginia coal and is not located in the coalfield region of the Commonwealth. . . . [T]he Commission is to examine whether the costs for this particular [Coal] Plant, utilizing Virginia coal, in the coalfield region of Virginia, are reasonable and prudent under those circumstances, not whether its costs are equal to or lower than another generation facility anywhere else in Virginia.. . . [U] sing such a comparison to decide the reasonableness and prudence of costs in relation to a hypothetical facility in another location, that would not use Virginia coal, and would not provide the same economic benefits, would effectively nullify a specific provision of the law by application of a general provision. . . . It is an 'established principle of statutory construction that when certain statutes address a subject in a general manner and other statutes address part of the same subject in a more specific manner, the differing statutes should be harmonized, if possible, and when they conflict, the more specific statutes prevail.[39]

Notwithstanding the Committee's current protestations to this Commission, the General Assembly has previously determined that it is in the public interest for a utility to construct a coal-fired facility outside of its service territory to benefit economic development in the coalfield region.

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[29] *Id*. at 26.

[30] *See, e.g.*, Virginia Power' s March 14, 2008 post-hearing brief at 70-71.

[31] *Id.* at 72.

[32] *Id.* at 72-80.

[33] *See id*. at 64, 67.

[34] *Id.* at 67.

[35] *Id.*

[36] *See* Committee's March 14, 2008 post-hearing brief at 36-37; Virginia Power's March 14, 2008 post-hearing brief at 14-16. We likewise do not find that demand-side alternatives effectively meet the needs served by the Coal Plant such that the Company's projected cost level for this project becomes unreasonable or imprudent.

[37] *See* Committee's March 14, 2008 post-hearing brief at 28-31, 37-39.

[38] Va. Code § 56-585.1.A.6.

[39] Virginia Power's March 14, 2008 post-hearing brief at 67-68 (citations omitted).

Cost Overruns

Pursuant to § 56-585.l .D of the Code and based on the record before us, we do not find that it is reasonable or prudent for the Company to incur *any* amount of costs above the cost estimates that comprise the projected level of $1.8 billion.[40] We cannot approve in essence a blank check for Virginia Power to build the Coal Plant at *any* cost above the amount represented by the Company in this proceeding. While we recognize that construction cost overruns may occur for reasons that are both unforeseeable and outside the control of Virginia Power, any costs of constructing the Coal Plant that exceed the cost estimates comprising the $1.8 billion level must be proven by Virginia Power in a future proceeding to be reasonable or prudent under § 56-585.1.D of the Code before any recovery thereof from ratepayers shall be permitted.

As discussed further below, we approve the Company's proposed Rider S for cost recovery for the Coal Plant. Rider S will be set to recover the Company's projected costs for the upcoming year and is subject to annual cost true-ups beginning in 2010; that is, there will be an annual proceeding in which the Commission will set the rate for Rider S. In order to recover any costs that *exceed* cost projections approved herein or hereinafter by the Commission (including new costs not included in the projections), Virginia Power shall be required to prove that such costs are reasonable or prudent as part of the annual Rider S proceeding *immediately following* the incurrence of any such cost overrun, unless good cause is shown for recovery in a later Rider S proceeding.[41]

Accordingly, our approval herein is subject to the following requirements: (1) there shall be no recovery, without prior approval of the Commission, of any costs above the projections (including new costs not included in the projections) that comprise the $1.8 billion projected level found reasonable and prudent herein; and (2) in order to recover any costs that exceed the cost projections found reasonable and prudent herein or hereinafter by the Commission (including new costs not included in the projections), Virginia Power shall be required to prove that such costs are reasonable or prudent as part of the annual Rider S proceeding immediately following the incurrence of any such cost overrun, unless good cause is shown for recovery in a later Rider S proceeding.[42]

Retrofitting and Other Future Plant Modifications

The finding of reasonableness and prudence herein does not extend to any costs associated with retrofitting, or other modifications to, the Coal Plant to make it carbon capture compatible.[43] Accordingly, our approval herein is subject to the requirement that there shall be no recovery of any costs associated with future retrofitting, or other future modifications to, the Coal Plant to make it carbon capture compatible without prior approval by the Commission upon a properly filed application by the Company.

Ratepayer Credits

Our finding of reasonableness and prudence herein is also subject to the following additional cost requirements. Specifically, Virginia Power may possibly obtain: (1) emission control credits or other value from the Coal Plant as a result of future federal or state "cap and trade" or similar-type programs; and (2) federal, state, or local tax credits related to the Coal Plant's emissions-control technology (*e.g.*, including but not limited to clean-coal or carbon capture technology). In this regard, our approval herein is subject to the requirement that the Virginia jurisdictional portion of any credits or other value resulting from (1) or (2), immediately above, shall inure to the benefit of the Company's ratepayers; such benefits shall be reflected in the Company's proposed Rider S.

Rate of Return on Common Equity

Under traditional ratemaking principles, we find that the return on common equity for the Coal Plant that is consistent with the public interest is 10.00% as set forth by Staff and the Committee; this is the midpoint of the range of 9.50% - 10.50% as testified to and recommended by Staff witness Oliver and Committee witness Gorman.[44] Prior to the 2007 statutory amendments, this actual cost of equity capital would be used by the Commission to determine just and reasonable rates, tolls, and charges.[45] The statute, however, now restricts the Commission's authority in this regard and places a floor on the general return on common equity that we may approve for this facility.

Specifically, § 56-585.l.A.2 of the Code prescribes how the Commission must determine the lowest allowed rate of return on common equity in this proceeding:

> a. The Commission may use any methodology to determine such return it finds consistent with the public interest, but such return shall not be set lower than the average of the returns on common equity reported to the Securities and Exchange Commission for the three most recent annual periods for which such data are available by not less than a majority, selected by the Commission as specified in subdivision 2b, of other investor-owned electric utilities in the peer group of the utility subject to such biennial review, nor shall the Commission set such return more than 300 basis points higher than such average.

[40] *See* Exh. 56C (Martin Rebuttal) at Attach. JKM-10.

[41] For example, the Company, which shall have the burden of proving good cause, may assert good cause for this purpose by establishing that quantification of such incurred costs was not possible for inclusion in the Rider S case immediately following cost incurrence.

[42] If any actual cost incurred is lower than the projections herein, such benefit shall be credited to ratepayers as part of the Rider S proceedings.

[43] The Committee likewise asserts that the Commission "should put Virginia Power on notice that it has in no way preapproved as reasonable and prudent any cost of carbon capture and storage and, therefore, any such expenditures by Virginia Power would be at its risk of disallowance." Committee's March 14, 2008 post-hearing brief at 64.

[44] *See* Exh. 39 (Oliver Direct) at 1-8 and Schedule 15; Exh. 37P (Gorman Direct) at 8.

[45] *See, e.g.*, Va. Code § 56-235.

> b. In selecting such majority of peer group investor-owned electric utilities, the Commission shall first remove from such group the two utilities within such group that have the lowest reported returns of the group, as well as the two utilities within such group that have the highest reported returns of the group, and the Commission shall then select a majority of the utilities remaining in such peer group. In its final order regarding such biennial review, the Commission shall identify the utilities in such peer group it selected for the calculation of such limitation. For purposes of this subdivision, an investor-owned electric utility shall be deemed part of such peer group if (i) its principal operations are conducted in the southeastern United States east of the Mississippi River in either the states of West Virginia or Kentucky or in those states south of Virginia, excluding the state of Tennessee, (ii) it is a vertically-integrated electric utility providing generation, transmission and distribution services whose facilities and operations are subject to state public utility regulation in the state where its principal operations are conducted, (iii) it had a long-term bond rating assigned by Moody's Investors Service of at least Baa at the end of the most recent test period subject to such biennial review, and (iv) it is not an affiliate of the utility subject to such biennial review.

In determining the "peer group" in this case, fifteen investor-owned electric utilities satisfied the general criteria required above.[46] After removing the "two utilities within such group that have the lowest reported returns of the group, as well as the two utilities within such group that have the highest reported returns of the group," eleven utilities remained.[47] Next, under the statute above, the Commission must select a "majority" of these eleven to determine the lowest allowed rate of return on common equity for the Coal Plant.

In this regard, the Stipulation requests that the Commission select a "majority" consisting of the following eight utilities (with each utility's three-year average return on common equity shown in parenthesis): Duke Energy Carolinas (9.86%); Tampa Electric Company (10.30%); South Carolina Electric and Gas (10.40%); Entergy Mississippi (10.75%); Louisville Gas and Electric (11.12%); Florida Power & Light (11.72%); Gulf Power (12.24%); and Progress Energy Florida (12.59%).[48] Thus, after identifying the eleven utilities as explained above, the Stipulation in effect recommends that the Commission further remove Alabama Power (13.49%), Georgia Power (13.92%), and Appalachian Power (9.50%).[49] We find that it is reasonable to utilize the remaining eight utilities as the "majority" for purposes of establishing the lowest allowed rate of return on common equity for the Coal Plant as required by the statute. We further note that the average return for these eight utilities is near (*i.e.*, ten basis points lower than) the midpoint of the range calculated by Staff witness Oliver for this purpose.[50]

The average of the returns on common equity of the eight remaining utilities listed above is 11.12%, and, as explained above, the statute prohibits the Commission from adopting a return lower than the "majority" selected herein. Accordingly, we find that the general rate of return on common equity for the Coal Plant shall be 11.12%.

Finally, we note that other parties in this proceeding, including the parties to the Stipulation, presented other various methods by which the Commission could select a "majority" of the peer utilities to determine the lowest allowed rate of return. We emphasize that our finding herein in no manner limits the methodology or rationale that may be applied in other proceedings — involving the Company or other electric utilities — to "select a majority of the utilities remaining in such peer group" as required by § 56-585.1.A.2.b of the Code.

Enhanced Rate of Return on Common Equity

As noted above, § 56-585.1.A.6 of the Code farther requires specific enhanced rates of return on common equity for different types of generation facilities. The parties to the Stipulation request the Commission to find that the Coal Plant is a coal-fired plant that qualifies for the 100 basis point adder provided for in § 56-585.1.A.6.[51] Further, the parties to the Stipulation agree that the Commission should find that the Coal Plant is "clean-coal powered" under § 56-585.l.A.6 of the Code, but that it is "unresolved at this time whether the [Coal Plant] is 'compatible' with carbon capture.[52]

Thus, in the Stipulation, the Company has withdrawn its request for a finding that the Coal Plant is entitled to a 200 basis point adder as a "carbon capture compatible, clean-coal powered" generation facility under § 56-585.l.A.6 of the Code. Accordingly, we make no finding herein as to whether the Coal Plant is a "carbon capture compatible, clean-coal powered" generation facility. However, we find that there is evidence in this proceeding to establish that the Coal Plant is "clean-coal powered.[53]

Since we do not determine herein whether the Coal Plant is "carbon capture compatible," we find that this coal-fired facility qualifies, at a minimum, as a "conventional coal" facility under § 56-585.1.A.6 of the Code. As noted above, CFB combustion technology has been used for coal-fired electric generation facilities since the early 1980s, and there currently are over 500 CFB stations in operation worldwide.[54] We find that "clean-coal" and

[46] *See* Exh. 39 (Oliver Direct) at Schedules 17 and 18.

[47] *See id.*

[48] Stipulation at 2.

[49] *See* Exh. 39 (Oliver Direct) at Schedule 18.

[50] *See id.* at 2.

[51] Stipulation at 2.

[52] *Id.* at 2-3.

[53] *See, e.g.*, Exh. 56C (Martin Rebuttal) at 14; Exh. 46 (Stevens Direct) at 30-31.

[54] *See, e.g.*, Exh. 56P (Martin Rebuttal) at 6-9; Virginia Power's March 14, 2008 post-hearing brief at 55-56.

"conventional coal" are not mutually exclusive under § 56-585.1.A.6 of the Code. Although a facility cannot be both (1) "carbon capture compatible, clean-coal powered" and (2) "conventional coal" under the statute, a facility that is "conventional coal" may — or may not — also be "clean-coal." That is, the fact that the facility is "clean-coal" does not prohibit a finding, as made herein, that it is also "conventional coal." As stated by the Company: "In other words, the [Coal] Plant is not simply a conventional coal plant, since it meets the 'clean-coal' definition; however, this does not mean for statutory application purposes that it ceases to be a conventional coal technology, albeit an advanced one."[55] Accordingly, the Coal Plant shall receive an enhanced return of 100 basis points as prescribed for a "conventional coal" plant by § 56-585.1.A.6 of the Code. As a result, the total allowed rate of return on common equity for the Coal Plant shall be 12.12%.

Next, § 56-585.1.A.6 of the Code also provides that the enhanced rate of return — for both a "carbon capture compatible, clean-coal powered" and a "conventional coal or combined-cycle combustion turbine" facility — shall apply to between ten and twenty years of the first portion of the facility's service life. In determining a specific duration within this range, the statute requires that such determination:

> shall be consistent with the public interest and shall reflect the Commission's determinations regarding how critical the facility may be in meeting the energy needs of the citizens of the Commonwealth and the risks involved in the development of the facility.[56]

Thus, we must consider the public interest, how critical the facility may be, and the development risks. We agree with Consumer Counsel that, based on the evidence in this case, approving a duration for this purpose somewhere in the "low end of the statutory range . . . is consistent with the statutory criteria and the public interest" as set forth above.[57] Accordingly, we find that it is reasonable to apply the enhanced return, as requested by the parties to the Stipulation, to the first twelve years of the Coal Plant's service life.[58]

Finally, the Company is not precluded from filing a new application at some point in the future requesting the Commission to find that the Coal Plant is "carbon capture compatible, clean-coal powered" pursuant to § 56-585.1.A.6 of the Code. In this regard, although the twelve years approved herein is clearly below the allowed maximum of twenty years, we further find (consistent with the Stipulation) that if the enhanced return is increased to 200 basis points upon a subsequent finding by the Commission that the Coal Plant is "carbon capture compatible, clean-coal powered," the 200 basis point adder shall only apply to the remainder of the first twelve years of the Coal Plant's service life following such finding.

Economic Benefits, Reliability, and Competition

The proposed facility will provide economic benefits and will have no material adverse effect upon the reliability of electric service provided by any regulated public Utility.[59]

As required by § 56-596.A of the Code, we also have taken into consideration the goal of advancement of competition in the Commonwealth. We note that the General Assembly changed the Commonwealth's policy related to retail electric competition when it passed significant amendments to the Virginia Electric Utility Restructuring Act in 2007, and, furthermore, the advancement of competition is not a statutory prerequisite for approval of the Application.

Environmental Impact

We must consider environmental impact. The statute, however, does not require the Commission to find any particular level of environmental benefit, or an absence of environmental harm, as a precondition to approval. Rather, the statute 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. "[60]

Exhibit 45 is a report prepared by the Department of Environmental Quality ("DEQ") ("DEQ Report"), in which DEQ coordinated a review of the proposed Coal Plant by a number of governmental agencies, including: DEQ; Department of Conservation and Recreation ("DCR"); Department of Game and Inland Fisheries ("DGIF"); Marine Resources Commission; Department of Agriculture and Consumer Services; Department of Health; Department of Forestry ("Forestry"); Department of Mines, Minerals and Energy ("DMME"); Department of Historic Resources; Department of Transportation ("DOT"); and Wise County.[61]

Permitting and Approval Requirements

The DEQ Report lists permits or approvals that are likely to be necessary as a prerequisite to project construction.[62] As a requirement of our approval herein, Virginia Power shall acquire all environmental and other approvals and permits necessary to construct and to operate the proposed Coal Plant and shall provide a complete list of said approvals and permits to the Director of the Commission's Division of Energy Regulation prior to operation of

[55] Virginia Power's March 14, 2008 post-hearing brief at 56 (footnote omitted).

[56] Va. Code § 56-585.1.A.6.

[57] *See* Consumer Counsel's March 14, 2008 post-hearing brief at 21-23.

[58] Stipulation at 2.

[59] *See, e.g.*, Exh. 2 (Hilton Direct) at 18-19; Exh. 13 (Martin Direct) at 9-10.

[60] Va. Code § 56-580.D.

[61] *See* Exh. 45 (DEQ Report) at 1.

[62] *See id*. at 4-6.

the facility. We find that such requirement is "desirable or necessary to minimize adverse environmental impact."[63] This requirement, however, does not direct the Company to obtain specific permits or approvals if it is not otherwise legally obligated to do so.

Air and Water Impacts

Virginia Power is required to obtain air and water permits for the Coal Plant.[64] As noted above, §§ 56-46.1.A and 56-580.D of the Code contain nearly identical language that explicitly limits the Commission's authority over matters attendant to such permits. Specifically, "any valid permit or approval . . . 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*."[65] Accordingly, the air and water permits required for the Coal Plant "shall be deemed to satisfy the requirements of [§§ 56-46.1.A and 56-580.D] . . . and the Commission shall impose no additional conditions with respect to such matters. "[66]

DEQ Recommendations

The DEQ Report contains the following recommendations:[67]

1. Follow the DEQ recommendations to avoid wetlands and streams, and minimize indirect and temporary impacts to wetlands;

2. Continue coordination with the Town of St. Paul to receive an industrial user permit for discharges to the wastewater treatment plant to minimize possible impacts to water quality in the area;

3. Coordinate with DEQ-Office of Solid Waste regarding the siting regulations for Coal Combustion Byproduct and Solid Waste Management facilities;

4. Reduce solid waste at the source, re-use it and recycle it to the maximum extent practicable;

5. Coordinate impacts to karst terrain with DCR;

6. Contact DCR's Division of Natural Heritage for updates to their Biotics database if a significant amount of time passes before the project is implemented;

7. Work closely with DGIF to develop adequate measures which avoid and minimize potential adverse impacts to aquatic resources and wildlife and follow appropriate recommendations;

8. Coordinate with Forestry to develop appropriate mitigation measures for the loss of forestry resources and to protect trees that are not identified for removal from the adverse effects of construction activities to the extent practicable;

9. Coordinate with DMME if questions arise during planning or construction regarding active or inactive mine workings, or gas wells or pipelines;

10. Coordinate road and transportation impacts with Wise County and the DOT Wise Residency;

11. Follow the principles and practices of pollution prevention to the maximum extent practicable;

12. Limit the use of pesticides and herbicides to the extent practicable; and

13. Consider Wise County recommendations pertaining to the use of rail transportation.

In its post-hearing brief, Virginia Power did not object to any of the above recommendations, nor does the Company assert that any of these recommendations are governed by any other required permits or approvals. Thus, based on the record in this case, we find that requiring Virginia Power to comply with the DEQ recommendations is "desirable or necessary to minimize adverse environmental impact."[68] As a requirement of our approval herein, the Company shall comply with the thirteen DEQ recommendations set forth above.[69]

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[63] Va. Code § 56-580.D.

[64] *See* Exh. 45 (DEQ Report) at 4-6.

[65] Va. Code § 56-46.1.A (emphasis added).

[66] Va. Code §§ 56-46.1.A and 56-580.D.

[67] *See* Exh. 45 (DEQ Report) at 7-8.

[68] Va. Code § 56-580.D.

[69] The Company shall coordinate with DEQ its implementation of these thirteen conditions.

Quarterly Reports

Exhibit 49 provides quarterly reporting requirements for Virginia Power, as jointly proposed by Staff, Consumer Counsel, and the Company.[70] As a requirement of our approval herein, Virginia Power shall provide quarterly reports as set forth in Exhibit 49.

Rider S

Based on the findings in this Final Order, we approve the Company's proposed rate adjustment clause as set forth in the Stipulation — *i.e.*, Rider S — which also reflects Virginia Power's proposed cost allocation, rate design, and accounting treatment. Rider S shall be based on the 12.12% return on common equity approved herein.[71] Rider S shall become effective for service rendered on and after January 1, 2009 and shall be subject to annual cost true-up proceedings beginning in 2010. Virginia Power shall file its annual Rider S application on or before March 15 of every year.

Sunset Provision

As a requirement of our approval herein, we find that the authority granted by this Final Order shall expire two (2) years from the date hereof if construction of the Coal Plant has not commenced, and that Virginia Power may subsequently petition the Commission for an extension of this sunset provision for good cause shown.

Public Convenience and Necessity

As noted above, § 56-580.D of the Code states in part as follows:

> The Commission shall permit the construction and operation of electrical generating facilities upon a finding that such generating facility and associated facilities . . . (ii) are required by the *public convenience and necessity*, if a petition for such permit is filed after July 1, 2007, and if they are to be constructed and operated by any regulated utility whose rates are regulated pursuant to § 56-585.1 . . . . (Emphasis added.)

We agree with SELC Group that this requirement is separate and distinct from other statutory criteria that we must apply and as set forth in this Final Order.[72] The evidence and analyses relevant to the public convenience and necessity, however, need not be separate and distinct from the other statutory criteria. Based on the findings and requirements set forth in this Final Order, along with the record developed in this case, we find that the Coal Plant is required by the public convenience and necessity.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Pursuant to §§ 56-46.1, 56-580.D, and 56-585.1 of the Code of Virginia, and subject to the findings and requirements set forth in this Final Order, Virginia Power is granted approval for a rate adjustment clause and is granted approval and a certificate of public convenience and necessity to construct and to operate the Coal Plant in Wise County as described in this proceeding.

(2) Within thirty (30) days from the date of this Final Order, the Company shall file with the Commission's Division of Energy Regulation a revised Rider S, consistent with the findings set forth in this Final Order, effective for service rendered on and after January 1, 2009.

(3) The March 4, 2008 Joint Motion submitted by Virginia Power, Consumer Counsel, and Staff is granted consistent with the requirements set forth in this Final Order.

(4) The March 17, 2008 Motion for Leave to File Corrected Brief, jointly filed by Appalachian Voices, CCAN, SELC, Sierra Club, and SAMS, is granted.

(5) This case is dismissed.

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[70] Exh. 49 is also attached to the Stipulation.

[71] See Stipulation at 3.

[72] *See* SELC Group's post-hearing brief at 21.

CASE NO. PUE-2007-00067
FEBRUARY 1, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

ORDER ESTABLISHING FUEL FACTOR

On July 16, 2007, Appalachian Power Company ("Appalachian" or "Company") filed with the State Corporation Commission ("Commission") its application, written testimony, and exhibits requesting authority to: (1) decrease its fuel factor from 2.030¢ / kWh to 1.614¢ / kWh, effective for bills rendered on and after September 1, 2007; (2) terminate the Company's Off-system Sales Margin Rider ("OSS Margin Rider") effective September 1, 2007; (3) adjust the Company's fuel cost recovery balance beginning July 1, 2007, to ensure that customers receive credit for only 75% of the Company's

off-system sales margins ("OSS margins") from July 1, 2007, through the date the OSS Margin Rider is terminated; and (4) revise the Company's Definitional Framework of Fuel Expenses, effective July 1, 2007, to reflect the recent amendments to § 56-249.6 of the Code of Virginia ("Code"). The Company represented that "[t]he net revenue impact of implementing the proposed fuel factor and terminating the OSS Margin Rider is an estimated increase of $44.5 million over the 16-month period of September 1, 2007 through December 31, 2008, or approximately $33.4 million on an annual basis."[1]

The Company's proposed fuel factor and related proposals were filed in response to the General Assembly's 2007 amendments to § 56-249.6 of the Code.[2] These amendments rewrote subsection D 1 of the statute to provide that "75 percent of the total annual margins from off-system sales shall be credited against fuel factor expenses." In response to this new statutory provision, the Company's proposed fuel factor and related proposals are designed to implement the sharing of OSS margins, effective July 1, 2007, with customers receiving 75% of the margins and the Company retaining 25% of the margins. The Company's proposed fuel factor of 1.614¢ / kWh reflects the Company's projected fuel expenses over the 16-month period from September 1, 2007, through December 31, 2008, and a credit to fuel expenses equal to 75% of the Company's projected OSS margins. Additionally, since the Company's proposed OSS margin credit is based on forecasted OSS margins during the 16-month period ending December 31, 2008, the Company proposed that its projected OSS margin credit be trued-up in its deferred fuel account to reflect 75% of the Company's "actual" OSS margins in a manner similar to the Company's true-up of projected fuel expenses.

The Company also requested authority to terminate, effective September 1, 2007, its OSS Margin Rider, which credits approximately $100.6 million annually to customers. The OSS Margin Rider was approved by the Commission in Case No. PUE-2006-00065 and was placed into effect on October 2, 2006.[3] According to the Company's application, if the OSS Margin Rider is not terminated on the proposed September 1, 2007 effective date of the Company's revised fuel factor, the combined OSS margins credited to customers through its proposed fuel factor and the OSS credits from the OSS Margin Rider would exceed the 75% maximum share of OSS margins that customers are allotted under § 56-249.6 D 1 of the Code.[4]

The Company also proposed to adjust its fuel cost recovery balance beginning on July 1, 2007, to ensure that customers receive credit for only 75% of the Company's OSS margins from July 1, 2007, through the date the OSS Margin Rider is terminated. Under the Company's proposal, its fuel cost recovery balance would be debited each month, starting July 1, 2007, prior to the termination of the OSS Margin Rider by the total amount of OSS Margin Rider credits applied to customer bills. The Company also proposed a corresponding credit to its fuel cost recovery balance for each such month equal to 75% of the Company's estimated OSS margins. The difference between the Company's estimated and actual OSS margin credits would then be trued-up in the Company's deferred fuel account. These adjustments to the fuel cost recovery balance, according to the Company, are necessary to implement OSS margin sharing effective July 1, 2007, as required by § 56-249.6 D 1 of the Code.

Finally, the Company proposed to revise its Definitional Framework of Fuel Expenses, effective July 1, 2007, to reflect the new provisions of § 56-249.6 D 1 of the Code. The proposed revisions provide that 75% of total OSS margins, or such smaller percentage of margins as may be approved by the Commission, shall be credited against fuel expenses, and that no charges will be applied to the fuel factor in the event the Company's off-system sales result in a net loss. The Company also proposed that the definition of "margins from off-system sales" found in § 56-249.6 D 1 of the Code be incorporated into the Company's Definitional Framework of Fuel Expenses.

On August 20, 2007, the Commission entered an Order Establishing 2007-2008 Fuel Factor Proceeding ("Scheduling Order") that, among other things, permitted the Company to place its proposed fuel factor into effect on an interim basis for bills rendered on and after September 1, 2007; allowed the Company to terminate its OSS Margin Rider on an interim basis, subject to refund, on September 1, 2007; required the Company to provide public notice of its application; scheduled a hearing on November 8, 2007, to receive evidence on the Company's application; and established a procedural schedule for the filing of pleadings, testimony and exhibits, and memoranda addressing three legal issues identified in the Commission's Scheduling Order.[5]

Notices of participation were filed by the Old Dominion Committee for Fair Utility Rates ("Committee"), the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"), Steel Dynamics, Inc. ("Steel Dynamics"), and the VML/VACo APCo Steering Committee ("Steering Committee"). Testimony and exhibits were filed on behalf of Appalachian, the Consumer Counsel, and Staff. Legal memoranda addressing the three legal issues identified in the Commission's Scheduling Order were submitted by Appalachian, the Consumer Counsel, the Committee, and Staff.

On October 31, 2007, Appalachian filed a Motion for Continuance requesting that the November 8, 2007, hearing be convened for the sole purpose of receiving comments from public witnesses and then continued to a future date to receive evidence on the Company's application. The Company requested a continuance in order to give the Staff and respondents additional time to further investigate issues raised by the Company's October 22, 2007, correction of certain discovery responses relating to the Company's deferred fuel balance and transmission line losses, and to provide the Staff and respondents with an opportunity to supplement their direct testimony and exhibits.

On November 2, 2007, the Commission entered an Order Granting Motion for Continuance that, among other things, directed that the November 8, 2007 hearing be convened for the sole purpose of receiving the testimony of public witnesses. When the hearing convened on November 8, 2007, no public witnesses appeared. Appearances were made by counsel for Appalachian, the Committee, the Consumer Counsel, the Steering Committee and Staff. Appalachian's proof of notice and service, as required by the Commission's Scheduling Order, was accepted into the record.[6]

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[1] Application at 3.

[2] Chapters 888 and 933, 2007 Acts of Assembly.

[3] *Application of Appalachian Power Company, For an increase in electric rates*, Case No. PUE-2006-00065 (Final Order, May 15, 2007).

[4] Application at 2.

[5] The issues the Commission directed the Staff and parties to address in their legal memoranda included: (i) whether § 56-249.6 D 1 of the Code requires the immediate 75%/25% sharing of off-system sales margins between customers and the Company or whether margin sharing can be implemented at a later date, (ii) whether the Company's proposed adjustments to its fuel cost recovery balance to implement margin sharing effective July 1, 2007, is permissible under Virginia statutes, and (iii) whether the Commission has the authority to, and should, implement a mid-year adjustment to the Company's fuel factor that would apply for the 16-month period running from September 1, 2007, through December 31, 2008.

[6] Exhibit 1.

On November 20, 2007, the Commission entered an Order Granting Motion that directed the Staff and respondents to file supplemental direct testimony and exhibits on or before December 3, 2007; directed the Company to file additional rebuttal testimony and exhibits on or before December 10, 2007;[7] and rescheduled the hearing on the Company's application to commence on December 19, 2007. When the hearing convened on December 19, 2007, counsel appeared on behalf of Appalachian, the Committee, the Consumer Counsel, the Steering Committee and Staff. Testimony and exhibits were received during the hearing from the Company, the Consumer Counsel and Staff.

NOW THE COMMISSION, having considered the record herein, and the applicable law, is of the opinion and finds that the Company's fuel factor should be reduced to 1.418¢ / kWh effective for bills rendered on and after February 4, 2008. In approving a levelized fuel factor of 1.418¢ / kWh for the Company, we are rejecting the Consumer Counsel's proposal to allocate the OSS margin credit to the Company's fuel factor on a 50% energy and 50% demand basis. The Consumer Counsel's proposal would require a separate and distinct fuel factor and deferred fuel account for each of the Company's customer classes. The Commission has historically approved a levelized energy-based fuel factor that applies to all customer classes of an electric utility, and we will not depart from this fundamental rate design concept when setting the Company's fuel factor in this proceeding. We continue to find, as explained by Staff and the Committee, that a levelized fuel factor represents a reasonable rate design for recovery of fuel costs.

The fuel factor we approve herein is also based on the Company's projected fuel costs and the Staff's proposed OSS margin credit for the period running from September 1, 2007, through August 31, 2008. Appalachian's normal 12-month fuel year and projection period is January 1 through December 31. However, in order to implement the 2007 amendments to § 56-249.6 of the Code, the Company proposed to implement a revised 16-month fuel factor that would become effective on September 1, 2007, and run through December 31, 2008.

There was considerable controversy surrounding the Commission's legal authority to approve a mid-year fuel factor based on 16-months of projected fuel expenses and an OSS margin credit that would apply from September 1, 2007, through December 31, 2008. The Committee argued that the Commission has no legal authority under § 56-249.6 of the Code to approve a mid-year change in the Company's fuel factor that would apply during the 16-month period.[8] The Company, in response, argued that the Commission has the authority to approve a 16-month fuel factor in order to implement the 2007 amendments to the fuel factor statute.[9] The Consumer Counsel supported the legality of the Company's proposed 16-month fuel factor period, and concluded that the Commission has the discretion to approve a mid-year adjustment to the Company's fuel factor in order to reflect the 2007 amendments to § 56-249.6 of the Code.[10] The Staff took no position on the Commission's legal authority to approve a 16-month fuel factor, but argued that the Commission "clearly has the authority to make a mid-year change to the Company's fuel factor in this case on a prospective basis," citing the legal authority granted the Commission by §§ 56-35, 56-235.2, and 56-235 of the Code.[11]

We find the Commission has the authority to approve a mid-year revision to Appalachian's fuel factor. Section 56-249.6 A 1 of the Code requires Appalachian to file its estimated fuel costs "beginning on the date prescribed by the Commission." While the Company's normal 12-month fuel year and projection period runs from January 1 through December 31 of each calendar year, we find that the plain language of § 56-249.6 A 1 of the Code grants the Commission authority to "prescribe" a different date for the filing of the Company's fuel projections for good cause shown. Given the General Assembly's 2007 amendments to the fuel factor statute, we find that Appalachian should be allowed to implement a revised fuel factor effective September 1, 2007, which reflects a 75% OSS margin credit to fuel expenses as required by § 56-249.6 D 1 of the Code.

We further find it unnecessary to address the legality of the Company's proposed 16-month fuel factor in this case. As explained by Staff witness Lamm, there is a great deal of uncertainty associated with the Company's projected increases in fuel expenses over the 16-month period ending December 31, 2008, and the ultimate impact on the Company's fuel factor associated with PJM Interconnection LLC's ("PJM") tariff, which was revised June 1, 2007.[12] Prior to June 1, 2007, Appalachian effectively paid for average transmission line losses on an average American Electric Power ("AEP") system based energy cost. Subsequent to June 1, 2007, the PJM tariff was revised such that transmission line losses were settled on a locational marginal pricing ("LMP") basis. Under these circumstances, we find it appropriate to approve a fuel factor of 1.418¢ / kWh, based on a 12-month projection period from September 1, 2007, through August 31, 2008. We further find that Appalachian need not file its next fuel factor application based on fuel cost projections for the 12-month period beginning September 1, 2008, but may delay its next fuel factor filing based on fuel cost projections for the 12-month period beginning January 1, 2009, if the Company is not in an over-recovery position by more than five (5) percent, as provided by § 56-249.6 A 2 of the Code.

The fuel factor we approve for Appalachian also reflects the Staff's proposed OSS margin credit to fuel expenses amounting to $75.45 million, or 75% of $100.6 million. Appalachian's proposed OSS margin credit is approximately $66.4 million on a Virginia jurisdictional basis for the 16-month period ending December 31, 2008,[13] and approximately $50.7 million for the 12-month period ending August 31, 2008.[14] These OSS margin credits are equal to

[7] Consumer Counsel and Staff filed supplemental testimony and exhibits. Appalachian filed additional rebuttal testimony and exhibits.

[8] Memorandum of the Old Dominion Committee for Fair Utility Rates in Response to the Commission's Order of August 20, 2007, at 8-11, Reply Memorandum of the Old Dominion Committee for Fair Utility Rates at 9-12.

[9] Responding Memorandum of Appalachian Power Company under Ordering Paragraph (4) of the Order for Notice and Hearing of August 20, 2007, at 8-10.

[10] Legal Memorandum of the Office of the Attorney General, Division of Consumer Counsel at 3-5, citing *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte, in re: Investigation to determine appropriate fuel factor and cogeneration tariffs pursuant to Code § 56-249.6 and PURPA § 210 for The Potomac Edison Company,* Case No. PUE-1985-00048, 1987 S.C.C. Ann. Rep. 243 (March 5, 1987, Final Audit for Nine Months Ended Dec. 31, 1985, Fuel Cost Recovery Position).

[11] Staff Memorandum of Law at 10-11.

[12] Transcript at 150-152, Exhibit 13 at 6-8.

[13] Exhibit 14, footnote 1.

[14] Exhibit 6 (12-month OSS Margins of $67,536,952 x .75 = $50,652,714).

75% of the Company's projected total jurisdictional OSS margins - $88.54 million of total projected OSS margins for the 16-month period ending December 31, 2008, and $67.54 million of total projected OSS margins for the 12-month period ending August 31, 2008.[15] Based on our review of the record, the Company's proposed OSS margin credit is based on projected OSS margins that are significantly below the recent actual historic level of OSS margins realized by the Company.

In Case No. PUE-2006-00065, the Commission approved the Company's OSS Margin Rider based on the $100.6 million of actual OSS margins realized by Appalachian over the 12-month period ending June 30, 2006. The evidence presented in this current proceeding indicates that the Company's actual OSS margins continue to exceed $100 million annually. For example, Staff witness Lamm testified that the Company realized $102.1 million in OSS margins for the 12-month period ending June 30, 2007,[16] an amount that is remarkably similar to the amount we approved when designing the OSS Margin Rider in Case No. PUE-2006-00065. Given the Company's historic level of OSS margins over the last two years ending June 30, 2007, we reject the use of the Company's projected OSS margins for purposes of calculating the 75% credit to fuel expenses required by § 56-249.6 D 1 of the Code. We find that Appalachian has failed to prove its projected OSS margins are appropriate given the Company's historic level of OSS margins, and we will therefore adopt the Staff's proposal to use annual OSS margins of $100.6 million when calculating the OSS margin credit to fuel expenses as required by § 56-249.6 D 1 of the Code. Accordingly, we will accept the Staff's proposed OSS margin credit of $75.45 million.

We further find that the Company's OSS Margin Rider should be terminated effective September 1, 2007. The Staff and Committee suggested that the OSS Margin Rider should be maintained and set at 25% of its current level in order to continue the Commission's practice of crediting 100% of the Company's OSS margins to customers. In support of this proposal, the Staff and Committee argued that § 56-249.6 D 1 of the Code does not require the immediate implementation of OSS margin sharing between the Company and its customers.[17] Rather, the Staff and Committee argued that § 56-249.6 D 1 of the Code does not require OSS margin sharing until the Company's first biennial review in 2011.[18]

Appalachian argued there is no language in § 56-249.6 of the Code that states that OSS margin sharing may be deferred in some discretionary manner by the Commission. The statute became effective on July 1, 2007, the Company filed its application on July 16, 2007, and the Company argued that the new statute requires the immediate sharing of OSS margins between the Company and its customers.[19] The Consumer Counsel concluded that the new statutory language under subsection D 1 of § 56-249.6 of the Code changes the method by which OSS margins are treated for ratemaking purposes, and further stated that it was "unable to find support for opposing application of the legislation that became effective on July 1, 2007."[20] Accordingly, the Consumer Counsel did not oppose the Company's proposal to immediately implement OSS margin sharing between the Company and its customers in this proceeding.

Pursuant to our bench ruling during the December 19, 2007 hearing, we find that the 2007 amendments to § 56-249.6 D 1 of the Code require the sharing of OSS margins between the Company and its customers, and that the Commission has no authority to delay OSS margin sharing until the Company's first biennial review in 2011.[21] We believe the amendments to § 56-249.6 D 1 of the Code represent a clear and unequivocal policy statement of the General Assembly that OSS margins should be shared between the Company and its customers. Accordingly, we will allow the Company to permanently terminate its OSS Margin Rider effective September 1, 2007, in order to carry out this policy decision of the General Assembly.

The fuel factor we approve herein has not been netted against a correction factor based on any over- or under-recovery of fuel expenses in the Company's deferred fuel account. We find that the Company's prior period cost recovery factor should be set at zero for purposes of this proceeding in order to allow the Company, respondents and Staff to further investigate the appropriate assignment of the Company's transmission line loss costs in the Company's fuel factor. Respondents and Staff may also make recommendations concerning the proper assignment of transmission line loss costs in the Company's next fuel factor proceeding.[22] We take this action given the uncertainties associated with the impact that PJM's new tariff, which requires that transmission line losses be settled on PJM's market-based LMP effective June 1, 2007, will have on the Company's deferred fuel balance and the calculation of the Company fuel factor, including OSS margins, on a going-forward basis.[23]

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[15] *Id.*

[16] Exhibit 13 at 12.

[17] Staff Memorandum of Law at 3-5, Staff Response at 1-3; Memorandum of the Old Dominion Committee for Fair Utility Rates in Response to the Commission's Order of August 20, 2007, at 2-5, Reply Memorandum of the Old Dominion Committee for Fair Utility Rates at 1-6.

[18] Section 56-249.6 D 1 of the Code states, in part, that "75 percent of the total annual margins from off-system sales shall be credited against fuel factor expenses; . . . [t]he remaining margins from off-system sales shall not be considered in the biennial review of electric utilities conducted pursuant to § 56-585.1." Under § 56-585.1 A, the Company's first biennial review will commence in 2011.

[19] Memorandum of Appalachian Power Company in Response to Ordering Paragraph (4) of the Order for Notice and Hearing of August 30, 2007, at 4-5, Responding Memorandum of Appalachian Power Company Under Ordering Paragraph (4) of the Order for Notice and Hearing of August 20, 2007, at 2-7.

[20] Legal Memorandum of the Office of Attorney General, Division of Consumer Counsel at 3.

[21] Transcript at 51-53.

[22] Any adjustments to fuel expenses resulting from the Commission's findings relative to such additional investigation will be captured by the Company's deferred fuel balance and incorporated in the Company's next fuel factor.

[23] Pursuant to an order by the Federal Energy Regulatory Commission in *Atlantic City Electric Company, Delmarva Power & Light Company, Potomac Electric Power Company v. PJM Interconnection , L.L.C.*, Docket Nos. EL06-55-001, EL06-55-002, 117 F.E.R.C. ¶61,169 (Nov. 6, 2006), effective June 1, 2007, PJM now reflects transmission line losses in the dispatch of energy and the calculation of locational marginal pricing ("LMP"). Under this method, the marginal cost of transmission line losses are factored into the marginal costs of delivering energy (i.e., the LMP price) and separately billed to AEP. AEP then allocates the losses to Appalachian and other AEP operating companies.

Although this change in methodology for calculating PJM transmission line losses originated in early 2006,[24] the Staff and respondents were not advised of the change in the PJM methodology and its ultimate effect on the Company's deferred fuel balance until October 22, 2007, when the Company filed its rebuttal testimony and updated its responses to the Staff's discovery requests.[25] Company witness Stephens explained that the Company failed to consider the impact of PJM LMP-based pricing for transmission line losses in the Company's initial application and when providing the Staff with updated balances of its deferred fuel account prior to October 22, 2007.[26] Company witness Stephens therefore provided updated information in his rebuttal testimony that showed that Appalachian's share of transmission line loss costs associated with its internal load requirement under the new PJM LMP methodology amounted to approximately $18.8 million on a total company basis for the three months ended August 31, 2007.[27] Accordingly, instead of an over-recovery balance of $1,067,640 as of August 31, 2007, which the Company originally provided to the Staff through discovery, the Company's updated information showed an under-recovery balance of $6,701,355 as of August 31, 2007, without consideration of OSS margins, and an under-recovery balance of $2,200,284 as of August 31, 2007, if OSS margins are considered in the calculation of deferred fuel costs as recommended by the Company in this proceeding.[28]

As a result of the PJM billing changes associated with the implementation of marginal transmission line losses, the Staff contended that Appalachian's fuel expenses now include line losses reflecting PJM's LMP market pricing rather than the actual fuel costs of the AEP generating units serving the Company's internal load, including transmission line losses.[29] Staff witness Lamm further testified that due to the complexities resulting from PJM's billing settlement process and AEP's internal cost allocation systems, he was unable to make any recommendations that would ensure that the Company's customers pay only the actual fuel costs associated with transmission line losses incurred to serve native load. Accordingly, he recommended that the Commission "find that for purposes of Virginia fuel factor accounting and recovery, APCo's fuel expense associated with generation from AEP generating units, with respect to serving Virginia jurisdictional load and associated transmission line losses, should reflect AEP actual fuel expenses rather than PJM LMP based marginal line loss settlements."[30] He further recommended that the Commission "direct the Company to work with the Staff to determine the most appropriate mechanism(s) for accomplishing this requirement" before the Company's next fuel factor proceeding.[31]

Consumer Counsel witness Norwood experienced similar problems evaluating the reasonableness of the Company's proposal to adjust its deferred fuel balance to reflect PJM LMP pricing for transmission line losses incurred to serve the Company's internal load. He testified that "[t]he workpapers provided by Appalachian do not provide details regarding the allocation of losses between OSS and internal loads, nor do they show how Appalachian's share of AEP total internal load losses were developed. Without such information, it is not possible to determine whether Appalachian's request of $18.8 million of transmission losses during the months of June through August 2007 is reasonable."[32] Due to the inherent complexity of transmission line loss calculations and the many unsupported assumptions that underlie Appalachian's calculation of the Virginia retail jurisdictional portion of such losses, Consumer Counsel witness Norwood suggested the Company failed to meet its burden of proof on this issue and recommended that the final determination of handling such losses be considered in the Company's next fuel factor case.[33]

We find that AEP and Appalachian have incurred FERC-approved PJM transmission line loss costs beginning June 1, 2007, when a new billing methodology took effect; that PJM transmission line loss costs are includable as a part of Appalachian's fuel expense; that Appalachian pays for the actual energy necessary to meet its allocated share of transmission line losses; and that Appalachian's Virginia jurisdictional share of its PJM transmission line losses should be fully recovered by the Company in its fuel factor, if prudently incurred, under the Company's Definitional Framework of Fuel Expenses. However, due to the initial complexities associated with implementing the PJM LMP transmission line loss calculations, we find that the Company's correction factor should be set at zero for purposes of this proceeding. Appalachian is further directed to provide additional information to the Staff and respondents, as they deem necessary, in order to promote further understanding of this issue. The Staff and respondents are also authorized to make specific recommendations in the Company's next fuel factor proceeding designed to ensure an accurate assignment of the prudently incurred PJM transmission line loss costs to the Company's Virginia jurisdictional operations.

The final disputed issues in this case are the Company's proposals to adjust its fuel cost recovery balance to implement OSS margin sharing effective July 1, 2007, and the Company's proposal to revise its Definitional Framework of Fuel Expenses, also effective July 1, 2007, to reflect the new OSS margin sharing provisions contained in § 56-249.6 D 1 of the Code. The Staff and Committee argued that the Company's proposal to adjust its fuel cost recovery balance during the months prior to the termination of the OSS Margin Rider would constitute unlawful retroactive ratemaking. The Staff further argued that the Company's proposal to implement its revised Definitional Framework of Fuel Expenses, effective July 1, 2007, would also constitute retroactive ratemaking because the proposed effective date of the revisions would predate the filing of the Company's application on July 16, 2007.

During closing argument, James R. Bacha, counsel for Appalachian, withdrew the Company's request to adjust its fuel cost recovery balance for July and August 2007. The Company also withdrew its request to implement its revised Definitional Framework of Fuel Expenses on July 1, 2007, and

[24] *See, Atlantic City Electric Company, et al. v. PJM Interconnection, L.L.C.,* Docket No. EL06-55-000, 115 F.E.R.C. ¶61,132 (May 1, 2006).

[25] Appalachian's October 31, 2007 Motion for Continuance at 2.

[26] Exhibit 19 at 11.

[27] *Id.* at 12.

[28] *Id.* at 11.

[29] Exhibit 15 at 3.

[30] *Id.* at 5.

[31] *Id.* at 6.

[32] Exhibit 10 at 4.

[33] *Id.*

proposed that its Definitional Framework be implemented on September 1, 2007.[34] The practical effect of these proposals is to implement OSS margin sharing on September 1, 2007, rather than July 1, 2007. These proposals, which we find should be accepted, render moot the retroactive arguments raised by the Staff and Committee in opposition to the Company's original proposals.

In conclusion, our approval of this fuel factor should not be construed as our ultimate approval of the Company's actual fuel expenses. Our present Order is based upon the Company's estimates of future fuel expenses that the Staff found reasonable and the Staff's proposed OSS margin credit, which we find reasonable for purposes of this case. An audit and investigation of the Company's actual booked fuel expenses and OSS margins, among other things, will be conducted. The Commission determines what are, in fact, appropriate, reasonable and, therefore, allowable fuel expenses and credits, as well as the Company's recovery position as of the end of the audit period. Therefore, while we find that a fuel factor of 1.418¢ / kWh should be implemented, no factual finding in this Order is final, as this matter is continued generally, pending an audit of the Company's actual fuel expenses.

Accordingly, IT IS ORDERED THAT:

(1) Appalachian's fuel factor shall be decreased to 1.418¢ / kWh effective for bills rendered on and after February 4, 2008.

(2) The 1.418¢ / kWh fuel factor shall be based on a 12-month projection period from September 1, 2007, through August 31, 2008. Appalachian is not required to file its next fuel factor application based on its projected fuel costs for the 12-month period beginning September 1, 2008, but may file its projected fuel costs for the 12-month period beginning January 1, 2009, provided the Company is not in over-recovery position by more than five percent, as provided by § 56-249.6 A 2 of the Code.

(3) The Company's OSS Margin Rider terminated on an interim basis, subject to refund, by the Commission's Scheduling Order of August 20, 2007, shall remain permanently terminated.

(4) Appalachian shall begin a 75%/25% sharing of OSS margins between customers and the Company effective September 1, 2007.

(5) Appalachian's Virginia jurisdictional share of its PJM transmission line loss costs shall be recovered through its fuel factor, if prudently incurred, under the Company's Definitional Framework of Fuel Expenses as approved herein.

(6) Appalachian shall provide additional information to the Staff and respondents in order to promote further understanding of the PJM transmission line loss issue discussed herein. The Staff and respondents are further authorized to make specific recommendations in the Company's next fuel factor proceeding designed to ensure an accurate assignment of the prudently incurred PJM transmission line loss costs to the Company's Virginia jurisdictional operations.

(7) Appalachian's proposed Definitional Framework of Fuel Expenses is approved and shall become effective September 1, 2007.

(8) Appalachian's request to withdraw its proposal to adjust its fuel recovery balance for July and August 2007 to ensure that customers receive credit for 75% of the Company's off-systems sales margins from July 1, 2007, through the date the OSS Margin Rider is terminated is granted.

(9) This case is continued generally.

[34] Transcript at 318.

CASE NO. PUE-2007-00067
MAY 12, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

OPINION OF THE COMMISSION

On July 16, 2007, Appalachian Power Company ("Appalachian" or "Company") filed an application with the State Corporation Commission ("Commission") requesting authority to revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia ("Code"). The Company proposed to (1) decrease its fuel factor from 2.030¢ / kWh to 1.614¢ / kWh, effective for bills rendered on and after September 1, 2007; (2) terminate the Company's Off-system Sales Margin Rider ("OSS Margin Rider") effective September 1, 2007; (3) adjust the Company's fuel cost recovery balance beginning July 1, 2007, to give customers credit for 75% of the Company's off-system sales margins ("OSS margins") from July 1, 2007, through the date the OSS Margin Rider is terminated; and (4) revise the Company's Definitional Framework of Fuel Expenses, effective July 1, 2007, to provide that 75% of the Company's OSS margins would be credited against its fuel factor expenses as required by the 2007 amendments to § 56-249.6 D 1 of the Code.[1] The Company represented that "[t]he net revenue impact of implementing the proposed fuel factor and terminating the OSS Margin Rider is an estimated increase of $44.5 million over the 16-month period of September 1, 2007 through December 31, 2008, or approximately $33.4 million on an annual basis."[2]

Appalachian's proposed fuel factor and related proposals were filed in response to the General Assembly's 2007 amendments to § 56-249.6 of the Code. These amendments, among other things, rewrote subsection D 1 of the statute to require that "75 percent [or less] of the total annual margins from

[1] Chapters 888 and 933, 2007 Acts of Assembly.

[2] Application at 3.

off-system sales shall be credited against fuel factor expenses. . . ." In order to implement this new statutory provision, the Company's proposed fuel factor of 1.614¢ / kWh reflects, among other things, a credit against its projected fuel factor expenses equal to 75% of the Company's projected OSS margins for the 16-month period ending December 31, 2008. The Company further proposed that its projected OSS margin credit be trued-up in its deferred fuel account to reflect a credit of 75% of the Company's "actual" OSS margins in a manner similar to the Company's true-up of projected fuel expenses.

The Company also requested authority to terminate, effective September 1, 2007, its OSS Margin Rider, through which approximately $100.6 million of OSS margins had been credited annually to customers. The OSS Margin Rider was approved by the Commission in Case No. PUE-2006-00065 and was placed into effect on October 2, 2006.[3] According to the Company's application, if the OSS Margin Rider is not terminated on the proposed September 1, 2007, effective date of the Company's revised fuel factor, the combined OSS margins credited to customers through the Company's proposed fuel factor and OSS Margin Rider would exceed the 75% maximum share of OSS margins allotted to customers under § 56-249.6 D 1 of the Code.[4]

The Company also proposed to adjust its fuel cost recovery balance beginning on July 1, 2007, to ensure that customers receive credit for only 75% of the Company's OSS margins from July 1, 2007, through the date the OSS Margin Rider is terminated. Under the Company's proposal, its fuel cost recovery balance would be debited each month, starting July 1, 2007, prior to the termination of the OSS Margin Rider by the total amount of OSS Margin Rider credits applied to customer bills. The Company also proposed a corresponding credit to its fuel cost recovery balance for each such month equal to 75% of the Company's estimated OSS margins. The difference between the Company's estimated and actual OSS margin credits would then be trued-up in the Company's deferred fuel account. These adjustments to the fuel cost recovery balance are necessary, according to the Company, to implement OSS margin sharing effective July 1, 2007, as required by § 56-249.6 D 1 of the Code.

Finally, the Company proposed to revise its Definitional Framework of Fuel Expenses, effective July 1, 2007, to reflect the new provisions of § 56-249.6 of the Code. The proposed revisions to the Company's Definitional Framework of Fuel Expenses provide that 75% of the Company's total OSS margins, or such smaller percentage of margins as may be approved by the Commission, shall be credited against fuel expenses. The Company further proposed language providing that no charges would be applied to the fuel factor in the event the Company's off-system sales resulted in a net loss. The Company finally proposed that the definition of "margins from off-system sales" found in § 56-249.6 D 1 of the Code be incorporated into the Company's Definitional Framework of Fuel Expenses.

On August 20, 2007, the Commission entered an Order Establishing 2007-2008 Fuel Factor Proceeding ("Scheduling Order") that, among other things, permitted the Company to place its proposed fuel factor into effect on an interim basis for bills rendered on and after September 1, 2007; allowed the Company to terminate its OSS Margin Rider on an interim basis, subject to refund, on September 1, 2007; required the Company to provide public notice of its application; scheduled a hearing on November 8, 2007, to receive evidence on the Company's application; and established a procedural schedule for the filing of comments, pleadings, testimony and exhibits, and legal memoranda addressing three issues identified in the Commission's Scheduling Order.[5]

Notices of participation were filed by the Old Dominion Committee for Fair Utility Rates ("Committee"), the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"), Steel Dynamics, Inc. ("Steel Dynamics"), and the VML/VACo APCo Steering Committee ("Steering Committee"). Legal memoranda addressing the three legal issues identified in the Commission's Scheduling Order were submitted by Appalachian, the Consumer Counsel, the Committee, and Staff. Testimony and exhibits were filed on behalf of Appalachian, the Consumer Counsel, and Staff.

A hearing to receive evidence on the Company's application was held on November 8 and December 19, 2007.[6] Appearances were entered at the hearing by Appalachian, the Consumer Counsel, the Committee, the Steering Committee, and Commission Staff. Appalachian's proof of notice and service, as required by the Commission's Scheduling Order, was accepted into the record and marked as an exhibit during the November 8, 2007 hearing.[7] At the conclusion of the hearing, the Commission entertained closing arguments from the parties and Staff in lieu of post-hearing briefs.

After considering the record developed in this proceeding, we entered an Order Establishing Fuel Factor ("Final Order") on February 1, 2008, approving a levelized fuel factor of 1.418¢ / kWh for Company bills rendered on and after February 4, 2008. The Final Order also made permanent the cancellation of the OSS Margin Rider effective September 1, 2007. The approvals we granted in our Final Order allowed the Company to implement OSS margin sharing beginning September 1, 2007, and approved a revised fuel factor for the Company based on the Company's projected fuel expenses for the 12-month period ending August 31, 2008, and the Staff's proposed 75% OSS margin credit over the same period. We also approved the proposed revisions to the language in the Company's Definitional Framework of Fuel Expenses, effective September 1, 2007, to make it consistent with the requirements imposed by the 2007 amendments to § 56-249.6 D 1 of the Code. [8]

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[3] *Application of Appalachian Power Company, For an increase in electric rates*, Case No. PUE-2006-00065 (Final Order at 12-15, May 15, 2007).

[4] Application at 2.

[5] The Commission's Scheduling Order invited the parties and Staff to file legal memoranda addressing the following three issues: (i) whether § 56-249.6 D 1 of the Code requires the immediate 75%/25% sharing of off-system sales margins between customers and the Company or whether margin sharing can or should be implemented at a later date, (ii) whether the Company's proposed adjustments to its fuel cost recovery balance to implement margin sharing effective July 1, 2007, are permissible under Virginia statutes, and (iii) whether the Commission has the authority to, and should, implement a mid-year adjustment to the Company's fuel factor that would apply for the 16-month period running from September 1, 2007, through December 31, 2008.

[6] Pursuant to Orders entered by the Commission on November 2 and November 20, 2007, the November 8, 2007 hearing was convened for the sole purpose of receiving the testimony of public witnesses, and then continued and rescheduled to commence on December 19, 2007. The short delay was granted to give the parties and Staff additional time to investigate and file testimony addressing the impact on the Company's fuel factor of a new PJM Interconnection, L.L.C. ("PJM") tariff, effective June 1, 2007, that modified the manner in which transmission line losses are settled within PJM.

[7] Exhibit 1.

[8] The Company originally requested that the proposed revisions to its Definitional Framework of Fuel Expenses be implemented on July 1, 2007 — more than two weeks before the Company filed its application with the Commission. When the Staff objected to the proposed July 1 implementation date on the grounds such action would constitute unlawful retroactive ratemaking, the Company withdrew its original proposal and requested that the proposed revisions to its Definitional Framework of Fuel Expenses be implemented on September 1, 2007. The Staff also opposed the Company's proposal to adjust its

The Final Order we issued on February 1, 2008, adequately discusses our decisions on the major issues in this case and most of them require no further explanation. We should, however, discuss further our decision on two significant issues relating to the implementation of the new requirements imposed by the 2007 amendments to § 56-249.6 of the Code.

OSS Margin Sharing

The most contentious issue raised in this proceeding — and the issue that has the greatest impact on the rates of Appalachian's customers[9] — is whether the 2007 amendments to the fuel factor statute require the implementation of OSS margin sharing between the Company and its customers in this proceeding, or whether the Commission can delay OSS margin sharing until the Company's first biennial review in 2011.[10] At the invitation of our Scheduling Order, this issue was briefed by the Company, the Consumer Counsel, the Committee, and Staff prior to the hearing on Appalachian's application.

Appalachian argued that OSS margin sharing must be implemented in this proceeding because the Company filed its application under § 56-249.6 A of the Code, and the 2007 amendments to subsection D 1 require the implementation of OSS margin sharing between the Company and its customers in this proceeding. The Company further argued "[t]here is no language in § 56-249.6 A and D providing that the 75%/25% sharing of OSS margins may be deferred in some discretionary manner by the Commission."[11] In the Company's view, the plain meaning of the new law makes OSS margin sharing between the Company and its customers mandatory in this proceeding.[12]

The Consumer Counsel concluded that the new statutory language in § 56-249.6 D 1 of the Code changed the Commission's past practice of returning 100% of OSS margins to customers through base rates or, more recently, through a separate OSS Margin Rider.[13] The Consumer Counsel further stated that it was "unable to find support for opposing application of the legislation that became effective on July 1, 2007."[14] Accordingly, the Consumer Counsel did not oppose the Company's proposal to implement OSS margin sharing between the Company and its customers in this proceeding.

The Committee and Staff argued that § 56-249.6 D 1 does not require the immediate sharing of OSS margins between the Company and its customers and, thus, the Commission has discretion to delay the implementation of OSS margin sharing until the Company's first biennial review in 2011.[15] In support of their argument, the Committee and Staff asserted there is no language in the new statute that specifically allows the Company to retain the remaining 25% of OSS margins not credited to fuel expenses in this proceeding. They further asserted that the only language contained in subsection D 1 which specifically addresses the remaining OSS margins not credited against fuel expenses provides, in pertinent part, that such margins "shall not be considered in the biennial reviews of electric utilities conducted pursuant to § 56-585.1." Since there is no specific language in subsection D 1 describing what happens to the remaining margins not credited against fuel expenses between the July 1, 2007, effective date of the statute and the Company's first biennial review, the Staff and Committee argued the Commission has the discretion to delay the implementation of OSS margin sharing until Appalachian's first biennial review in 2011. We disagree. As we stated in our Final Order, "[w]e believe the amendments to § 56-249.6 D 1 of the Code represent a clear and unequivocal policy statement of the General Assembly that OSS margins should be shared between the Company and its customers."

Before the 2007 amendments to the fuel factor statute, OSS margins were not shared between electric utilities and their customers. Rather, the Commission gave Appalachian's customers the benefit of 100% of OSS margins by crediting the Company's cost of service in base rate proceedings or, more recently, by crediting customer bills through a separate rate rider.[16] Our traditional treatment of OSS margins was founded on our recognition that customers should receive 100% of the benefit of OSS margins since customers pay all the costs, including a reasonable return thereon, that are incurred by an electric

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deferred fuel account to implement OSS margin sharing on July 1, 2007, arguing that such action would also constitute unlawful retroactive ratemaking because the adjustments to the Company's deferred fuel account would indirectly adjust the Company's OSS Margin Rider between July 1, 2007, and the termination date of the OSS Margin Rider. In order to address the Staff's concerns, the Company also withdrew its proposal to adjust its deferred fuel account to implement OSS margin sharing on July 1. Since the Company agreed to implement the revisions to its Definitional Framework of Fuel Expenses on September 1, 2007, and withdrew its proposed adjustments to the deferred fuel account prior to the termination of the OSS Margin Rider, there was no need to address whether these proposals constitute unlawful retroactive ratemaking in our Final Order.

[9] Based on the Staff's proposed OSS margin amount used for calculating the 75% credit, OSS margin sharing, as implemented in this case, will cause customers to pay approximately $25 million more in rates on an annual basis.

[10] Section 56-585.1 A of the Code requires the Commission, commencing in 2011, to conduct biennial reviews of the rates, terms and conditions for the provision of generation, distribution and transmission services by each investor-owned incumbent electric utility.

[11] Memorandum of Appalachian Power Company in Response to Ordering Paragraph (4) of the Order for Notice and Hearing of August 20, 2007, at 4.

[12] *Id.* and Responding Memorandum of Appalachian Power Company Under Ordering Paragraph (4) of the Order for Notice and Hearing of August 20, 2007, at 2-7.

[13] Legal Memorandum of the Office of Attorney General, Division of Consumer Counsel at 1-2.

[14] *Id.* at 3.

[15] Memorandum of the Old Dominion Committee for Fair Utility Rates in Response to the Commission's Order of August 20, 2007, at 2-5, Reply Memorandum of the Old Dominion Committee for Fair Utility Rates at 1-6; Staff Memorandum of Law at 3-5, Staff Response at 1-3.

[16] *See Application of Appalachian Power Company, For an increase in electric rates*, Case No. PUE-2006-00065, (Final Order at 12-15, May 15, 2007). We also applied our policy requiring that 100% of OSS margins be credited to the customers of Virginia Electric and Power Company ("Virginia Power"). Virginia Power's customers received 100% of the benefit of OSS margins by netting 50% of the company's OSS margins against its cost of service in base rate proceedings and by crediting the remaining 50% of OSS margins against fuel expenses in fuel factor proceedings. *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to Va. Code § 56-249.6,* Case No. PUE-1995-00094, (Order Establishing 1995-1996 Fuel Factor, October 31, 1995), 1995 SCC Ann. Rept. 362.

utility to build and operate the infrastructure necessary to produce the margins.[17] However, the 2007 amendments to the fuel factor statute require a different treatment of OSS margins in future Commission proceedings. Section 56-249.6 D 1 of the Code, as amended, reads as follows:

> D. *In proceedings under subsections A and C:*
> 1. Energy revenues associated with off-system sales of power shall be credited against fuel factor expenses in an amount equal to the total incremental fuel factor costs incurred in the production and delivery of such sales. In addition, *75 percent of the total annual margins from off-system sales shall be credited against fuel factor expenses*; however, the Commission, upon application and after notice and opportunity for hearing, may require that a smaller percentage of such margins be so credited if it finds by clear and convincing evidence that such requirement is in the public interest. The remaining margins from off-system sales shall not be considered in the biennial reviews of electric utilities conducted pursuant to § 56-585.1. In the event such margins result in a net loss to the electric utility, (i) no charges shall be applied to fuel factor expenses and (ii) any such net losses shall not be considered in the biennial reviews of electric utilities conducted pursuant to § 56-585.1. For purposes of this subsection, "margins from off system sales" shall mean the total revenues received from off-system sales transactions less the total incremental costs incurred; (Emphasis added).

Appalachian filed its application under subsection A of the statute, and subsection D 1 requires that we credit 75% or less of the Company's OSS margins against fuel factor expenses when setting the Company's fuel factor. No one disagreed with this statutory requirement. Our task was to determine whether subsection D 1 allows Appalachian to retain the remaining 25% of OSS margins in this proceeding, or whether customers could continue to receive 100% of the OSS margins (75% through the fuel factor and 25% through the OSS Margin Rider) until the Company's first biennial review in 2011.

We relied on several important principles when interpreting the 2007 amendments to § 56-249.6 of the Code. Our primary goal was to ascertain and give effect to the intent of the General Assembly when passing the amendments to the fuel factor statute. *Miller v. Highland County*, 274 Va. 355, 364, 650 S.E.2d 532, 535 (2007); *Boynton v. Kilgore,* 271 Va. 220, 227, 623 S.E.2d 922, 925 (2006); *Chase v. DaimlerChrysler Corp.,* 266 Va. 544, 547, 587 S.E.2d 521, 522 (2003). We also gave the language in subsection D 1 its plain and ordinary meaning when determining legislative intent, and sought to avoid any curious, narrow, or strained construction of the statute. *Turner v. Commonwealth,* 226 Va. 456, 459, 309 S.E.2d 337, 338 (1983); *Davenport v. Little-Bowser*, 269 Va. 546, 555, 611 S.E.2d 366, 371 (2005). We were allowed to consider the rules of statutory construction, legislative history, or extrinsic evidence only if the language in subsection D 1 of the fuel factor statute is ambiguous or its meaning doubtful. *Mozley v. Prestwould Board of Directors,* 264 Va. 549, 554, 570 S.E.2d 817, 820 (2002); *Taylor v. Shaw and Cannon Co.,* 236 Va. 15, 19, 372 S.E.2d 128, 131 (1988); *Brown v. Lukhard,* 229 Va. 316, 321, 330 S.E.2d 84, 87 (1985).

We do not believe that subsection D 1 of the fuel factor statute is ambiguous. Rather, we believe the plain language of subsection D 1 indicates the General Assembly intended to create a sharing mechanism for OSS margins whereby (i) OSS margins would be considered exclusively by the Commission in fuel factor proceedings for applications filed on and after July 1, 2007 (thereby reversing the Commission's prior policy giving customers 100% of the benefit of OSS margins in a base rate proceeding or a separate rate rider) and (ii) OSS margins would be shared between an electric utility and its customers, with customers receiving no more than 75% of OSS margins as a credit against fuel expenses and the utility keeping the remaining OSS margins.

The General Assembly's intent to create a sharing mechanism for OSS margins can be found in the plain language of the statute, which specifically limits customers to a maximum share of 75% of the Company's OSS margins in fuel factor proceedings and grants the Commission authority to reduce customers' share of OSS margins below 75% if such action is found to be in the public interest. This ability to reduce customers' share of OSS margins gives the Commission the discretion to change the sharing percentages between customers and the Company, but in no event is the Commission authorized to give customers more than 75% of the Company's OSS margins in fuel factor proceedings. There is also no language in the statute indicating that the General Assembly intended to grant the Commission any discretion to give customers more than 75% of the Company's OSS margins outside of fuel factor proceedings by reducing a utility's base rates or approving a separate rate rider. Indeed, any attempt to delay OSS margin sharing until 2011 by allowing customers to retain the benefit of 100% of the Company's OSS margins through a combination of the Company's fuel factor and OSS Margin Rider would appear to violate the plain language of the statute, which limits customers to a 75% maximum share of OSS margins.

Furthermore, even if the language of the statute were somehow found to be ambiguous, we would have reached the same result in our Final Order. Under the rules of statutory construction in Virginia, every word of a statute is presumed to be of some effect and not meaningless, and every act of the legislature is presumed to have substantive effect. *Raven Red Ash Coal Corp. v. Absher,* 153 Va. 332, 335, 149 S.E. 541, 542 (1929).[18] In addition, we must presume that the General Assembly did not intend the application of a statute to lead to irrational consequences. *VEPCO v. Citizens for Safe Power,* 222 Va. 866, 869, 284 S.E.2d 613, 615 (1981).

The arguments advanced by the Committee and our Staff, however, would render the OSS margin sharing mechanism established by the General Assembly meaningless and of no substantive effect until the Company's first biennial review in 2011. Under their interpretation of subsection D 1, we could simply engage in a meaningless rate design exercise by moving and reallocating the OSS margin dollars between the Company's fuel factor and existing OSS Margin Rider in order to continue our current policy giving Appalachian's customers the benefit of 100% of the OSS margins. In other words, by manipulating Appalachian's rate design, we could simply ignore and circumvent the OSS margin sharing mechanism established by the General Assembly until 2011 and continue our present policy of giving customers 100% benefit of the OSS margins through a combination of credits to fuel factor expenses in fuel factor proceedings and rates by continuing the OSS Margin Rider at a reduced level. Such a result is contrary to the principle that legislation is presumed to have substantive effect. *See Raven Red Ash Coal Corp.,* 153 Va. at 335, 149 S.E. at 542. Indeed, § 56-249.6 D 1 of the Code would have no

[17] *Appalachian Power Company,* Case No. PUE-2006-00065, Final Order at 13.

[18] *See* 73 Am. Jur. 2d, Statutes, § 164 which states: "In the construction of statutes, the courts start with the assumption that the legislature intended to enact an effective law, and the legislature is not to be presumed to have done a vain or futile thing in the enactment of a statute. Thus, it is a general principle that courts should, if reasonably possible to do so, interpret the statute or the provision being construed so as to give it efficient operation and effect as a whole." (Citations omitted).

substantive effect whatsoever for three and one-half years if we were allowed to manipulate the Company's rate design in order to avoid the OSS sharing mechanism established by the General Assembly and continue giving customers 100% of the OSS margins.

Accordingly, and as we stated in our Final Order, we find: "the Commission has no authority to delay OSS margin sharing until the Company's first biennial review in 2011. We believe the amendments to § 56-249.6 D 1 of the Code represent a clear and unequivocal policy statement of the General Assembly that OSS margins should be shared between the Company and its customers." Further, in order to implement OSS margin sharing as required by subsection D 1 of the fuel factor statute, we credited 75%, or $75.45 million, of the Company's projected annual Virginia jurisdictional OSS margins against fuel factor expenses when establishing the Company's fuel factor in this proceeding and terminated the Company's OSS Margin Rider effective September 1, 2007.

Mid-year Fuel Factor Adjustment

In Case No. PUE-2006-00100, the Commission established a fuel factor for Appalachian based on the Company's projected fuel costs for the calendar year January 1, 2007, through December 31, 2007. Since the Commission prescribed a calendar year beginning January 1 for the Company's fuel factor proceedings, our Scheduling Order requested the parties and Staff to address "whether the Commission has the authority to, and should, implement a mid-year adjustment to the Company's fuel factor that would apply for the 16-month period running from September 1, 2007, through December 31, 2008."[19]

The Committee argued that the Commission has no authority to approve a mid-year adjustment to the Company's fuel factor based on Appalachian's projected fuel costs and OSS margins for the 16-month period ending December 31, 2008.[20] In the Committee's view, § 56-249.6 A 1 requires the Company to file 12 months of projected data when filing a fuel factor application and subsection D 1 requires that the OSS credit amount be based on 12 months of projected OSS margins. The Committee further argued that the Commission has not prescribed a different beginning date for the Company's projected fuel expenses which would allow the Company to implement a revised fuel factor based on projected data beginning September 1, 2007.

In our Final Order, we found that Appalachian's fuel factor should be based on the Company's projected fuel costs and OSS margins for the 12-month period running from September 1, 2007, through August 31, 2008. Accordingly, we found there was no need to address whether § 56-249.6 of the Code allows the Commission to approve a fuel factor for Appalachian based on 16 months of projected data.[21] That issue was rendered moot by our decision to approve a fuel factor based on 12 months of the Company's projected fuel costs and OSS margins. The remaining issue to be discussed is whether the Commission can approve a mid-year adjustment to Appalachian's fuel factor in order to implement the 2007 amendments to the fuel factor statute. We concluded that under current law, the Commission has the discretion to approve a mid-year revision to the Company's fuel factor.

Under § 56-582 B of the Code, the Commission is granted the authority to adjust the Company's rates for the recovery of fuel and purchased power costs pursuant to § 56-249.6 of the Code. Section 56-582 B provides, in pertinent part, that:

> The Commission may adjust such capped rates in connection with the following: (i) utilities' recovery of fuel and purchased power costs pursuant to § 56-249.6 . . . .

In addition, § 56-249.6 A 1 of the Code requires Appalachian to file its estimated fuel costs "beginning on the date prescribed by the Commission" when the Company files an application to revise its fuel factor. There is no language in subsection A 1 which prevents the Commission from exercising its discretion and prescribing a different beginning date for the Company's fuel cost projections, even during the course of a pending fuel factor proceeding filed under subsection A of the statute.[22]

The use of the word "may" in § 56-582 B is prima facie permissive, importing a discretionary power of the Commission to adjust the Company's capped rates in fuel factor proceedings. *Harper v. Virginia Dep't of Taxation,* 250 Va. 184, 194, 462 S.E.2d 892, 898 (1995). Further, when the Commission changes a rate, or establishes or changes a filed schedule, rule, or regulation in a manner that affects rates, it acts in a legislative capacity. *Virginia Elec. & Power Co. v. State Corp. Comm'n*, 219 Va. 894, 902, 252 S.E.2d 333, 338-39 (1979); *Newport News v. C&P Telephone Co.*, 198 Va. 645, 648, 96 S.E.2d 145, 148 (1957). Accordingly, under §§ 56-582 B and 56-249.6 of the Code, the Commission can, as a matter of legislative discretion, prescribe a different beginning date for the filing of the Company's fuel cost projections and approve a mid-year adjustment to the Company's fuel factor to reflect the 2007 amendments to the fuel factor statute. *See Anheuser-Busch Cos. v. Virginia Natural Gas, Inc.,* 244 Va. 44, 46, 418 S.E.2d 857, 858 (1992).

Having found that OSS margin sharing is mandatory under the 2007 amendments to the fuel factor statute, we exercised our legislative discretion in the Final Order and allowed Appalachian to implement a mid-year change in its fuel factor to reflect the new OSS margin sharing mechanism established by the 2007 amendments to the fuel factor statute. The fuel factor we approved in our Final Order was based on the Company's projected fuel costs and Staff's projected OSS margins for the 12 month period running from September 1, 2007, through August 31, 2008. As stated above, any attempt to delay the implementation of OSS margin sharing by crediting 75% of the Company's projected OSS margins against fuel costs and crediting the remaining 25% of OSS margins through the OSS Margin Rider would have violated the terms of the fuel factor statute. Such action would also deprive the Company of approximately $25 million in annual OSS margins that the General Assembly permitted it to retain under the 2007 amendments to the fuel factor statute.

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[19] Scheduling Order at 5.

[20] Memorandum of the Old Dominion Committee for Fair Utility Rates in Response to the Commission's Order of August 20, 2007, at 8-11, Reply Memorandum of the Old Dominion Committee for Fair Utility Rates at 9-12.

[21] Final Order at 7-8.

[22] Incumbent electric utilities described in §§ 56-249.6 B and C are required to submit their estimated fuel costs, including the cost of purchased power, to the Commission for successive 12-month periods beginning on July 1, 2007, and each July 1 thereafter. Accordingly, we have no discretion to alter the beginning date for fuel cost estimates of incumbent utilities described in subsections B and C of the fuel factor statute. However, since Appalachian falls under subsection A 1 of the statute, we have the discretion to prescribe any beginning date for the Company's estimate of fuel and purchased power costs.

Accordingly, for the foregoing reasons, we approved a mid-year change in Appalachian's fuel factor and implemented OSS margin sharing effective September 1, 2007.

CASE NO. PUE-2007-00068
APRIL 14, 2008

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 16, 2007, Appalachian Power Company ("APCo" or "Company") filed an application with the State Corporation Commission ("Commission") for "approval of a rate adjustment clause for recovery of allowable costs of a new, carbon capture compatible, clean coal powered generation facility" pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code") ("Application").[1] APCo "file[d] this Application seeking to begin recovery of a return on, *i.e.*, the financial carrying costs of, construction work in progress ('CWIP'), including planning and development costs, of a proposed [629 MW] Integrated Gasification Combined Cycle ('IGCC') electric generating facility in Mason County, West Virginia [('IGCC Plant')], adjacent to APCo's Mountaineer Generating Station."[2] The Company stated that the projected cost of the IGCC Plant "is approximately $2.23 billion, of which approximately $1 billion will be allocated to Virginia jurisdictional customers whose rates are regulated by the Commission."[3]

Specifically, APCo requested the Commission: "(1) to approve the rate adjustment clause proposed herein; (2) to find that construction of the proposed IGCC facility by the Company is reasonable and prudent; and (3) to grant the Company further authority as may be necessary or appropriate."[4]

On August 9, 2007, the Commission issued an Order for Notice and Hearing that, among other things, required the Company to publish notice of its Application, established a procedural schedule for this matter, permitted the filing of written and electronic public comments, and scheduled a public hearing to commence on February 12, 2008, to receive testimony of public witnesses and evidence on the Application.

The Commission received over 2,300 written or electronic public comments on the Application. In addition, the following filed notices of participation in this matter: Old Dominion Committee For Fair Utility Rates ("Committee"); Wal-Mart Stores East, LP ("Wal-Mart"); VML/VACo/APCo Steering Committee ("VML/VACo"); Steel Dynamics, Inc.; and the Office of the Attorney General's Division of Consumer Counsel ("Attorney General").

The Commission held a public evidentiary hearing on February 12-15, 2008. The following participated at the hearing: APCo; Committee; Wal-Mart; VML/VACo; Attorney General; and the Commission's Staff ("Staff"). In addition, four public witnesses testified at the hearing.

On March 19, 2008, the following filed post-hearing briefs: APCo; Committee; Wal-Mart; VML/VACo; Attorney General; and Staff.[5]

NOW THE COMMISSION, having considered the record, the pleadings, and the applicable law, is of the opinion and finds that the Application is denied. We find that it is neither reasonable nor prudent for APCo to construct the proposed IGCC Plant based on the record before us. Accordingly, we do not approve the rate adjustment clause requested in this proceeding.

Code of Virginia

Section 56-585.1 A 6 of the Code states in part as follows:

> To ensure 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. . .; however, such a petition concerning . . . facilities described in clause (ii) that are coal-fueled and will be built by a Phase I utility . . . may also be filed before the expiration or termination of capped rates.

Section 56-585.1 A 6 of the Code also provides for cost recovery during construction and for an enhanced rate of return:

> A utility that constructs any such facility 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 costs, life-cycle costs, 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. . . . The basis points to be added to the utility's general rate of return to calculate the enhanced rate of return on common equity, and the first portion of that

[1] Application at 1.

[2] *Id.* at 2. *See also* APCo's March 19, 2008 post-hearing brief at 43.

[3] Application at 2.

[4] *Id.* at 4-5.

[5] On March 20, 2008, the Committee filed a Motion to File Public Version of Brief One Day Out of Time. The Committee also states that it has been advised by APCo that the Company does not object to the Commission granting the motion. We will grant such motion, and we find that no party is prejudiced thereby.

> facility's service life to which such enhanced rate of return shall be applied, shall vary by type of facility, as specified in the following table:
>
> | Type of Generation Facility | Basis Points | First Portion of Service Life |
> |---|---|---|
> | Nuclear-powered | 200 | Between 12 and 25 years |
> | Carbon capture compatible, clean-coal powered | 200 | Between 10 and 20 years |
> | Renewable powered | 200 | Between 5 and 15 years |
> | Conventional coal or combined-cycle combustion turbine | 100 | Between 10 and 20 years |

Section 56-585.1 D of the Code, however, preserves the Commission's authority to determine the reasonableness and prudence of any cost incurred or projected to be incurred:

> Nothing in this section shall preclude the Commission from determining, 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.) of this title. (Emphasis added.)

Reasonableness or Prudence

Cost Estimate

We find that the Company's cost estimate is not credible. APCo's cost estimate of $2.23 billion was prepared in the November 2006 time frame.[6] The Company testified that the potential for cost increases for this facility is a significant concern.[7] The Company, however, has not updated its November 2006 cost estimate.[8] Furthermore, APCo will not obtain actual or firm prices for components of the project until after receiving regulatory approval.[9] Even if the Company obtains all regulatory approvals, it still may not construct the IGCC Plant if, after it obtains more firm pricing, it decides that the actual cost will be too high to warrant construction. That is, since the Company does not reasonably know the actual cost of the facility at this time, it will not decide whether to build this facility until it determines if the actual cost will exceed some undefined "breaking point."[10]

Indeed, APCo has no fixed price contract for any appreciable portion of the total construction costs; there are no meaningful price or performance guarantees or controls for this project at this time. This represents an extraordinary risk that we cannot allow the ratepayers of Virginia in APCo's service territory to assume. This risk is further compounded by the fact that, when APCo eventually attempts to obtain a turn-key contract with firm pricing, it likely will be a sole-source contract with one bidder. The Company explained that only one contractor "is willing to step up and provide a turn-key scope of work to conduct this work and guarantees of the full plant. . ." and "[t]hat's really been the basis for our selection of GE and Bechtel, their experience and their willingness to step up to the plate with this comprehensive deal."[11] Moreover, the Company questioned its ability to obtain more firm pricing for the IGCC Plant without paying an "exorbitant risk premium" due to, among other things, the complexity and long duration of this project.[12]

In addition, as noted by the Attorney General, even under APCo's November 2006 estimate the capital cost for the IGCC Plant "is significantly higher than reported costs for other coal-fired units, including the costs of units that recently have been cancelled and the cost of [American Electric Power's]

[6] *See, e.g.,* Exh. 17 (Jasper Direct) at 10; Tr. 984 (APCo witness Weaver); APCo's March 19, 2008 post-hearing brief at 53-54. The Company's $2.23 billion projection does not include estimated financing costs of approximately $717 million. *See, e.g.,* Exh. 23 (Nelson Direct) at Sched. 2; Exh. 25P (Norwood Direct) at 9-10.

[7] *See, e.g.,* Exh. 17 (Jasper Direct) at 16 ("A significant Company concern with respect to the proposed IGCC facility is the rapidly escalating costs for commodities used in large construction projects. Company witness Renchek discusses in his testimony the rapid escalation of key commodity prices in the EPC industry. In such a situation, no contractor is willing to assume risk for a multi-year project. Even if a contractor was to do so, its estimated price for the project would reflect this risk and the resulting price estimate would be much higher.")

[8] *See, e.g.,* Tr. 407-408 (APCo witness Jasper).

[9] *See, e.g.,* Tr. 398-408 (APCo witness Jasper).

[10] *See, e.g.,* Tr. 406-408 (APCo witness Jasper).

[11] Tr. 402, 405-406 (APCo witness Jasper).

[12] Tr. 398 (APCo witness Jasper) ("[M]oreover they [(*i.e.*, the suppliers of IGCC technology)] are very unwilling and really unable to fix the price of a complex project like this with a somewhat uncertain start date and a long duration for the execution of that plant. In my estimation if a party were willing to do that, that that party would extract from the client an exorbitant risk premium that would not be in the best interests of APCo or its customers.") On brief, APCo asserts "that GE/Bechtel are willing to *consider* guarantees of the performance of this plant *after* it begins operation." APCo's March 19, 2008 post-hearing brief at 52 (emphasis added). The Company, however, presents no reasonable cost estimate for any such potential performance guarantees.

recent IGCC bid in Oklahoma."[13] For example, depending on the facility, Attorney General witness Norwood estimated that the capital cost for the IGCC Plant – based on non-updated November 2006 projections – may be roughly 40%-105% higher than other coal-fired plants.[14]

Moreover, and as discussed further below, the Company highlighted that the unique value of this particular facility is its "potential" to capture and sequester CO_2.[15] The Company's $2.23 billion projection, though, does not include estimated costs to modify the plant to allow for carbon capture and sequestration. APCo projected the cost for carbon capture at $200-300 million, and Attorney General witness Norwood estimated it at $300-500 million.[16] Both of these estimates, however, have limited value; no party knows for certain the specific commercially available technology that will be used for carbon capture and sequestration – if such is determined to be economically efficient to comply with subsequent federal or other mandate. Indeed, as explained by APCo, the ultimate capital costs for carbon capture technology will "be driven by the economics of the CO_2 legislation and policy *that is yet to come*."[17]

Further, and as also discussed below, the Company did not identify any commercial generation facility that has implemented carbon sequestration.[18] The record in this case indicates an absence of commercial deployment of carbon sequestration in generation plants such as the one proposed herein,[19] and the issues surrounding where the "captured" carbon will be stored remain unresolved.[20] Yet carbon capture alone, without the sequestration problem resolved, does not answer the question of what is to be done with the "captured" carbon, and at what price. So it is literally impossible to develop a credible cost estimate for a future retrofit of this plant with both carbon capture *and* sequestration capability, making it likewise impossible to quantify the claimed benefits associated with IGCC technology for purposes of this Application.

The Attorney General also provided an illustration of the cost impact of even a 10%-15% cost escalation. Specifically, the Attorney General noted that if costs increase 10%-15% above APCo's November 2006 estimate (which includes a limited contingency and escalation factor of $250 million),[21] and taking into account financing costs and estimated costs for carbon capture, the capital costs could reach $3.5 billion or more.[22] When this figure is compared to APCo's 525 MW estimate of the plant's dependable capacity after being retrofitted for carbon capture, the final installed cost estimate is approximately $6,667/kW.[23] The Attorney General noted that this cost is not only significantly higher than cost estimates for other coal-fired generation alternatives, it is comparable to the cost per kW of a new nuclear facility.[24] Moreover, the Attorney General showed that, even using APCo's own data and its 2006 estimates, the cost of the plant with carbon capture can be estimated at approximately $4,845/kW, which again is significantly higher than other coal-fired generation projects and approaches estimates for a nuclear facility.[25]

The Committee further illustrated the potential uncertainty of APCo's capital cost estimates by pointing out that in mid-2006 the Company's cost estimate of a generic IGCC unit was $2,861 per kW, whereas its most recent estimate – prepared just months later in November 2006 – is more than $3,500 per kW.[26] Furthermore, the Committee noted that the "uncertainty concerning capital costs is greater for the IGCC option because of its higher capital cost and longer construction and permitting time," and, "[t]hus, the potential cost of uncertainty related to a plant of the size and projected capital cost of the proposed IGCC unit, with its untested track record, is considerably greater than for other options."[27]

These cost uncertainties are particularly relevant because, as discussed by Staff, "Company witnesses Waldo and Jasper were exceptionally frank in outlining the undefined, open-ended financial commitment to this project the Company is expecting from Virginia ratepayers under § 56-585.1 A 6 [of the Code]."[28] Staff continued:

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[13] Exh. 25P (Norwood Direct) at 24.

[14] Exhs. 25P and 25C (Norwood Direct) at 22-24.

[15] *See, e.g.,* Exh. 8 (Sigmon Supp. Direct (adopting Rencheck Direct) at 16.

[16] *See ,e.g.,* Tr. 1045 (APCo witness Chodak); Tr. 534 (Attorney General witness Norwood).

[17] Tr. 1045 (APCo witness Chodak) (emphasis added).

[18] *See, e.g.,* Tr. 153-154 (APCo witness Waldo); APCo's March 19, 2008 post-hearing brief at 50-51.

[19] *See, e.g., id.*

[20] *See, e.g.,* Tr. 337, 1068-1072 (APCo witness Chodak); Tr. 64 (APCo witness Waldo); VML/VACo's March 19, 2008 post-hearing brief at 11 (explaining, for example, that "it is not known if the CO_2 sequestration will even be available to meet possible future regulations").

[21] *See* APCo's March 19, 2008 post-hearing brief at 56.

[22] *See* Attorney General's March 19, 2008 post-hearing brief at 8; Tr. 534 (Attorney General witness Norwood).

[23] *See* Attorney General's March 19, 2008 post-hearing brief at 8.

[24] *See id.*; Tr. 534-535 (Attorney General witness Norwood).

[25] *See* Attorney General's March 19, 2008 post-hearing brief at 10 n.52; Tr. 534-535 (Attorney General witness Norwood). Moreover, this cost estimate excludes an allowance for funds used during construction ("AFUDC"), which would increase the ultimate costs to consumers.

[26] Committee's March 19, 2008 post-hearing brief at 19. The Committee explains that both cost estimates were before carbon capture and without AFUDC. Further in this regard, the Committee emphasizes "that the exclusion of AFUDC from these increased amounts masks the impact on customers . . . and ignores a considerable portion of the impact of such increases." *Id.* at 20-21 (italics omitted).

[27] *Id.* at 19 (citation omitted).

[28] Staff's March 19, 2008 post-hearing brief at 19.

> Specifically, both witnesses readily conceded that the project lacks hard numbers; they testified that none of the major suppliers of IGCC plant generation components would commit to firm pricing. Thus, in response to questions . . . about how the Company will ultimately get prices for plant components (as and when the Company obtains regulatory approvals from the Virginia and West Virginia Commissions), Company witness Jasper simply stated that the Company would 'go out and re-bid that major equipment.'[29]

Staff further emphasized that APCo witness Jasper "admitted that the Company had not 'refreshed' or updated [its estimate] on the basis that 'it's a laborious process to go back and do a really bona fide estimate,'" that "Mr. Jasper indicated that he would personally foresee difficulties with the Commission capping the Company's recovery of project costs at the $2.23 billion estimate," and that "Mr. Jasper also suggested on cross-examination that the 'risk premium' likely associated with guaranteeing the costs of plant components would be 'intolerable.'"[30]

Thus, we do not realistically have the option of approving this project at a firm cost cap of $2.23 billion, nor do we have any firm contract or guarantee for any significant part of the total costs of this facility. Rather, APCo by its own testimony has indicated that a cost cap is not acceptable and that the actual cost must really be left to be determined in the future. The Company, however, provides very little assurance that the ultimate cost of the proposed facility, for its intended purpose, will be limited to anywhere near the $2.23 billion estimate.

Nonetheless, the Company requests the Commission to approve – now, as part of this Application – specific cost recovery for, and the eventual construction of, the IGCC Plant. Indeed, during the evidentiary hearing the Company's counsel explained, in plain language, the breadth of the approval that APCo seeks at this moment:

> That's the determination we're asking you to make in this case; as a general proposition, it's okay for us to go forward with this type of plant. We'll prove the details of the costs later. But we don't want to go forward if you're going to tell us next year, on second thought, IGCC is not a very good idea as a concept.[31]

In effect, APCo asks the Commission to make a finding of reasonableness and prudence based on the Company's November 2006 estimate, and without any price or performance guarantees or protections. In stark contrast, as explained above APCo will wait until it gets more accurate and firm cost figures before it decides whether to construct the facility. As a result, if we grant APCo's request based on the Application before us, we will have approved a blank check for this plant, upon which APCo subsequently can either (i) insert the amount payable by ratepayers or, alternatively, (ii) unilaterally decide that the cost of construction will be too high and tear up the check. This we will not do. The Commission has the statutory obligation to determine reasonableness or prudence, and the Company has not established, based on the record developed in this case, that construction of its proposed IGCC Plant is reasonable or prudent.

IGCC Technology

The absence of a credible cost estimate is compounded by the uncertainty as to whether IGCC represents a mature, proven technology for the specific commercial purposes and at the scale proposed by APCo. Indeed, APCo's proposed IGCC Plant would be the largest of its kind constructed to date.[32] As summarized by Attorney General witness Norwood:

> [T]here currently are only two commercial-size coal-based IGCC demonstration plants in the United States and both of those plants were supported by DOE funding. (Rencheck direct, page 19.) The existing IGCC units are far smaller than the IGCC project proposed by Appalachian. The most recent IGCC project is Tampa Electric Company's 250 MW Polk Power Station, which entered commercial operations in 1996. (Rencheck direct, page 20.)[33]

The Company confirmed that there are only two IGCC power plants operating in the United States and both plants are "[l]ess than half" the size of APCo's proposed IGCC Plant.[34] Moreover, the two existing facilities have been operating for only a fraction of the 40-year life that APCo projects for its proposed IGCC Plant.[35]

In addition, the benefits of the IGCC Plant will depend on, among other things, the capacity factor at which the facility operates. Although various cost analyses performed by APCo assumed that the IGCC Plant could run at an 80% capacity factor or greater,[36] there is no evidence of an IGCC

[29] *Id.* (citing Tr. 405 (APCo witness Jasper)).

[30] *Id.* at 19-20 (citing Tr. 407-408, 413 (APCo witness Jasper)). Thus, Staff concluded that "the costs projected for the proposed IGCC facility are so imprecise, and the cost exposure of the Company's Virginia ratepayers is so enormous that the Commission simply cannot find as a matter of fact or law, that the costs for which rate treatment is sought herein are either reasonable or prudent." Staff's March 19, 2008 post-hearing brief at 24.

[31] Tr. 866 (APCo counsel Tripp).

[32] *See* Exh. 25P (Norwood Direct) at 6. Although APCo noted that the Indiana Utility Regulatory Commission provided Duke Energy with "authorization to construct and operate a similar 630 MW IGCC plant" last November, the Company does not assert that the Indiana project has been constructed and placed in service. APCo's March 19, 2008 post-hearing brief at 52. Moreover, in contrast to APCo's proposed IGCC Plant, the Indiana plant will receive $460 million in tax subsidies to defray the cost to ratepayers. *See* Attorney General's March 19, 2008 post-hearing brief at 11-12.

[33] Exh. 25P (Norwood Direct) at 9.

[34] Tr. 204, 215 (APCo witness Sigmon).

[35] *See, e.g.,* Attorney General's March 19, 2008 post-hearing brief at 12-13.

[36] *See, e.g.,* Tr. 369 (APCo witness Chodak); Tr. 538-539 (Attorney General witness Norwood).

plant of this size – even without being retrofitted for carbon capture and sequestration – operating at such a high capacity level over an extended period of time. Indeed, the Company admitted that it "is not aware of any operating IGCC generating units that have achieved an 80 percent or greater capacity factor for a sustained number of years."[37] For example, Attorney General witness Norwood testified that, for the "Polk unit, which is what APCo's unit is sort of based on, for the first 11 years of its operation the average availability has been about 63 percent in the gasification mode," and that "if you throw in the times when they were burning oil or natural gas in the combustion turbine, that goes up . . . [a]nd certainly the economics change at that point."[38] In other words, as concluded by Staff, "a more realistic capacity factor assumption would increase the costs of the IGCC unit in comparison to the other generating alternatives."[39]

The record in this case indicates that there is no proven track record for the development and implementation of large-scale IGCC generation plants like the one proposed by APCo. Evidence in this case also raises concerns whether large-scale IGCC generation plants are characterized by, among other things, (1) complexities attendant to a technology for which there is no proven track record for power plants of this size, (2) high initial capital costs compared to other coal-fired units, and (3) uncertainty surrounding performance and operating costs.[40] Indeed, the costs and uncertainty surrounding the development and implementation of this technology, on this scale, for this purpose, appears to be a significant factor in APCo's failure to obtain any reasonable firm pricing, construction, or performance guarantees at this time.[41]

Carbon Capture and Sequestration

The asserted value of APCo's proposed IGCC Plant – to overcome the high and unknown capital costs, unproven track record, and general uncertainty involving an IGCC generation project of this size – is its potential cost effectiveness in capturing and sequestering CO_2. Specifically, APCo stated that "[w]hat clearly sets IGCC technology apart from others is its *potential* to separate and sequester CO_2 emissions from the process at a significantly lower cost than conventional technologies . . . [and it] is anticipated that environmental regulations will require the removal of CO_2 at some point in the future."[42] Indeed, APCo witness Chodak succinctly explained why the Company is proposing this plant at this time: "This is about CO_2. This is about us recognizing that the forecast is for rain and so we are going to bring an umbrella. That is what this is about."[43]

APCo acknowledged, however, that (i) there are no federal or state carbon capture and sequestration regulations that need to be complied with at this time for its generation plants located in West Virginia, (ii) it is speculating on the requirements of any future regulations, and, thus (iii) it does not know the exact equipment, or cost therefor, that may be required to comply with currently non-existing regulations.[44] The Company further stated that, depending on the exact form of potential future regulations and the cost-effective alternatives stemming therefrom, it may not need to install *any* carbon capture and sequestration equipment on the proposed IGCC Plant.[45] Accordingly, the unknown nature of potential future regulations driving APCo's Application herein makes it impossible to determine, at this time, the specific carbon capture and sequestration retrofit that may be needed in the future – or, moreover, whether it will *ever* be cost efficient to retrofit the proposed IGCC Plant for carbon capture and sequestration.[46]

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[37] Tr. 215 (APCo witness Sigmon); Exh. 9 (Attorney General's Interrogatory Request 2-040). *See also* Attorney General's March 19, 2008 post-hearing brief at 13-15.

[38] Tr. 539 (Attorney General witness Norwood).

[39] Staff's March 19, 2008 post-hearing brief at 15 (footnote omitted).

[40] *See, e.g.,* Exh. 25P (Norwood Direct) at 9 ("The major disadvantages of IGCC technology are that the performance and operating costs are relatively uncertain and that the initial capital costs of such facilities are normally significantly higher than costs of conventional pulverized coal-fired generating units. (Renchek direct, page 17.) These disadvantages have prevented the widescale commercialization of IGCC technology to date.").

[41] For example, in explaining why only one contractor has indicated a willingness to offer a turn-key package for this plant, APCo explained as follows: "I think a combination of a few things. One, it certainly is [because it's] an IGCC plant. It's not something that chemical plant contractors do routinely. In the power business where you're talking about largely a boiler, a steam turbine, an air quality control system for coal-fire plants, let's say, those are things that are done in multiples. So it's relatively a better known quantity, what you're dealing with, than it is with IGCC. So that's one factor, it's an IGCC plant." Tr. 403 (APCo witness Jasper). APCo further compared the IGCC Plant to other generation projects, which have a shorter duration and well-known technology: "And both of those are not the case [with the IGCC Plant]. Neither of those are the case. This is a very long-duration project and one with which contractors are not familiar." Tr. 404 (APCo witness Jasper).

[42] Exh. 8 (Sigmon Supp. Direct (adopting Rencheck Direct) at 16) (emphasis added). *See also* Exh. 25P (Norwood Direct) at 9 ("However, the technology has received renewed interest over the last few years due to the superior environmental performance of IGCC units and their ability to capture CO_2 emissions linked to global warming at a lower cost than conventional generating technologies. (Rencheck direct, pages 16-17.)").

[43] Tr. 1067 (APCo witness Chodak). *See also* Exh. 2 (Waldo Direct) at 7-8; Exh. 6 (McManus Direct) at 13.

[44] Tr. 171-173 (APCo witness McManus). Wal-Mart further discussed this as follows: "Specifically, answers to questions are still outstanding regarding the type of equipment that utilities may need to install or the process that utilities may need to adopt as a result of future legislation requiring carbon emission reductions. For example, if future legislation requires carbon emission reductions, such legislation may exempt existing plants, or plants being developed prior to the date of enactment of such legislation, making certain anticipated coal-plant retirements unnecessary." Wal-Mart's March 19, 2008 post-hearing brief at 4 (citation omitted).

[45] Tr. 174-176 (APCo witness McManus). APCo witness Chodak further explained as follows: "I can't put a date on when we are going to do CO_2 capture and sequestration at all. All of that has to come together. You have to get the policy and the regulatory framework that asks you to do it." Tr. 1070 (APCo witness Chodak).

[46] APCo's President also discussed additional risks associated with new carbon requirements: "The manner in which the investment community and financial markets will deal with the CO_2 capture and sequestration issue for fossil generation plants is yet to be determined as these new [Carbon] Principles are implemented and evolve. This uncertainty creates, and indeed highlights, one of the significant 'risks involved in the development of the facility' as set forth in the statute." Exh. 2 (Waldo Supp. Direct) at 4.

APCo also did not identify any commercial generation facility – IGCC or otherwise – in which carbon capture and sequestration is being, or ever has been, utilized.[47] Although APCo testified that the technology has been used in the petrochemical field and that "we are ready to go from a technical perspective," the Company also recognized that, in "terms of the size of the facility, [the IGCC Plant] is a much bigger facility" in relation to the amount of carbon that would need to be captured and sequestered.[48] Moreover, with respect to this specific facility, VML/VACo further noted that the Company has not yet determined whether it can meet requirements for sequestration at the proposed location, and that "APCo admits that the sequestration plan will result in CO_2 migrating underground to property not owned by APCo including land under the Ohio River."[49]

Due to these various uncertainties, Wal-Mart stated as follows: "Without such carbon emission reduction rules, [APCo's] request is imprudent because it not only requires costly expenditures for untested and unproven technology, but also requires expenditures that may potentially prove unnecessary or contrary to such future carbon emission reduction rules."[50] Staff witness Walker further discussed these related cost risks:

> The installation of carbon capture equipment may also increase the construction price risk of the proposed unit. There is very little experience with regard to the actual cost of such equipment. In fact there is no experience with respect to a unit of the size proposed by the Company. Absent such experience, there is considerable uncertainty with respect to the ultimate cost of the proposed unit.[51]

As an illustration of these regulatory and cost uncertainties, the Attorney General noted that such issues played a key role in the recent deferral of a previously proposed IGCC unit:

> Tampa Electric owns the Polk unit, one of the two currently operating IGCC facilities in the United States. It had plans to construct a second IGCC facility to meet its generation needs in 2013, but in October 2007 it announced that it was deferring the proposed unit as 'the timing is not right to utilize [IGCC] for a baseload facility needed by 2013.' . . . It also stated that '[p]rimary drivers of the decision announced today include continued uncertainty related to carbon dioxide (CO_2) regulations, particularly capture and sequestration issues, and the potential for projected cost increases.'[52]

The Company asserted that the value of this project is directly related to: (1) potential future legal requirements for carbon capture and sequestration; and (2) the proposed IGCC Plant's potential ability to comply cost effectively with any such requirements. Both of these factors, however, are unknown at this time and do not overcome the other infirmities in the Application. The legal necessity of, and the capability of, cost-effective carbon capture and sequestration in this particular IGCC Plant, at this time, has not been sufficiently established to render APCo's Application reasonable or prudent under the Virginia statute we must follow.

Need and Other Statutory Requirements

Having found that it is neither reasonable nor prudent under Virginia law for APCo to construct the proposed IGCC Plant based on the record before us, we need not make findings related to the other statutory requirements attendant to this Application, including the need for additional capacity.[53]

We understand and appreciate, however, APCo's good-faith desire to prepare for what it believes is the likelihood of a federal carbon capture and sequestration mandate for coal-fired plants. Yet neither APCo nor anyone else knows how such a future mandate may be structured, how it will affect existing plants, precisely how carbon sequestration technology and storage capacity on a massive scale will ultimately develop for large-scale generation plants, or whether it could be applied cost-effectively through a retrofit to this plant. Importantly, the Company also has not, at this time, provided a credible cost estimate for the proposed plant *absent* carbon capture and sequestration. 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.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) The July 16, 2007 Application of Appalachian Power Company for a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia is denied.

(2) The March 20, 2008 Motion to File Public Version of Brief One Day Out of Time filed by the Old Dominion Committee for Fair Utility Rates is granted.

(3) This case is dismissed.

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[47] *See, e.g.,* Tr. 153-154 (APCo witness Waldo); APCo's March 19, 2008 post-hearing brief at 50-51.

[48] *See* Tr. 1048, 1050 (APCo witness Chodak). *See also* Attorney General's March 19, 2008 post-hearing brief at 16.

[49] VML/VACo's March 19, 2008 post-hearing brief at 11 (citing Tr. 1068-1071 (APCo witness Chodak)).

[50] Wal-Mart's March 19, 2008 post-hearing brief at 4 (citation omitted).

[51] Exh. 36P (Walker Direct) at 16.

[52] Attorney General's March 19, 2008 post-hearing brief at 17 (citations omitted).

[53] For example, the Attorney General, the Committee, VML/VACO, Wal-Mart, and Staff questioned the need for this specific facility at this particular time.

CASE NO. PUE-2007-00068
APRIL 30, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia

ORDER GRANTING RECONSIDERATION

On April 14, 2008, the State Corporation Commission ("Commission") issued a Final Order in this proceeding. On April 29, 2008, Appalachian Power Company filed a Petition for Reconsideration and/or Rehearing ("Petition") pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure.

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing our jurisdiction over this matter to consider the Petition.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing our jurisdiction over this matter to consider the Petition.

(2) This matter is continued pending further order of the Commission.

CASE NO. PUE-2007-00068
MAY 29, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia

ORDER ON RECONSIDERATION

On July 16, 2007, Appalachian Power Company ("APCo" or "Company") filed an application with the State Corporation Commission ("Commission") for "approval of a rate adjustment clause for recovery of allowable costs of a new, carbon capture compatible, clean coal powered generation facility" pursuant to § 56-585.1 A 6 of the Code of Virginia ("Application").[1] APCo "file[d] this Application seeking to begin recovery of a return on, *i.e.*, the financial carrying costs of, construction work in progress ('CWIP'), including planning and development costs, of a proposed [629 MW] Integrated Gasification Combined Cycle ('IGCC') electric generating facility in Mason County, West Virginia [('IGCC Plant')], adjacent to APCo's Mountaineer Generating Station."[2] The Company stated that the projected cost of the IGCC Plant "is approximately $2.23 billion, of which approximately $1 billion will be allocated to Virginia jurisdictional customers whose rates are regulated by the Commission."[3]

Specifically, APCo requested the Commission: "(1) to approve the rate adjustment clause proposed herein; (2) to find that construction of the proposed IGCC facility by the Company is reasonable and prudent; and (3) to grant the Company further authority as may be necessary or appropriate."[4]

On April 14, 2008, the Commission issued a Final Order in this proceeding, which denied the Application. The Commission found as follows: "[I]t is neither reasonable nor prudent for APCo to construct the proposed IGCC Plant based on the record before us. Accordingly, we do not approve the rate adjustment clause requested in this proceeding."[5]

On April 29, 2008, APCo filed a Petition for Reconsideration and/or Rehearing ("Petition") pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure. APCo states that the Commission "should reconsider denial of that Application" for the following reasons:

1. The Final Order ignores completely the specific Commonwealth Energy Policy to promote the development of IGCC technology and the statutory requirement that the Commission recognize that policy.

2. The Final Order makes no finding on the threshold issue whether the Company needs new generating facilities to provide adequate and reliable electric service to its customers in the future.

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[1] Application at 1.

[2] *Id.* at 2. *See also* APCo's March 19, 2008 post-hearing brief at 43.

[3] Application at 2.

[4] *Id.* at 4-5.

[5] Final Order at 2-3.

3. Denial of the Application based on IGCC cost uncertainties is inconsistent with the Commission's March 31, 2008 approval of Dominion Virginia Power's (DVP) proposed coal-fired generating plant in Wise County given the cost uncertainties of post-combustion carbon capture at that plant.

4. The Final Order creates a standard for cost estimate certainty that could not be satisfied on reasonable terms in this case, and it ignores credible cost evidence presented by the Company.

5. The Final Order ignores completely, and could have the effect of nullifying, the March 6, 2008 approval of this IGCC plant by the Public Service Commission of West Virginia and that Commission's recognition of the need for the plant, the viability of IGCC technology, the need for an updated cost estimate and, importantly, the need for accommodation of regulatory requirements by that Commission and this Commission.[6]

On April 30, 2008, the Commission granted reconsideration for the purpose of continuing our jurisdiction over this matter to consider the Petition.

NOW THE COMMISSION, upon consideration of this matter, denies the Petition. We will address APCo's assertions, as listed above, *seriatim*.

Commonwealth Energy Policy

In its Petition, APCo notes that Va. Code § 67-102 provides in part as follows: "[I]t shall be the policy of the Commonwealth to: . . . [p]romote research and development of clean coal technologies, including but not limited to integrated gasification combined cycle systems. . .," and "[a]ll agencies . . . of the Commonwealth, in taking discretionary action with regard to energy issues, shall recognize the elements of the Commonwealth Energy Policy and where appropriate, shall act in a manner consistent therewith."[7]

The Petition, however, fails to quote a critical portion of this same statute:

> D. The Commonwealth Energy Policy is intended to provide guidance to the agencies and political subdivisions of the Commonwealth in taking discretionary action with regard to energy issues, *and shall not be construed to amend, repeal, or override any contrary provision of applicable law*. The failure or refusal of any person to recognize the elements of the Commonwealth Energy Policy, to act in a manner consistent with the Commonwealth Energy Policy, or to take any other action whatsoever, shall not create any right, action, or cause of action or provide standing for any person to challenge the action of the Commonwealth or any of its agencies or political subdivisions.[8]

Thus, the Commonwealth Energy Policy does not supersede the other statutory standards that the Commission must apply in this proceeding. Indeed, APCo acknowledged during the hearing that the Commonwealth Energy Policy does not override this Commission's obligation to determine whether the proposed IGCC Plant is reasonable or prudent.[9] The Commission applied the specific statutory standards applicable to the Application and, as noted above, found that it is neither reasonable nor prudent for APCo to construct the proposed IGCC Plant based on the record before us. Consideration of the Commonwealth Energy Policy does not override our statutory obligation, as APCo itself admitted during the evidentiary hearing, nor our findings in this regard.

Need

The Petition states that, by not including a finding on the need for additional capacity, "the Final Order does not satisfy the statutory requirements of § 56-585.1 A 6 and, thus, contains an error of law. *See, Volkswagen of America v. Smit*, 266 Va. 444, 587 S.E.2d 526 (2003) [("*Volkswagen*")]; *Browning-Ferris Industries v. Residents Involved In Saving The Environment*, 254 Va. 278, 492 S.E.2d 431 (1997) [("*Browning-Ferris Industries*")]."[10] The Petition provides no specific citation to or explanation of the particular portions of the above cases that support the contention that the Commission has committed an "error of law." We note, however, in the *Volkswagen* case the Supreme Court of Virginia held that "because the administrative agency charged with enforcement of the statute failed to undertake the analysis and make the *predicate* finding required by the statute, the agency's resulting determination must be set aside."[11]

The above principle from *Volkswagen* does not require the Commission to make a finding of lack of need before denying the Application. Irrespective of the issue of need, we must still deny the Application, having found that it is neither reasonable nor prudent for APCo to construct the

[6] Petition at 1-2.

[7] Va. Code §§ 67-102 A 3 and C.

[8] Va. Code § 67-102 D (emphasis added).

[9] Tr. 867, 891-892 (APCo witness Waldo) ("Q. So you agree then that it's still up to the Commission to determine if that technology is reasonable and prudent? A. Absolutely. . . . Q. Okay. Now, when you're talking in your rebuttal testimony about the policy of the Commonwealth, you didn't intend to suggest that the Commonwealth's policy was supposed to override the Commission's obligation to evaluate reasonableness and prudence of this IGCC project, did you? A. No. I did exactly what I believe the policy states, and that is it is guidance – Q. Okay. A. – not directives.").

[10] Petition at 5.

[11] *Volkswagen*, 266 Va. at 453, 587 S.E.2d at 532 (emphasis added) (citing *Browning-Ferris Industries*, 254 Va. at 284-285, 492 S.E.2d at 435).

proposed plant based on the record before us. Further, contrary to APCo's suggestion, the Commission has no statutory obligation to suggest alternative generation measures.[12] The Commission must act on the specific Application placed before it in accordance with the applicable statutory standards.

This Commission made no finding of need for this particular plant for the reason stated in the Final Order: APCo's Application failed the "reasonable or prudent" test under Va. Code § 56-585.1 D. Our finding that the Application failed the "reasonable or prudent" test for this particular plant by necessity rendered moot a finding of need *for this particular plant in this particular Application*. Furthermore, we did not make a finding in our Final Order that there was *no* need for new generation in general, even though several participants urged us to find that APCo had not established a need for new base load generation by 2012.[13] We do not deny that meeting the long-term power needs of APCo's Virginia service territory requires planning for several years in advance, as APCo states. This Commission, however, did not have in front of us in this case the question of a *general* need for additional generation. The question of need in front of us was specific *to this proposed plant*, and it was rendered moot by a finding that APCo's proposal failed the statutory test of reasonableness or prudence.

Accordingly, APCo's insinuations that this Commission has hampered the Company's carefully developed plans for future generation are misplaced.[14] Submitting an unreasonable and imprudent proposal for a new power plant to this Commission, as APCo did in this case, is not the way to address the Company's comprehensive plans for meeting the future power needs of APCo's Virginia service territory. Virginia Code § 56-585.1 A 6 permits APCo to "petition the Commission for approval of a rate adjustment clause" to recover the costs of a specific generation facility. If the Company does not establish that construction of the proposed facility is reasonable or prudent, the Commission must deny the request. The instant case is not a vehicle for general, comprehensive resource planning; that is, the statute under which APCo filed its Application is not a general integrated resource planning tool for addressing the Company's comprehensive short- and long-term generation needs. Indeed, the Commission notes that in 2008 the Virginia General Assembly added Chapter 24 to Title 56 of the Code of Virginia, which expressly requires utilities to file, and the Commission to analyze and review, integrated resource plans.[15] Thus, cases under this new statute – in contrast to Va. Code § 56-585.1 A 6 – will serve as the means for addressing APCo's general, comprehensive integrated resource planning.

Southwest Virginia Coal Plant (Case No. PUE-2007-00066)

Contrary to APCo's contentions, our orders in the Southwest Virginia coal plant case (Case No. PUE-2007-00066) and in this proceeding are not inconsistent with respect to the treatment of carbon capture and sequestration issues.[16] In both instances, the Commission focused on the application before it, that being the construction of a coal-fired base load generator. In neither case did we find that the claimed potential for carbon capture and sequestration would support the construction of an otherwise imprudent or unreasonable plant.

The Commission does not dispute that it is important for an applicant to consider the implications of potential carbon limitation requirements when considering the construction of a new generation facility. Indeed, the General Assembly enacted legislation providing an enhanced rate of return associated with the construction of a facility that is "carbon capture compatible, clean-coal powered."[17] However, the Code of Virginia does not require the Commission to approve a rate increase associated with an otherwise imprudent or unreasonable plant merely because it is or may be carbon capture compatible.

Here, the Commission found that the Company's proposed coal generation plant, absent carbon capture and sequestration analysis, did not pass the reasonable or prudent test for the reasons set forth in the Final Order.[18] We will not detail here the manifold differences of material facts in the evidentiary records of the instant case and of Case No. PUE-2007-00066. We also observe that, in the Southwest Virginia coal plant case, the General Assembly made a policy decision that the construction of such "a coal-fueled generation facility that utilizes Virginia coal and is located in the coalfield region of the Commonwealth . . . is in the public interest."[19] In sum, Case No. PUE-2007-00066 was materially different from the case at bar, which APCo ignores in making its allegation of discriminatory treatment in its Petition.

The Company mistakenly suggests that the Commission denied its Application solely because of cost uncertainties related to future carbon capture and sequestration.[20] To the contrary, the Application did not ask the Commission to approve, in this proceeding, any specific costs associated with *potentially* installing carbon capture and sequestration facilities at some point in the future. Rather, the Commission was required to determine, based on the record developed in this case, whether it is reasonable or prudent for APCo to construct the proposed IGCC Plant *absent* carbon capture and sequestration, and the Commission found that it is not:

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[12] Petition at 5.

[13] *See, e.g.,* The Office of the Attorney General's Division of Consumer Counsel's March 19, 2008 post-hearing brief at 3, 5-6 ("[T]he record in this proceeding establishes that the capacity need by 2012 is questionable at best. . . . [T]he evidence does not support APCo's argument that it has a critical need for baseload capacity. . . . This evidence does not support the contention that AEP-East will have an underlying critical baseload need in 2012."); Old Dominion Committee For Fair Utility Rates' March 19, 2008 post-hearing brief at 5 ("APCo failed to carry its burden to show that new base load coal plant capacity would be needed by 2012, the commercial operation of the IGCC plant."); and Commission Staff's March 19, 2008 post-hearing brief at 6 ("The record does not support the Company's assertion that *base load* generation is required by 2012.") (emphasis in original).

[14] *See* Petition at 5.

[15] *See* Chapter 479 of the 2008 Virginia Acts of Assembly, to be codified as Va. Code §§ 56-597, 56-598, and 56-599.

[16] *See* Petition at 6-7.

[17] *See* Va. Code § 56-585.1 A 6.

[18] *See, e.g.,* Final Order at 4-16.

[19] Va. Code § 56-585.1 A 6.

[20] *See* Petition at 7.

> The Commission has the statutory obligation to determine reasonableness or prudence, and the Company has not established, based on the record developed in this case, that construction of its proposed IGCC Plant is reasonable or prudent. . . . Importantly, the Company also has not, at this time, provided a credible cost estimate for the proposed plant *absent* carbon capture and sequestration.[21]

The Company, however, argued that the *potential* for future carbon capture and sequestration supports a finding that it is reasonable or prudent, now, to construct the proposed IGCC Plant absent capture and sequestration. Indeed, the Final Order explained this as follows:

> The asserted value of APCo's proposed IGCC Plant – to overcome the high and unknown capital costs, unproven track record, and general uncertainty involving an IGCC generation project of this size – is its potential cost effectiveness in capturing and sequestering CO_2. Specifically, APCo stated that '[w]hat clearly sets IGCC technology apart from others is its *potential* to separate and sequester CO_2 emissions from the process at a significantly lower cost than conventional technologies . . . [and it] is anticipated that environmental regulations will require the removal of CO_2 at some point in the future.' Indeed, APCo witness Chodak succinctly explained why the Company is proposing this plant at this time: 'This is about CO_2. This is about us recognizing that the forecast is for rain and so we are going to bring an umbrella. That is what this is about.'[22]

As a result, the Final Order explicitly addressed APCo's assertions in this regard. Though not unmindful of the continuing developments in carbon capture and sequestration, the Commission must apply Virginia law and make findings limited to the case before us. Accordingly, the Commission found that, based on the record developed herein, the possibility of future carbon capture and sequestration did nothing to move this Application from its otherwise unreasonable and imprudent position:

> The Company asserted that the value of this project is directly related to: (1) potential future legal requirements for carbon capture and sequestration; and (2) the proposed IGCC Plant's potential ability to comply cost effectively with any such requirements. Both of these factors, however, are unknown at this time *and do not overcome the other infirmities in the Application*. The legal necessity of, and the capability of, cost-effective carbon capture and sequestration in this particular IGCC Plant, at this time, has not been sufficiently established to render APCo's Application reasonable or prudent under the Virginia statute we must follow.[23]

Indeed, the Final Order explained that – *according to APCo* – (1) there are no federal or state carbon capture and sequestration regulations that need to be complied with at this time for its generation plants located in West Virginia, and (2) APCo is speculating on the requirements of any future regulations.[24] Moreover, the Company acknowledged that, depending on the exact form of potential future regulations and the cost-effective alternatives stemming therefrom, it may not need to install *any* carbon capture and sequestration equipment on the proposed IGCC Plant.[25] As a result, the Commission concluded as follows:

> [T]he unknown nature of potential future regulations driving APCo's Application herein makes it impossible to determine, at this time, the specific carbon capture and sequestration retrofit that may be needed in the future – or, moreover, whether it will *ever* be cost efficient to retrofit the proposed IGCC Plant for carbon capture and sequestration.[26]

In short, the Company asserted that the *potential* for future carbon capture and sequestration supported approval of this proposed IGCC Plant, at this time, without such capture and sequestration based on the facts presented in this case. For the reasons stated in the Final Order, the Commission found that the "legal necessity of, and the capability of, cost-effective carbon capture and sequestration in this particular IGCC Plant, at this time, has not been sufficiently established to render APCo's Application reasonable or prudent under the Virginia statute we must follow."[27]

Cost Estimate

The Petition asserts that the Commission, in finding that APCo's cost estimate for the proposed IGCC Plant is not credible, did not give sufficient weight to the Company's proffered evidence.[28] The Final Order, however, clearly discusses the evidentiary basis supporting the Commission's findings.

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[21] Final Order at 10, 16-17 (emphasis in original).

[22] *Id*. at 13 (emphasis added) (citations omitted).

[23] *Id*. at 16 (emphasis added).

[24] *See id.* at 13-14. Though not part of our decision in this case, we note that subsequent to the Final Order American Electric Power's Chairman and Chief Executive Officer, Michael G. Morris, was quoted as stating that generators have to convince state utility regulators to pay extra for the next generation of coal plants, and that "[y]es, it's more expensive than pulverized coal, *but this country has spoken on global warming and we have to comply with the laws*." Bernard Woodall, *INTERVIEW – AEP CEO says will wait to build US nuclear plant*, Reuters, Apr. 29, 2008 (emphasis added). As discussed herein and in the Final Order, however, APCo acknowledged in this proceeding that there currently are *no such laws* with which it must comply for purposes of its proposed IGCC Plant.

[25] *See* Final Order at 14.

[26] *Id.* at 14 (emphasis in original) (footnote omitted).

[27] *Id.* at 16.

[28] Petition at 8-9.

The Petition further states that:

> Estimating costs of plants based on older, more familiar, technologies are more certain, and fixed price contracts might be obtained for such plants. The circumstances are different in this case because there are relatively few IGCC plants. Therefore, requiring a fixed price contract as a prerequisite for approving the IGCC plant cost estimate creates a virtually insurmountable obstacle.[29]

This Commission did not state in our Final Order that *only* a fixed price contract would meet the statutory requirement of a finding of reasonableness or prudence under Va. Code § 56-585.1 D. While a fixed price contract could be evidence supporting a finding of reasonableness or prudence, it is not a mandatory requirement. The cost estimate contained in APCo's Application, for the various reasons stated in detail in our Final Order, was not credible, and not only because APCo lacked a fixed price contract.

Further, as APCo acknowledges in its quote above, "there are relatively few IGCC plants." Yet, while acknowledging this much, APCo does not acknowledge in its Petition the fact that there are *no* IGCC electricity generating plants with proven track records in commercial service of the size that APCo proposes. In contrast, the Final Order explicitly addresses this matter and explains, for example, as follows:

> The record in this case indicates that there is no proven track record for the development and implementation of large-scale IGCC generation plants like the one proposed by APCo. Evidence in this case also raises concerns whether large-scale IGCC generation plants are characterized by, among other things, (1) complexities attendant to a technology for which there is no proven track record for power plants of this size, (2) high initial capital costs compared to other coal-fired units, and (3) uncertainty surrounding performance and operating costs. Indeed, the costs and uncertainty surrounding the development and implementation of this technology, on this scale, for this purpose, appears to be a significant factor in APCo's failure to obtain any reasonable firm pricing, construction, or performance guarantees at this time.[30]

In sum, APCo's Application asked this Commission to give it a blank check to be paid by the ratepayers of Virginia in APCo's service territory, for a power plant of unproven development and implementation at the size and for the purpose proposed by APCo.[31] As explained in the Final Order, however, this we will not do. This Commission has the statutory obligation to determine reasonableness or prudence, and the Company did not meet its burden based on the record in this proceeding. Thus, "[w]e 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."[32]

West Virginia Public Service Commission

Finally, the Petition states that the Commission should reconsider its denial of the Application, because:

> The Final Order ignores completely, and could have the effect of nullifying, the March 6, 2008 approval of this IGCC plant by the Public Service Commission of West Virginia and that Commission's recognition of the need for the plant, the viability of IGCC technology, the need for an updated cost estimate and, importantly, the need for accommodation of regulatory requirements by that Commission and this Commission.[33]

We need not further address the deficiencies attendant to the Company's cost estimates in the context of the requests in the Application before us.

Moreover, this Commission's legal and ethical duty under the Constitution and statutes of Virginia is to apply the Constitution and statutes of Virginia. While we have the utmost respect for the actions of other state commissions, in particular our neighbors in West Virginia, and cooperate to the fullest extent at every opportunity with our neighbors, our statutory duty is to apply Virginia law. The actions of another state commission do not override Virginia law nor nullify our duty to apply Virginia law. APCo knows – or should know – this basic truism.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) APCo's Petition for Reconsideration and/or Rehearing is denied.

(2) This case is dismissed.

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[29] *Id.* at 8.

[30] Final Order at 12-13 (citations and footnotes omitted).

[31] *See, e.g., id.* at 10-12.

[32] *Id.* at 17.

[33] Petition at 2.

CASE NO. PUE-2007-00072
APRIL 17, 2008

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval of an amendment to a corporate services agreement under Chapter 4 of Title 56 of the Code of Virginia

DISMISSAL ORDER

By Order dated October 9, 2007, the State Corporation Commission ("Commission") granted Columbia Gas of Virginia, Inc. ("CGV"), approval to amend its corporate services agreement ("Services Agreement") with NiSource Corporate Services Company ("NCSC") pursuant to Chapter 4 of Title 56 of the Code of Virginia. Subject to the requirements imposed by the Order Granting Approval, the amendment to the Services Agreement will allow NCSC to conduct for CGV several new off-system gas supply management ("GSM") activities that extend beyond CGV's traditional GSM functions. At the time the Order Granting Approval was entered, the Commission was investigating in a separate proceeding, Case No. PUE-2007-00064, the proper method for sharing between CGV and its customers the margins and revenues derived from the GSM activities. Therefore, the Commission continued this matter pending further order of the Commission in that case. The Final Order in Case No. PUE-2007-00064 was issued on December 21, 2007, and that case is now closed.[1]

NOW THE COMMISSION, having considered this matter and having been advised by its Staff, is of the opinion and finds that there is nothing further to be done in this proceeding, and that this case should be dismissed.

Accordingly, IT IS ORDERED THAT there appearing nothing further to be done in this matter, it hereby is dismissed.

[1] *Application of Columbia Gas of Virginia, Inc., For approval to revise its tariff to allow the implementation of an Off-System Sales and Capacity Release Incentive Mechanism*, Case No. PUE-2007-00064, (Final Order, December 21, 2007), Doc. Con. No. 391234.

CASE NO. PUE-2007-00076
MARCH 5, 2008

APPLICATION OF
DALE SERVICE CORPORATION

For an expedited increase in rates

ORDER

On August 31, 2007, Dale Service Corporation ("Dale Service" or "Company") filed an application, supporting testimony, and exhibits with the State Corporation Commission ("Commission") for an expedited increase in rates. The Company filed financial and operating data for the twelve months ending December 31, 2006, in support of its proposed increase in annual revenues of $1,615,113, which represents an increase of 19.2 percent over its approved revenues.[1] The Company requested this increase to cover increased operating expenses,[2] to compensate for a decline in connection fee revenues due to a slowdown in building activity, and to cover the bond issuance in 2006 for new construction in order to comply with enhanced environmental requirements. The Company's total revenue requirement was based on a debt service coverage ("DSC") ratio of 1.20 times, which was last approved by the Commission in setting the Company's current rates.[3]

Dale Service is a privately owned, Class A, sewer-only utility operating in Dale City, Virginia. As of October 1, 2007, the Company served 23,281 taps composed of residential and commercial rate classes. The Company collects revenues from its customers quarterly on a fixed-charge non-volumetric basis. The current rates were set to reflect an expected 300 new service connections annually at $1,800 per connection. Thus, the Company's current rates were set to assume a normalized level of $540,000 in service connection revenues. The Company's current application projects only 180 new service connections annually. Dale Service filed proposed rates designed to recover the additional operating revenues requested in its application. Under the Company's proposed tariff changes, the rates of residential customers would increase from $84.53 to $101.00 per quarter, and the rates of commercial customers would increase from $106.12 to $128.85 per quarter.

On September 21, 2007, the Commission entered its Order for Notice and Hearing ("September 21, 2007 Order"). The September 21, 2007 Order suspended the Company's proposed expedited increase in rates and charges for a period of 150 days or until further order of the Commission. The September 21, 2007 Order also appointed a hearing examiner ("Examiner" or "Hearing Examiner") to conduct all further proceedings on behalf of the Commission; scheduled a public hearing on the application for February 4, 2008; established a procedural schedule for the filing of testimony and exhibits by the Company, Staff, and respondents; and provided for the filing of written comments by public witnesses.

On September 26, 2007, the Commission issued an Order Implementing Rates on an Interim Basis and Subject to Refund ("September 26, 2007 Order"). Pursuant to the September 26, 2007 Order, the Company's proposed rates were placed into effect for service rendered on and after October 1, 2007.

[1] The Company represented that the increase requested represents an increase in per book total operating revenue of 19.2% and an increase in per book base revenue of 21.0%.

[2] The increased operating expenses include increases in cost for chemicals, insurance, salaries, utilities, and rent.

[3] The Company's present rates were approved by Final Order dated March 19, 2007. *Application of Dale Service Corporation, For a general increase in rates*, Case No. PUE-2006-00070.

On December 7, 2007, the Hearing Examiner issued a Ruling changing the location of the public hearing from the Commission's Courtroom in Richmond, Virginia, to the Board of Supervisors Chambers in Prince William County. The change in hearing location was in response to two requests from local government officials to hold the hearing in Prince William County to accommodate the Company's customers. The remainder of the procedural schedule established in the September 21, 2007 Order remained unchanged.

The public hearing was convened as scheduled. Eight public witnesses appeared at the hearing and testified in opposition to the application.[4] The Company presented testimony by its witness, Norris Sisson ("Sisson"), which was followed by Staff's presentation of testimony from three witnesses, Scott C. Armstrong, John R. Ballsrud, and Marc A. Tufaro (collectively, "Staff").

At the hearing, a written stipulation was entered into evidence, which stipulated to the reasonableness of Staff's adjustments to the Company's operating expenses and the revenue proposed by the Staff. Staff recommended an increase in gross annual revenues of $1,587,754, which is $27,359 less than the $1,615,113 revenue increase requested. The Stipulation further provided that the Company: (i) write off the remaining balance of deferred rate case expenses in Account 163.03; (ii) meet the Commission's Annual Informational Filing ("AIF") requirements for 2008 and beyond; (iii) if its AIF results in a DSC ratio that exceeds 1.20 the Company specifically agreed to decrease its rates as of its next quarterly billing cycle to produce a DSC ratio of 1.20; and (iv) submit tariffs in conformance with the Stipulation.

On February 22, 2008, the Office of Hearing Examiner issued the Report of Michael D. Thomas, Hearing Examiner. Therein, Examiner Thomas provided a detailed history of the case, summarized the record, discussed the primary issues, and made certain findings and recommendations. The case participants waived comments to the Report.

The Hearing Examiner compared the rates determined by the Stipulation as follows for the Company's quarterly residential and commercial rates:

Quarterly Rate	Current Rates	Company Proposed	Percent Increase	Stipulated Rates	Percent Increase
Residential	$84.53	$101.00	19.5%	$101.26	19.7%
Commercial	$106.12	$127.85	21.4%	$127.14	19.7%

The Hearing Examiner found that the stipulated rates are reasonable for the Company's "average" residential or commercial customer. On a monthly basis, the residential rate is $33.79, and the commercial rate is $42.38 for unlimited sewerage service. The Hearing Examiner concluded, however, that the Company's flat rate billing structure continues to work an inequity on those customers with smaller households whose usage is less than the average. The Hearing Examiner noted that those customers should pay less, while those customers with larger households whose usage is greater than the average should pay more. The Hearing Examiner noted that the issue of volumetric rates will be addressed in a separately docketed application and that there is no need to address further the issue in this case. The Hearing Examiner made the following findings:

(1) The stipulated rates are reasonable;

(2) The Stipulation represents a reasonable compromise of the interests of the Company and its customers; and

(3) The Stipulation reasonably addresses other substantive issues affecting the Company's rates.

Hearing Examiner Thomas recommended that the Commission enter an Order that adopts the findings and recommendations of his Report; adopts the Stipulation, which is attached hereto as Attachment "A"; approves the Company's rates as provided by the Stipulation; and dismisses this case from the Commission's docket of active cases and passes the papers therein to the file for ended causes.

NOW THE COMMISSION, having considered the record herein, the Report of the Hearing Examiner, and the applicable law, is of the opinion that the findings and recommendations of the Hearing Examiner's Report are reasonable and that the Stipulation should be adopted. Accordingly, we will approve the recommended revenue requirement, rates, and recommendations of the Hearing Examiner. The Company should file an amended tariff in conformance with the Stipulation.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the February 22, 2008 Hearing Examiner's Report are hereby adopted, and the terms and conditions of the Stipulation are incorporated herein by attachment hereto.

(2) Dale Service shall be granted an increase in gross annual revenues of $1,587,754. Based on test year operations, the rate revisions will produce a debt service coverage ratio of 1.20.

(3) Consistent with the findings herein, the Company shall forthwith file revised tariffs with the Division of Energy Regulation that will produce the amount of annual operating revenues stipulated and authorized herein.

(4) The Company shall refund, with interest, the difference between the interim rates that became effective for service rendered on or after October 1, 2007, and those rates we adopt herein. These refunds, along with interest at the Commission-determined rate, shall be initiated as credits to customers' bills commencing within ninety (90) days from the date of this Order.

[4] Opposition by most of the public witnesses to the requested rate increase was based upon their fixed income and, as most were individual householders, they objected to having to pay the same for sewer service as a large household. Most believed their sewer rates are higher than surrounding municipal systems. The public witnesses urged the Commission to require the Company to adopt a volumetric rate structure. The Commission will consider setting the Company's volumetric rate structure in the pending Case No. PUE-2007-00105. (*See Application of Dale Service Corporation, For Volumetric Rate Design Approval*, Order for Notice and Comment and Request for Hearing, issued December 17, 2007).

(5) Interest upon the ordered refunds shall be computed from the date payments of quarterly bills were due to the date each refund is made at the average prime rate for each calendar quarter, compounded quarterly. The average prime rate of each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's selected Interest Rates (Statistical Release H. 15) for the three months of the preceding calendar quarter.

(6) Refunds ordered pursuant to Ordering Paragraph (4) shall be credited to the bills of current customers. Refunds to former customers shall be made by check mailed to the last known address of such customers when the refund amount is one dollar ($1.00) or more. Dale Service may offset the credit or refund to the extent of any undisputed portion of an outstanding balance. Dale Service may retain refunds issued to former customers for which the refund is less than one dollar ($1.00). Dale Service shall maintain a record of former customers for which the refund is less than one dollar ($1.00), and such refunds shall be made promptly upon request of the customer. All unclaimed refunds shall be subject to §§ 55-210.6:2 of the Code of Virginia.

(7) This case is hereby 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.

CASE NO. PUE-2007-00077
APRIL 18, 2008

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY

For approval of a certificate of public convenience and necessity to provide natural gas service pursuant to Va. Code § 56-265.3

FINAL ORDER

On August 14, 2007, Appalachian Natural Gas Distribution Company ("Appalachian Distribution" or "Applicant") completed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide natural gas service to customers in Wise County, Virginia, pursuant to § 56-265.3 of the Code of Virginia.

Appalachian Distribution is a natural gas distribution company currently distributing and selling natural gas to residential, commercial and industrial customers in Russell, Buchanan, Dickenson and Tazewell Counties, Virginia, pursuant to Certificates issued by the Commission beginning in 1993 (certain of the Certificates being issued to Virginia Gas Distribution Company, as Appalachian Distribution was formerly known). By contract dated February 16, 2007, Appalachian Distribution and its corporate parent, ANGD LLC, entered into agreements to purchase the Bluefield Division of Roanoke Gas Company and Bluefield Gas Company, after which Appalachian Distribution will serve approximately 1,500 customers in Tazewell, Russell, Buchanan and Dickenson Counties, Virginia, and approximately 4,000 customers in Mercer County, West Virginia.

In its application, Appalachian Distribution requests approval to expand its service territory to include existing and new residential and business customers in Wise County, which is currently not certificated for natural gas service.

On November 14, 2007, the Commission issued an Order for Notice and Comment ("Notice Order") that docketed the Application as Case No. PUE-2007-00077 and established a procedural schedule in which the Applicant was required to provide public notice by November 28, 2007, and proof of notice by December 21, 2007, the public was invited to provide written comments and/or request a hearing by December 14, 2007, the Commission Staff was instructed to review the Application and file a Staff Report summarizing its investigation January 4, 2008 and the Applicant was allowed to respond to Staff's Report and any public comments or requests for hearing by January 14, 2008.

No party filed written comments responding to the Petitioner's request, and no requests for hearing were received by the Commission. The Staff filed its Report on January 4, 2008, in which the Staff recommended that the Commission approve Appalachian's application for a certificate of public convenience and necessity, subject to a 5-year sunset provision if service has not commenced in Wise County. To date, the Applicant has not filed a response to the Staff Report.

NOW THE COMMISSION, in consideration of the foregoing, and having considered the application, the Staff Report, and all applicable law, is of the opinion and finds as follows:

Pursuant to § 56-265.3 of the Code, we find that the Applicant is fit, willing, and able to provide natural gas service in Wise County, and appears to have the ability to construct the facilities and obtain a supply of natural gas sufficient for providing service in this County. The Commission further finds that the application is not otherwise contrary to the public interest. We will, therefore, issue the requested certificate to Appalachian Distribution and will direct the Company to begin the provision of natural gas service to the certificated areas within five (5) years of the date of this Order Granting Certificate.

Accordingly, IT IS ORDERED THAT:

(1) Certificate of Public Convenience and Necessity No. 169a shall be issued to Appalachian Distribution, authorizing it to furnish natural gas service, subject to the conditions specified in this certificate, to all of Wise County, Virginia. If gas service to the area designated in this certificate is not provided within five years of the date of this order, the authority granted herein to furnish natural gas service shall be terminated and this certificate voided.

(2) Appalachian Distribution shall file maps of the service territories certificated herein with the Commission's Division of Energy Regulation within sixty (60) days of the date of this Order.

(3) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active cases.

CASE NO. PUE-2007-00084
MAY 21, 2008

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For a certificate of public convenience and necessity to construct compressor stations in Caroline and Charles City Counties, Virginia

FINAL ORDER

On September 11, 2007, Virginia Natural Gas, Inc. ("VNG" or the "Company"), filed an application with the State Corporation Commission ("Commission"), pursuant to the Virginia Utility Facilities Act (§ 56-265.1 et seq.), Chapter 10.1 of Title 56 of the Code of Virginia, for a certificate of public convenience and necessity authorizing the Company to construct a 12,125 horsepower compressor and related facilities on the Company's joint use pipeline ("JUP")[1] in Caroline County, Virginia, and an 8,120 horsepower compressor and related facilities on the Company's lateral pipeline ("VNG Lateral")[2] in Charles County, Virginia (collectively "New Compressor Stations"). According to VNG's application, the New Compressor Stations are necessary to meet the needs of the Company's customers, particularly those in the Company's South Hampton Roads service territory, as well as to provide additional capacity to Columbia Gas of Virginia, Inc. ("CGV") and Virginia Electric and Power Company ("Virginia Power").[3]

On October 25, 2007, the Commission entered an Order for Notice and Comment that docketed VNG's application; ordered the Company to provide public notice of its application; directed the Company to file testimony and exhibits in support of its application; and established dates for the filing of comments, requests for hearing, notices of participation, and a Staff Report.

On November 2, 2007, VNG filed a Motion for Leave to File Amendment to Application ("Motion") requesting authority to include an additional, alternate site for the Company's proposed compressor station in Charles City County and to change the horsepower rating for the proposed compressor in Caroline County from 12,125 horsepower to 11,740 horsepower. On November 6, 2007, the Commission entered an Amended Order for Notice and Comment granting the Company's Motion and amending the public notice provisions of the October 25, 2007 Order for Notice and Comment to reflect the proposed amendments to VNG's application. The procedural schedule established by the Commission's October 25, 2007 Order for Notice and Comment was retained in order to expedite the Commission's consideration of the application.

On February 20, 2008, VNG filed a second Motion for Leave to File Amendment to Application ("February 20, 2008 Motion"). In its February 20, 2008 Motion, VNG advised that during the course of negotiating a final location for the site of its Charles City County compressor station, the landowner of the preferred site indicated that VNG would need to move its proposed compressor station site eastward approximately 1,260 feet to another location on the property in order to accommodate the landowner's development plans.

On March 21, 2008, the Commission entered a Further Order for Notice and Comment granting the Company's February 20, 2008 Motion. The March 21, 2008 Order required VNG to provide additional public notice of the new proposed site for its compressor station in Charles City County; directed the Company to file testimony and exhibits in support of the new site; allowed interested persons to file comments, notices of participation, and requests for hearing on VNG's application; and directed the Staff to investigate the Company's new site location and to file a report containing its findings and recommendations.

VNG filed proof of notice and service as required by the Commission's Order for Notice and Comment, Amended Order for Notice and Comment, and Further Order for Notice and Comment.

No comments or requests for hearing were filed in response to the Commission's Orders in this proceeding.

VNG filed the direct and supplemental testimony of Ann R. Chamberlain and Les Flora in support of its application, as amended. The Commission's Division of Energy Regulation and Division of Utility and Railroad Safety investigated VNG's application and filed a Report and Supplemental Report containing their findings and recommendations. The Virginia Department of Environmental Quality ("DEQ"), at the request of Staff, filed its wetland impacts consultation in accordance with § 62.1-44.15:21 D 2 of the Code of Virginia ("Code") and Paragraph 3 of the Department of Environmental Quality-State Corporation Commission Memorandum of Agreement Regarding Wetland Impacts Consultation (July 2003). Since no requests for hearing were filed in this proceeding, we will consider VNG's application based on VNG's direct and supplemental testimony, the Staff Reports, and the comments submitted by the DEQ.

According to VNG's application and supporting testimony, the New Compressor Stations are necessary to meet the needs of the Company's customers, particularly those in the Company's South Hampton Roads service territory, as well as to provide additional capacity to CGV and Virginia Power. The direct testimony of Ann Chamberlain, VNG's Manager of Gas Supply, indicates that the Company's service area has experienced robust economic and population growth over the past several decades, primarily in the residential sector, with the Company's growth rate averaging slightly less than 3% annually over the last 10 years. Based on VNG's current demand forecasts, the Company anticipates its design day growth will increase at an annual rate of approximately 1.5% from 2008 through 2013, representing approximately a 10% increase in the Company's customer base between 2008 and 2013.

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[1] The JUP extends approximately 80 miles from a point in eastern Fauquier County to a point in Hanover County.

[2] The VNG lateral is approximately 76 miles in length, running southeast from Hanover County to a point in Newport News where it connects with VNG's distribution system at the Company's Northern Gate 4 city gate station.

[3] Application at 1.

A critical component of VNG's strategic plan to meet customer growth is the Company's Hampton Roads Pipeline Crossing ("HRX"), which was part of the Company's performance based regulatory plan approved by the Commission in Case No. PUE-2005-00057.[4] As described in Ms. Chamberlain's direct testimony, the HRX project will include the construction of approximately 21 miles of new pipeline that will originate in the Hampton/Newport News area, travel under the Hampton Roads harbor, and terminate in Norfolk. The Company's access to additional gas supplies from Dominion Transportation Inc.'s ("DTI") USA Project beginning in 2009, the completion of the HRX project, and construction of the New Compressor Stations will allow the Company to increase the transport capacity of its JUP up to 207,500 dekatherms ("Dth") per day and the transport capacity of its VNG Lateral and new HRX pipeline up to 125,000 Dth per day. According to VNG's application and supporting testimony, the New Compressor Stations are an integral part of VNG's strategic plan because they will increase the operating pressure on VNG's system, allow VNG to transport more gas through its JUP and VNG Lateral, and transport gas through the HRX into Southeastern Hampton Roads when the new pipeline is completed and placed in service. According to the Company, the HRX and New Compressor Stations will also aid in integrating VNG's northern and southern regions, which will benefit customers by allowing VNG access to several additional natural gas suppliers at lower prices for its consumers. According to Ms. Chamberlain, "[t]he availability of additional supply to both areas of VNG's system will help ensure all customers are getting the most favorable price advantage of existing gas supplies from a wide variety of sources."[5] Another benefit of integrating the Company's northern and southern regions is an increase in VNG's system reliability.

Ms. Chamberlain's testimony indicates that VNG will need approximately 100,000 Dth per day of additional capacity to meet its anticipated growth in demand and serve its customers in the northern and southern regions of its distribution system. In addition, her testimony indicates that CGV and Virginia Power have subscribed to obtain additional capacity from VNG's system.

CGV has subscribed to 65,000 Dth of additional capacity per day on the HRX, with 40,000 Dth of additional capacity per day off the JUP and 25,000 Dth of additional capacity per day in Portsmouth. Virginia Power has subscribed to 42,500 Dth per day for use at its Ladysmith or Henrico County generating facilities off the JUP. Both CGV and Virginia Power have also executed precedent agreements to secure this additional capacity, and have agreed to new service agreements, rate schedules, and general terms and conditions of service that will govern the additional capacity provided to CGV and Virginia Power. These new service agreements, rate schedules, and general terms and conditions of service are not subject to review and approval in this proceeding, but will be filed with the Commission at a later date.

Finally, Ms. Chamberlain updated the cost of the New Compressor Stations in her supplemental direct testimony. VNG's current estimated cost of the New Compressor Stations, based on a firm contract for the New Compressor Stations and land, is $36.2 million, plus an estimated additional $2.2 million in allowance for funds used during construction ("AFUDC") costs. Ms. Chamberlain explained in her supplemental direct testimony that the total costs of the project will increase the average VNG residential customer's bill by approximately 1.4% on an annual basis.

Les Flora, VNG's Senior Project Manager, filed direct and supplemental direct testimony describing the New Compressor Stations, addressing the estimated total costs of the project, explaining the Company's strategy for acquiring real property for the compressor station site in Charles City County, and describing the technical and environmental aspects of the project. According to Mr. Flora's testimony, the efficient and effective movement of natural gas from producing regions to VNG's customers, including CGV and Virginia Power, requires a high level of pressure, at periodic intervals, along the Company's pipeline system. His testimony further indicates that the need for the New Compression Stations and additional compression on the JUP and VNG Lateral is driven by customer growth, the Company's planned construction of the HRX, Virginia Power's and CGV's need for additional capacity on the JUP and VNG Lateral, and the Company's decision to upsize the diameter of the HRX pipeline from 16 to 24 inches in response to a request for additional capacity from CGV. During the planning phase of the HRX, CGV indicated a need for an additional 25,000 Dth per day of capacity on the HRX. As a result, the HRX pipeline was increased from 16 to 24 inches in diameter to accommodate the transport of 125,000 Dth per day on the HRX to meet the Company's need to transport 100,000 Dth per day and CGV's need to transport 25,000 Dth per day. The New Compressor Stations will ensure adequate operating pressure is maintained on VNG's system to meet the current and future demands of VNG's customers in both the northern and southern region of VNG's system, and provide additional capacity to CGV and Virginia Power.

The Staff's December 17, 2007 Report agreed with Mr. Flora's statement in his testimony that the New "Compressor Stations are essential to the 'efficient and effective' transportation of natural gas."[6] The Staff also agreed that the "New Compressor Stations will be necessary" given "the pending construction of the HRX and the growing demands of the VNG and CGV distribution systems and of Dominion Virginia Power. . . ."[7] Accordingly, the Staff's December 17, 2007 Report and April 22, 2008 Supplemental Report did not oppose VNG's application for a certificate to construct the New Compressor Stations, provided the following conditions are imposed on VNG:

> 1. The Company complies with the Commission's pipeline safety regulations by filing with the Commission's Division of Utility and Railroad Safety its plans, specifications, construction, and testing procedures for the compressors and related facilities prior to the commencement of construction.
>
> 2. VNG files operation and maintenance procedures for the compressors and related facilities with the Commission's Division of Utility and Railroad Safety before the facilities are placed in service.
>
> 3. VNG complies with the DEQ's recommendations when constructing the New Compressor Stations.[8]

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[4] *Application of Virginia Natural Gas, Inc., For approval of a performance based rate regulation methodology pursuant to Virginia Code § 56-235.6*, Case No. PUE-2006-00057, 2006 S.C.C. Ann. Rept. 341 (Order, July 24, 2006); *Id.*, 2006 S.C.C. Ann. Rept 350 (Order Closing Cases, Aug. 10, 2006) ("VNG PBR Plan").

[5] Chamberlain Direct Testimony at 4-5.

[6] Staff December 17, 2007 Report at 4.

[7] *Id.*

[8] The Staff's December 17, 2007 Report also noted that VNG had not yet identified a specific site for the Charles City County compressor station when the Staff filed its Report. Accordingly, the Staff recommended that VNG be required to identify a specific site for its Charles City County compressor station before the Commission granted VNG's application. However, this recommendation is now moot since VNG has identified a specific site for the Charles

In concluding its Report, the Staff emphasized that its review of the application "deals with the certificate being requested and does not address any additional approvals that may be necessary to issue securities to finance the [New] Compressor Stations."[9] The Staff further stated that an additional application will be necessary to secure Commission approval of any rate schedules that may be related to the New Compressor Stations once they are placed in service.

The DEQ filed letters with the Commission on December 21, 2007, and May 1, 2008, addressing the wetland impacts of the proposed sites for the New Compressor Stations in Caroline and Charles City Counties. The DEQ supported VNG's proposed site in Caroline County and the final site selected by VNG in Charles City County for the New Compressor Stations. However, the DEQ further stated that should unmapped wetlands be observed in the field by VNG prior to construction of the New Compressor Stations, additional wetland surveys may be necessary and that VNG may need to acquire a Virginia Water Protection Permit.

VNG filed a letter response to the Staff Reports and DEQ comments on May 1, 2008.
In its response, VNG stated that VNG "finds the conditions recommended in the Staff Report and Supplemental Staff Report acceptable and would agree to comply with those conditions as stated therein."[10]

NOW THE COMMISSION, having considered the Company's application and supporting testimony, the Staff Report and Supplemental Report, and the comments of the DEQ, is of the opinion and finds that the application should be granted subject to the conditions recommended by the Commission Staff. In our opinion, the public convenience and necessity require the construction of the Company's proposed New Compressor Stations in order to allow VNG to transport more natural gas through its JUP, VNG Lateral, and the HRX when it is placed in service in order to respond to the growth in demand placed on the Company's system by its own customers and to meet the needs of CGV and Virginia Power for additional capacity. The New Compressor Stations will also present the opportunity for the efficient and effective movement of natural gas through the HRX to the Company's southern region, thereby providing VNG with access to a more diverse array of natural gas suppliers and thereby offering the potential for lower gas costs for VNG's customers. The New Compressor Stations, in conjunction with the completion of the HRX, will also increase the reliability of the Company's system, particularly in the Company's southern region. Providing the Company's southern region with additional sources of supply through the HRX, as enhanced by the construction of the New Compressor Stations, should also serve to minimize service interruptions or curtailments that would occur if the Columbia Gas Transmission Gas pipeline is out of service.

We will, however, grant the application subject to the three conditions recommended by our Staff. Since the construction, operation, and maintenance of the New Compressor Stations and related facilities are subject to the Commission's pipeline safety regulations, we will direct the Company to furnish the Division of Utility and Railroad Safety with the Company's plans, specifications, construction, and testing procedures for the New Compressor Stations and related facilities prior to the commencement of construction. In addition, the Company will be directed to file operation and maintenance procedures for these new facilities with the Division of Utility and Railroad Safety before the New Compressor Stations are placed in service. Finally, should unmapped wetlands be observed in the field by VNG prior to or during construction of the New Compressor Stations, the Company will be directed to coordinate with the DEQ and comply with its directives concerning the furnishing of any additional wetland surveys and, if necessary, obtain a Virginia Water Protection Permit for the New Compressor Stations.

We also emphasize that our decision in this case is limited to the application before us. Accordingly, our approval of the application does not address any additional approvals that may be necessary under Chapters 3 and 4 of Title 56 of the Code relating to the issuances of securities or other instruments that may be necessary to finance the New Compressor Stations. In addition, our approval herein does not address any rate schedules or ratemaking issues that may be related to the New Compressor Stations. An additional application will be necessary to secure Commission approval of any rate schedules related to the New Compressor Stations once they are placed in service.

Accordingly, IT IS ORDERED THAT:

(1) The Company's application, as amended, to construct the New Compressor Stations and related facilities in Caroline and Charles City Counties is granted, subject to the findings above.

(2) Prior to the commencement of the construction of the New Compressor Stations and related facilities, the Company shall furnish to the Commission's Division of Utility and Railroad Safety the Company's plans, specifications, construction, and testing procedures for the compressors and related facilities as required by the Commission's pipeline safety regulations.

(3) Prior to placing the New Compressor Stations in service, the Company shall furnish to the Division of Utility and Railroad Safety the Company's operation and maintenance procedures for the New Compressor Stations.

(4) The Company shall coordinate with the DEQ and comply with its directives concerning the furnishing of any additional wetland surveys and, if necessary, the Company shall obtain a Virginia Water Protection Permit for the New Compressor Stations.

(5) The Company shall furnish appropriate maps to the Division of Energy Regulation that identify the facilities for which certificates are issued herein. Such maps shall, at a minimum, identify the compressor station sites on the land where they are located and identify the compressor station sites in relation to all adjacent landowners.

City County compressor station and the Staff's Supplemental Report states that "Staff is not opposed to the Company's selected site . . . as the location of the proposed Charles City County compressor station." Staff Supplemental Report at 3.

[9] Staff December 17, 2007 Report at 5.

[10] VNG May 1, 2008 Response.

(6) Upon receipt of the maps described in Ordering Paragraph (5) above, Certificate of Public Convenience and Necessity Nos. GT-71 and GT-72 shall be issued to VNG authorizing the construction and operation of the New Compressor Stations in Caroline and Charles City Counties, respectively.

(7) There being nothing further to be done in this matter, this application shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be lodged in the Commission's file for ended causes.

CASE NO. PUE-2007-00086
MAY 22, 2008

APPLICATION OF
ROANOKE GAS COMPANY

For an expedited increase in rates

FINAL ORDER

On September 17, 2007, Roanoke Gas Company ("Roanoke" or the "Company") filed a rate application, supporting testimony, and exhibits with the State Corporation Commission ("Commission") for an expedited increase in rates. Roanoke sought to increase its annual revenues by $695,226, an increase of approximately 0.77%. The Company also requested that it be allowed to place its proposed rates for services and all terms and conditions proposed in its supporting testimony into effect for service rendered on and after November 1, 2007.

By Order dated October 10, 2007, the Commission authorized the Company to place its rates into effect on an interim basis, effective November 1, 2007, subject to refund. The Commission appointed a Hearing Examiner to conduct all further proceedings on behalf of the Commission; established a procedural schedule for the case; and set a hearing date for April 29, 2008, to receive evidence on the Company's application.

The hearing was convened as scheduled on April 29, 2008. Charlotte P. McAfee, Esquire, appeared as counsel for the Company. Don R. Mueller, Esquire, appeared as counsel for the Staff. No public witnesses appeared at the hearing.

The Company and Staff offered an executed Stipulation at the hearing in which they proposed to offer their respective prefiled testimony into the record with waiver of all cross-examination.[1] The Stipulation sets forth the agreement of the Company and Staff that the record supports a fair and reasonable annual increase in revenues of $415,668 based on the capital structure reflected in the Staff's testimony and exhibits. The increase is based on a return on equity of 10.0% and a range of 9.5% to 10.5%. The Stipulation provides that the Company may file its next expedited rate application based on a return on equity of 10.1% as established in Roanoke's last general rate case. The executed Stipulation was received into the record at the hearing. Also, the Company's prefiled testimony of John B. Williamson, III, J. David Anderson, and Dale P. Lee and the prefiled Staff testimony of Tanya R. Klaus, Marc A. Tufaro, and Michael W. Gleason were all received into the record.

Pursuant to the Stipulation, the Company requested that Roanoke be permitted to place the lower stipulated rates into effect since the revenue requirement in the Stipulation is lower than the revenue requirement that rates placed in effect on November 1, 2007, were designed to recover and such action would decrease the Company's ultimate refund liability. Pursuant to the Hearing Examiner's ruling in open hearing on April 29, 2008, Roanoke was directed to implement the rates contained in the Stipulation as interim rates effective with bills rendered on and after May 1, 2008.[2]

The May 15, 2008 Hearing Examiner's Report recommended the Commission enter an Order accepting the Stipulation and the proposed revenue increase, accounting adjustments, the stipulated rates now in effect on an interim basis, and refund the difference between the stipulated tariffs and the tariffs that went into effect on November 1, 2007. By the Company's Motion to Accept Stipulation and Staff's agreement, we deem the Company and the Staff to have waived comments on the Report based upon acceptance of the Stipulation on the record of the hearing by the Hearing Examiner.

The Commission accepts the recommendations of the Hearing Examiner and finds, pursuant to the Stipulation and supporting testimony, as follows:

(1) The use of a test year ending June 30, 2007, is proper in this proceeding;

(2) Roanoke's test year operating revenues, after all adjustments, were $85,334,903;

(3) Roanoke's test year operating income and adjusted net operating income, after all adjustments were $4,579,403 and $4,489,198, respectively;

(4) Roanoke's test year operating deductions, after all adjustments, were $80,755,501;

(5) Roanoke's current rates produce a return on adjusted rate base of 8.33%;

(6) Roanoke's overall cost of capital, using the midpoint of the return on equity range and the capital structure reflected in Schedule 3 of Staff witness Gleason's testimony is 8.492%;

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[1] The Stipulation was filed April 11, 2008, with a Motion by the Company to accept the stipulation as full and fair resolution of the issues in this proceeding.

[2] The Commission takes judicial notice that Roanoke's gas tariff rates resulting from the Stipulation were filed with and approved by the Division of Energy Regulation, effective with bills rendered on and after May 1, 2008.

(7) Roanoke's adjusted test year rate base is $53,875,976, as reflected in Statement I of Staff Witness Klaus' testimony;

(8) Roanoke requires $415,668 in additional gross annual revenues to earn a reasonable return on rate base;

(9) The rates for the base cost of gas were stipulated and provided in Attachment B of the Stipulation and the gas tariff rates subsequently approved by the Division of Energy Regulation to take effect on May 1, 2008, are designed to produce the required additional gross annual revenues and are just and reasonable;

(10) Roanoke's cost of equity range of 9.5% to 10.5% should be used for purposes of future earnings tests until the Commission establishes otherwise;

(11) In accordance with the Stipulation, Roanoke may file its next expedited rate application based on the midpoint of the cost of equity range determined in its prior general rate application, or 10.1%; and

(12) Roanoke should be required to refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the May 15, 2008 Hearing Examiner's Report are hereby adopted.

(2) The Company's rates resulting from the Stipulation currently approved on an interim basis by the Hearing Examiner are hereby made permanent.

(3) On or before July 15, 2008, Roanoke shall recalculate, using the rates and charges approved in Ordering Paragraph (2) above, each bill it rendered that used, in whole or in part, the rates and charges that took effect under bond and subject to refund on November 1, 2007. Where application of the new rates results in a reduced bill, Roanoke shall refund the difference with interest as set out below.

(4) Interest upon the ordered refunds shall be computed from the date payments of monthly bills were due to the date each refund is made at the average prime rate for each calendar quarter, compounded quarterly. The average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's Selected Interest Rates (Statistical Release H.15) for the three months of the preceding calendar quarter.

(5) The refunds ordered in Paragraph (3) above may be credited to current customers' accounts (each refund category shall be shown separately on each customer's bill). Refunds to former customers shall be made by check mailed to the last known address of such customers when the refund amount is $1 or more. Roanoke 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. Roanoke may retain refunds to former customers when such refund is less than $1. Roanoke shall maintain a record of former customers for which the refund is less than $1, and such refunds shall be promptly made upon request. All unclaimed refunds shall be subject to § 55-210.6:2 of the Code of Virginia.

(6) On or before September 15, 2008, Roanoke shall deliver to the Divisions of Public Utility Accounting and Energy Regulation a report showing that all refunds have been made pursuant to this Order, detailing the costs of the refunds and the accounts charged.

(7) Roanoke shall bear all costs incurred in effecting the refund ordered herein.

(8) Since there is nothing further to come before the Commission, this case is hereby dismissed and the papers herein placed in the Commission's file for ended causes.

CASE NO. PUE-2007-00087
FEBRUARY 4, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For a certificate of public convenience and necessity for facilities in Montgomery County: Tech Drive 138 kV Extension

FINAL ORDER

On September 17, 2007, Appalachian Power Company ("Appalachian" or "Company") filed with the State Corporation Commission ("Commission") its Application of Appalachian Power Company for Approval of Electrical Facilities under § 56-46.1 of the Code of Virginia and for Certification of Such Facilities under the Utility Facilities Act (hereinafter Application). Appalachian proposes to tap its Roanoke-Clayton 138 kV transmission line and to construct a double-circuit 138 kV extension from the existing line to the new Tech Drive Substation in the Town of Christiansburg. As explained in this Order, the Commission grants the Application and issues a certificate of public convenience and necessity.

By Order for Notice of October 10, 2007, the Commission directed the Company to provide notice of the Application to the public and to local officials and invited comments and requests for hearing. On November 1, 2007, the Company filed with the Commission Clerk proof of notice to Montgomery County and Town of Christiansburg officials and to affected landowners. On January 7, 2008, Appalachian filed proof of newspaper publication of notice. The Commission finds that notice of the Application was provided as required by § 56-46.1 B of the Code of Virginia (hereinafter Code). In response to the notice, no comments or requests for a hearing were filed with the Commission Clerk.

In the Order for Notice, we also directed the Commission Staff to analyze the Application and to file a report on its findings and recommendations. In the Staff Report filed with the Commission Clerk on December 28, 2007, the Staff recommended that we grant the application. The Company filed on January 11, 2008, a letter advising that it supported the conclusions of the Staff Report and that it had no other comments.

The Commission has considered the Application and the materials filed with it on September 17, 2007, and the Staff Report. On the basis of this record, we will grant the Application. In prepared testimony and information on the need for proposed transmission line, filed with the Application, Appalachian explained how the project would serve the new Tech Drive Substation. The substation would serve a developing industrial park and existing load in Christiansburg and adjacent areas of Montgomery County. The Company's projections showed that existing facilities would be inadequate by 2008-2009. In its investigation, the Staff reviewed the material filed on September 17, 2007, and additional information obtained through an interrogatory and request for documents. The Staff verified the Company's modeling and analysis. The Staff agreed that the proposed transmission line was the best means of assuring adequate service to customers.

The Company also filed with its Application information on the impact of the proposed transmission line on natural and cultural resources and other activity in the vicinity of the proposed right-of-way. Copies of correspondence with state and local agencies were also provided. As we discussed in the Order for Notice of October 10, 2007, Appalachian had addressed its statutory obligation to provide information on wetlands impact before it had filed the Application.

The record identified in the preceding paragraphs establishes that adequate and reliable service to Christiansburg and Montgomery County require additional facilities. The proposed transmission line will best serve the need. The proposed line in the application before the Commission would extend for 200 feet from an existing transmission line to a new substation. No adverse impact on natural or cultural resources was identified by the Company or by any of the agencies that reviewed the project. According to correspondence provided, the proposed line is compatible with and supports a local economic development project. After reviewing this record, the Commission determines, as required by § 56-46.1 B of the Code, that the proposed underground transmission line would have minimal adverse environmental impact and that the line is needed.

Accordingly, IT IS ORDERED THAT:

(1) As provided by §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Application be granted.

(2) The Company be authorized to construct and operate in the Town of Christiansburg, Montgomery County, a double-circuit transmission line of 138 kV between its Roanoke-Clayton 138 kV transmission line and Tech Drive Substation.

(3) Pursuant to the Utility Facilities Act, Chapter 10.1 (§ 56-265.1 et seq.*)* of Title 56 of the Code, the Company is issued the following certificate of public convenience and necessity:

Certificate No. ET- 39h which authorizes Appalachian Power Company under the Utility Facilities Act to operate presently constructed transmission lines and facilities in Montgomery County, all as shown on the detailed map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2007-00087; Certificate No. ET- 39h will cancel Certificate No. ET- 39g issued to Appalachian Power Company on August 24, 1971.

(4) The Commission's Division of Energy Regulation shall forthwith provide the Company a copy of the certificate issued in Ordering Paragraph (3) above with the detailed map attached.

(5) This Case No. PUE-2007-00087 be dismissed from the Commission's Docket and be placed in closed status in the records maintained by the Commission Clerk.

CASE NO. PUE-2007-00087
FEBRUARY 7, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For a certificate of public convenience and necessity for facilities in Montgomery County: Tech Drive 138 kV Extension

ERRATA ORDER

IT IS ORDERED that the Final Order of February 4, 2008, entered in this Case No. PUE-2007-000087 be corrected as follows:

(1) In the last line of the last paragraph starting on page two of the Order and continuing on page 3, the word "underground" be struck so that the sentence reads "After reviewing this record, the Commission determines, as required by § 56-46.1 B of the Code, that the proposed transmission line would have minimal adverse environmental impact and that the line is needed."

(2) Ordering Paragraph (2) be corrected to read "The Company be authorized to construct and operate in the Town of Christiansburg, Montgomery County, a double-circuit transmission line of 138 kV between its Roanoke-Claytor 138 kV transmission line and Tech Drive Substation.

CASE NO. PUE-2007-00089
JANUARY 17, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For expedited approval of conservation, energy efficiency, education, demand response and load management Pilots

FINAL ORDER

On September 18, 2007, Virginia Electric and Power Company ("DVP" or "Company") filed an application for State Corporation Commission ("Commission") approval to implement nine new pilot projects ("Pilots") in its Virginia service territory.[1] The Pilots include five conservation and energy efficiency Pilots: (i) Standard Residential In-Home Energy Audits ("Residential Audit"), (ii) ENERGY STAR® Qualified Homes Energy Audits ("Energy Star"), (iii) Energy Efficiency Welcome Kits ("Welcome Kit"), (iv) PowerCost Monitor pilot ("PCM"), and (v) Small Commercial On-Site Energy Audits ("Commercial Audit"); and four demand response/load management Pilots: (i) Direct Load Control — Outdoor Air-Conditioning Control Device ("DLC"), (ii) Programmable Thermostats — Indoor Air-Conditioning Control Device ("PT"), (iii) Programmable Thermostats with Advanced Metering Infrastructure ("AMI") and Critical Peak Pricing ("CPP") (collectively "AMI/CPP"), and (iv) Distributed Generation/Load Curtailment Pilot ("DG/LC"). Seven of the Pilots are proposed to run through December 2008. The Programmable Thermostats with AMI and CPP Pilot would run through May 2009, and the Distributed Generation/Load Curtailment Pilots are proposed to run through December 31, 2014.

The application is filed pursuant to §§ 56-234 and 56-235.2 of the Code of Virginia, which allow the Commission to approve special or experimental rates where they are in the public interest. DVP contends that the Pilots are in the public interest, noting in its application that during the 2007 legislative session, the Virginia General Assembly passed Senate Bill 1416/House Bill 3068 (chapters 933/888 of the Acts of Assembly, or the "Legislation") to address energy conservation. Enacting clause 3 of the Legislation states, "That it is in the public interest, and is consistent with the energy policy goals in § 67-102 of the Code of Virginia, to promote cost-effective conservation of energy through fair and effective demand side management, conservation, energy efficiency, and load management programs, including consumer education." These programs may be conducted by utilities or public or private organizations. The Legislation also sets a goal for the Commonwealth to reduce, by 2022, electric energy consumption by retail customers by ten percent.[2]

Each of the Pilots is intended by DVP to collect and share with the Commission, data about conservation, energy efficiency, demand response, and load management options, including customer enthusiasm for and acceptance of such options. The Pilots are intended to encourage customer interest in energy-saving measures and to help customers better understand their own energy consumption patterns. DVP also intends these Pilots to test the effectiveness of and efficiencies to be gained by using the management capabilities of DVP-selected contractors.

The Company represents that some of the Pilots may fall within the scope of the Commission's Promotional Allowance Rules (20 VAC 5-303-10 through -60) and the Commission's Rules Governing Cost/Benefit Measures Required for Demand-Side Management Programs (20 VAC 5-304-10 through -40). To the extent that these rules require prior Commission approval or waiver for aspects of any of the Pilots, including advertising associated with the Pilots, DVP requests such approval be granted herein.

The application notes that on August 30, 2007, the Company also notified the Commission's Division of Economics and Finance of its participation in a compact fluorescent light ("CFL") bulb price reduction program, which is part of a combined effort among public utilities and governmental agencies, such as the Commonwealth's Department of Mines, Minerals, and Energy, to inform the public of the importance of energy efficiency and conservation efforts. Through this program, DVP works with manufacturers and retail outlets to provide customers with CFL at discounted rates. During 2007, the Company reported buying down the cost of approximately 150,000 CFL packages at a cost to DVP of $1.50 per single bulb or $3.00 per multipack. DVP anticipates continuation of this program through 2008 and 2009, expanding it to include the buy-down of approximately 625,000 CFL annually. In addition to approval of the Pilots, the Company also requests all approvals necessary to continue participation in this CFL price reduction program through 2009.

On October 10, 2007, the Commission issued an Order Prescribing Notice and Inviting Comments and Requests for Hearing ("October 10, 2007 Order") which also directed the Commission Staff ("Staff") to review the application and file a report with its findings.[3]

Pursuant to the October 10, 2007 Order, nine parties and/or interested persons filed comments, including one provisional request for a hearing: Northern Virginia Regional Commission ("NVRC"), Piedmont Environmental Council ("Piedmont"), Commonwealth Sustainability Works, Barbara Kessinger, Barbara Von Elm, EnerNOC, Ocean Air Enterprises, Division of Consumer Counsel of the Office of the Attorney General ("Consumer Counsel"), and the Virginia Chapter of the Sierra Club ("Sierra Club").

On December 5, 2007, the Staff of the Commission ("Staff") filed a Staff Report. On December 12, 2007, PEC filed further comments addressing the Staff Report. On December 20, 2007, DVP filed its response to the Staff Report and comments by other participants. We now review the record thus made, beginning with the Staff's description of the purposes of the nine Pilots.

Staff described the purpose of DVP's conservation and energy efficiency Pilots (including Residential Audit, Energy Star, Welcome Kit, Commercial Audit, PCM, and Compact Fluorescent Lights) as helping to evaluate the most effective way to assist customers in learning to use energy more efficiently and better understand their energy consumption patterns. The conservation and energy efficiency Pilots are directed toward reductions in energy

[1] On October 23, 2007, DVP filed revised pages 1 through 4 to replace original pages 1 through 5 of Attachment 8 to the application. These revisions are accepted in substitution of the designated portions of the application.

[2] The Commission opened Case No. PUE-2007-00049 to develop a report to the Legislature which was delivered on December 14, 2007, indicating that reaching such a goal was possible.

[3] On November 16, 2007, DVP filed proof of notice and service as required by Ordering Paragraphs (3) and (4) of the October 10, 2007 Order.

consumption over all hours rather than during the peak period only. This group of Pilots will be developed, implemented, and administered through a contractor acting on behalf of DVP, and the contractor will randomly select residential and small commercial customers to target for participation.

Staff described the purpose of DVP's demand response/load management Pilots (including DLC, PT, AMI/CPP, and DG/LC) as designed to evaluate effective reductions of load during peak periods when energy demand is greatest. Participants receive some type of equipment without charge to bring the customer to awareness of what peak load is and the differential in the cost of purchasing energy during such peaks versus the cost during the other hours. Such awareness, it is hoped, will result in a customer's decision to reduce usage during high cost periods and experience lower energy costs. This group of Pilots will be developed, implemented, and administered through a contractor acting on behalf of DVP. The contractor will randomly select residential customers living in single family residences with electric central air-conditioning and will also be responsible for all communications and equipment installations. The DG/LC Pilot will be open to large non-residential customers randomly selected by the contractor.

Staff described two additional elements of DVP's Pilot proposal, measurement and verification ("M&V"), and reporting requirements. The M&V process defines the elements of each pilot to be tested, ensures that necessary energy measures or devices are properly installed, and accurately determines the actual results achieved from implementation of each pilot. The basic determination will be the savings, if any, measured by the level of energy used before and after initiation of the pilot. Other elements of the M&V process will include variables such as customer response to audits and welcome kits, hours that demand response and DG/LC curtailment was initiated, and amount of corresponding load curtailed, customer satisfaction, and pilot costs. Staff reports that DVP expects to contract with an external party, independent of the contractor, to provide an audit verifying that the variables measured in each pilot are accurately measured and reported. This information will then be reported to the Commission on a semi-annual basis on July 1, 2008 and January 1, 2009, with final evaluation of the Pilots by July 1, 2009. The DG/LC Pilot will continue such semi-annual reports through the end of the program.

In its comments, NVRC expressed concern that DVP's pilot proposals are too modest and include testing demand side management ("DSM") applications that have already been proven effective in Virginia. NVRC concludes that DVP's pilot proposals are inadequate for reaching the Commonwealth's goal of reducing energy demand 10% by 2022.

Piedmont's comments criticize DVP's Pilots as not going nearly far enough, characterizing them as too modest and inadequate. Piedmont suggests that "in light of [DVP's] asserted concerns about reliability and the risk to the national security, [DVP] should be much more aggressive in developing demand side management and energy efficiency programs." Piedmont believes that there is already sufficient information to implement DSM programs, such that "there is no need to run a discrete pilot to test many of the proven DSM programs." Piedmont urges more aggressive development of DSM and energy efficiency programs particularly as anticipated power shortages in Northern Virginia are being addressed with DVP's high voltage transmission line which Piedmont opposes in Case No. PUE-2007-00031.[4] Piedmont criticizes the absence of any commercial and industrial energy efficiency programs in the DVP Pilots which give large customers only the option to participate in the DG/LC program.

Piedmont further criticizes DVP's residential critical peak pricing ("CPP") pilot for using a 12 hour peak period in the summer (i.e. 10 a.m. to 10 p.m.) instead of a shorter on-peak period that Piedmont believes would make it less difficult for residential customers to manage their energy use. Piedmont believes that there are many proven successful energy efficiency programs ignored in the DVP Pilot. Piedmont believes the design of the CPP should be updated to provide customers better opportunities to benefit by shifting energy use from high cost to low cost periods every day of the year. Piedmont concludes that DVP should be expending its efforts to bring state-of-the-art demand side management and energy efficiency programs online now and not studying what others have established already works.

Finally, Piedmont requests the Commission to grant a hearing if the Commission does not believe that the record provides sufficient basis for it to direct DVP to implement such programs as Piedmont requests in its comments.

The comments of the Commonwealth Sustainability Works, offered by Mr. Andrew Grigsby, refer to many utility conservation programs found by the commenter on a Google search of the Internet, which have been initiated by state utility boards, public utilities, universities, municipalities, and the federal government. Mr. Grigsby states that such conservation programs as have already been established obviate the need for DVP to enter any pilot phase for the introduction of its conservation programs. Commonwealth Sustainability Works also notes that there are numerous and effective energy saving strategies that do not require any customer behavior changes, including sealing duct boots, closing and conditioning crawlspaces, weatherization, and adding attic insulation. In the opinion of Mr. Grigsby, an electric utility would have the advantage in selling such home energy efficiency improvement programs. The commenter concludes by calling for the immediate full-scale implementation of electricity conservation strategies, including each of the nine Pilots proposed by DVP.

The comments of Barbara Kessinger are generally supportive of DVP's pilot proposals except that she recommends that DVP should expand its introduction of energy audit kits to offer them to a much larger percentage of its customer base. Ms. Kessinger notes that her utility, NOVEC, provides energy audits for all of its residential customers requesting them. Ms. Kessinger does object to DVP's proposed residential direct load control pilot (DLC), which she characterizes as unnecessary for introduction of this load management program to its customers. Ms. Kessinger cites the ready acceptance of NOVEC's residential load management program, including the current experience within the Dominion Valley community in Northern Virginia, as evidence of customer enthusiasm for and acceptance of residential load management. In lieu of a pilot, Ms. Kessinger recommends that DVP take steps to make a direct load control program available to all of its residential customers as soon as possible.

The comments of Barbara Von Elm applaud DVP for its Pilot programs. She encourages the Company to do everything it can to cut back on power usage and expressed a desire to participate.

EnerNOC's comments focus on the proposed six-year 100 MW demand response pilot program (Distributed Generation/Load Curtailment Pilots) for commercial and industrial customers. EnerNOC commends certain aspects of this pilot, but questions the adequacy of the financial incentives proposed

[4] Piedmont asserts in its Comments filed December 12, 2007, that Northern Virginia's need for power is directly correlated to the scope and effectiveness of DSM in Virginia, and requests the Commission to direct DVP to implement different or additional DSM proposals in this case or in PUE-2007-00031. Piedmont further requests in its responsive comments that the Commission make "implementation of the [DVP] Proposal subject to revision based on information generated by the programs and Commission Case No. PUE-2007-00031, et al., in which [DVP] and Trans-Allegheny Interstate Line Company ("TrAILCo") seek Approval and Certification of a Meadowbrook-Loudon 500 kV Transmission Line Project." DVP, in its response, opposes any linkage of the cases.

to attract customer participation. EnerNOC recommends that either the financial incentives be increased or the number of program hours of demand response availability be reduced. Finally, EnerNOC further recommends with regard to the Distributed Generation/Load Curtailment Pilots that the program hours and program payments should be made competitive with the existing PJM program, that "pure curtailment" demand response be encouraged and that the number of customer sites using on-site generation should be increased.[5]

The comments of Ocean Air Enterprises assert that DVP has already amassed considerable usage data from its customers on DVP's Time-of-Use, demand based schedules, and faults DVP's omission of any analysis of this data in the pilot proposals. The commenter also notes that DVP's Schedule 1 S customers have load profile meters installed, which should provide DVP with usage data that DVP ought to evaluate in their pilot proposal. Finally, the commenter questions DVP's design of peak pricing, and criticizes DVP for employing excessive hours of peak pricing.

The Consumer Counsel's comments recognizes the modest reach of DVP's pilot programs relative to the Company's customer base while generally supporting the implementation of all the proposed pilot programs.[6] The Consumer Counsel draws attention to the Virginia Energy Plan's call for Virginia to "initiate an aggressive set of actions to expand use of energy efficiency, conservation, and demand management to affect electric demand and use."[7] Finally, the Consumer Counsel takes no position on DVP's postponed recovery of the estimated $10 million in program costs for 2008.[8]

The Sierra Club's comments, submitted by Mr. Richard Ball, urge that there is sufficient experience with energy savings policies and measures proven successful in other states to warrant DVP moving ahead immediately on a broader basis to implement these programs. The Sierra Club questions the fairness of DVP's proposed Pilot programs as a test of program effectiveness (i.e. customer acceptance), based upon what it perceives to be a poor program design and lack of aggressive implementation. The commenter states the fairness of such Pilot programs to test the effectiveness of energy conservation measures in Virginia would be enhanced if they were designed and operated fairly and transparently with sufficient outside input and overview. The Sierra Club suggests that an advisory committee be appointed with members drawn from the outside, who have the necessary expertise to advise and observe all stages of the pilot programs' design, implementation, and evaluation. The Sierra Club calls for the Commission to designate and hire outside consultants for this purpose, also. The Sierra Club offers criticisms on the specific pilot programs and generally concludes that DVP should be asked to go back to the drawing board and design a better program.

The Staff observed of the commenters generally that they were most concerned with DVP's unnecessary use of the Pilot program for implementation of proven energy conservation measures and, secondly, they were very concerned with the modest customer participation levels proposed for the Pilots. The Staff does not disagree with either of these concerns. Staff concluded that while the small scale of the Pilots (prior to DVP's commitment to greater expenditures) might appear to be insufficient, nevertheless Staff believes the pilot proposals to be prudent.

Regarding DVP's use of a pilot phase, Staff notes that although studies have been performed and many programs now exist elsewhere that substantiate energy savings can be realized, Staff is not convinced that all such programs will have similar results for Virginia or be cost-effective as required by Virginia's legislature. The Staff does believe the Commonwealth should now embark on finding cost-effective alternatives to reduce energy demand and the harmful detriments to our environment and it appears to Staff that DVP's Pilots are timely and on-point for this purpose. Staff also considered the critical timeline to deploy these Pilots in order to collect information during the peak periods of 2008 in weighing whether to support implementation of the Pilots without hearing. Staff concluded that implementation of the Pilots should not be delayed. Therefore, the Staff believes that the Pilots are in the public interest and recommends that the Commission approve these Pilots without hearing.

The Staff agreed with the following suggestions from commenters above and urged DVP to consider these suggestions to enhance the success and effectiveness of particular Pilots:

- Audit and Welcome Kits will likely provide little customer benefit without a more assertive follow-up program to ensure action to remedy audit findings.
- Providing information to better educate the customer so that he understands the alignment between energy use and associated costs is essential to the future balance of energy demand and supply and associated effect on customer bills.
- Consider using a shorter on-peak period (i.e. less than 12 hours) for the AMI/CPP Pilot to assist customers in shifting usage patterns.[9]
- The DG/LC Pilot should better balance the number of hours to curtail load and the associated payments; using PJM's RPM capacity price as a proxy payment for this Pilot, the number of hours in which curtailment may occur are excessive.

With respect to the Company's request to waive application of the Commission's Promotional Allowance Rules, (20 VAC 5-303-10 through -60) and the Rules Governing Cost/Benefit Measures Required for Demand-Side Management Programs (20 VAC 5-304-10 through -40), the Staff recommended both requested waivers be granted to move forward with the proposed Pilots.

The Staff reported sales in DVP's discount CFL bulb program have exceeded the Company's goal and that DVP has asked approval to continue and expand the program through 2009. The Staff does not object to the continuation of the program, while reserving judgment on its cost effectiveness.

[5] DVP proposes in its application 10-50 customer sites for on-site generation.

[6] The proposed programs will be available to DVP's residential and commercial customers in the Northern, Central, and Eastern regions of DVP's territory as noted by Consumer Counsel from the application.

[7] The Virginia Energy Plan (September 12, 2007) at 9.

[8] Virginia Code §§ 56-585.1 A.5.b and A.7 specifically address the ability of utilities to recover the costs of demand-side management, conservation, energy efficiency, and load management programs, including the timing of the request and when such costs may be deferred.

[9] Staff recognizes that DVP's existing tariffs may not be adequate to this type of program and will need revision in order to advance this Pilot on a broader scale.

Staff notes that it remains unknown how the CFL bulbs have been deployed by customers or how the program costs will be recovered by DVP. Staff also notes that to the extent that electrical resources are saved by the program, the financial values of such resources have not been quantified.

Concerning the reporting requirements for the Pilots, Staff has had continued discussions with DVP and supports the Company's proposal to issue formal reports on a semi-annual basis but also believes more frequent updates are needed in light of the short duration of the Pilots. The Staff reports that an agreement has been reached with the Company whereby it will be given status reports as requested. Staff is satisfied that with its ongoing monitoring of the Pilots and the Company's hiring of an external auditor, adequate and unbiased review of the Pilots' effectiveness will be given.

DVP's responsive comments reject the several calls for expansion of the Pilots, arguing that although energy efficiency and demand-side management efforts have been successful outside Virginia, success there does not automatically mean those same programs will be effective in DVP's Virginia service territory. DVP avers that its customers receiving service under rate caps have not had the economic incentives to try demand-side management and energy efficiency programs that have been offered elsewhere and therefore their responsiveness to such programs is unknown. The Company also believes that with significant developments in new technologies, the Company ought to be given the opportunity to test customer responses to varying levels of incentives, as well as the Company's ability to monitor, control, and receive larger quantities of data before undertaking large scale programs.

The Company addressed specific concerns raised in the comments with its Pilots but rejected making changes.[10]

With respect to the CPP/AMI Pilots, the Company maintained that the excessive rating periods complained of in comments actually relate to only 125 hours a year, leaving 8,635 hours (98.6% of the time) subject to lower rates than the Company's current Residential Schedule 1. With respect to criticism that the rating periods are too long, the Company maintains that rarely will critical peak periods last more than 5 hours (and 10 hours on a very rare occasion) with an annual limitation of 125 hours (1.4% of the time).

The Company addressed concerns over the terms offered in the distributed generator pilot programs (DG/LC), explaining that the compensation provided is designed to include a reimbursement to customers for their fuel and variable operation and maintenance expenses which should allow the customer to be economically indifferent as to how the on-site generator is used.

The Company also disagreed with EnerNOC's comment that use of the PJM Reliability Pricing Model ("RPM") to determine a basis for the capacity component incentive payment may not be a sufficient proxy for the capacity component of the Pilot given that the Pilot requires a higher number of program hours to be curtailed than the PJM Demand Response Program. The Company explains that the purpose for using RPM clearing prices is to recognize the value of the capacity as load is reduced on the Company's system through the dispatch and operation of the generator. This value, the Company maintains, is best determined through an assessment of the market value of obtaining additional capacity resources in order to meet the Company's capacity obligation to PJM. The value is contingent on the Company's system load being reduced during those specific hours that will be used to determine capacity obligations for future years. The Company believes that absent problems with the distributed generators, the value of those generators for relieving future capacity obligations can be approximated by the RPM clearing price for the PJM Delivery Year. Finally, with regard to the alleged inconsistency between a significant number of hours being curtailed with insufficient payments, making the PJM Emergency Load Response program more attractive to end-use customers, DVP maintains that its Pilot provides a value that may not be readily available in the PJM programs. The DVP Pilot is intended to reduce the cost of back-up generation in order to make such generation available to customers with critical power supply needs but that are financially unable to install such back-up generators otherwise.

Concerning Piedmont's criticism of the absence of any commercial and industrial energy efficiency programs in DVP's Pilots, the Company stated that it already maintains a staff of Key Account Managers to work with its largest commercial and industrial customers. Many of these Key Account Managers are Certified Energy Managers who assist large commercial and industrial customers in designing and implementing energy efficiency/energy conservation and demand response measures.[11]

DVP responded to EnerNOC's suggestion to offer pure curtailment to its C&I customers that it provides such pure curtailment opportunities, such as through a pure curtailment tariff, Schedule CS, to large C&I customers (with loads above 500 kW). The Company also offers a form of critical peak pricing, Schedule 10, to its large C&I customers also.[12]

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the Company's nine new Pilots are necessary in order to acquire information which is or may be in furtherance of the public interest, specifically how the Commonwealth's goal of reducing energy demand by 10% by 2022 may be reached. The Commission further finds that the public interest is served by approving the application without hearing so that implementation of the Pilots and collection of the data for 2008 will not be delayed. The Commission finds that Piedmont's provisional request for a hearing should be denied for the reason that the request for hearing did not detail reasons why such issues cannot be adequately addressed in written comments, as required by the Commission's October 10, 2007 Order (Ordering Paragraph (8)). The Commission further finds that there should be no linkage between the proceedings in this instant case and Case No. PUE-2007-00031, as suggested by Piedmont in its comments.

The Commission further finds that DVP's request to continue its CFL bulb program for 2008, as reported by Staff, should be approved. As the Company defers seeking recovery of the costs of its Pilots and CFL bulb program and the Consumer Counsel and Staff take no position on such recovery of costs at this time, the Commission does not at this time address such cost recovery.

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[10] The Company did agree with Staff to submit reporting on a quarterly, rather than semi-annual basis.

[11] The Company reports that "a number of C&I customers have also expressed to Company representatives that they are less interested in funding large scale energy efficiency/energy conservation programs that could benefit competing businesses and are more interested in implementing their own internal energy efficiency/energy conservation programs using individualized support from the Company representatives." Therefore, the Company concluded that Pilots focused sharply on energy efficiency/energy conservation and demand response in the C&I sector would not likely yield significant information beyond what the Company knows today.

[12] DVP explains that Schedule 10 provides a strong incentive during high cost/high load days to encourage load reductions. These load reductions may be achieved through curtailment based on short term reductions in electrical usage or curtailment facilitated through the use of existing on-site generation.

Finally, the Commission finds that the Company should be prepared to quickly expand any elements of these Pilots proven to be cost effective. The Commission shares the expectation of Staff that the Company must quickly follow up its Pilots with aggressive action to expand use of energy efficiency, conservation, and demand management programs as called for in the Virginia Energy Plan.

Accordingly, IT IS ORDERED THAT:

(1) The application to implement the Pilots is hereby approved for the periods proposed.

(2) The requests by Piedmont for a hearing and to link this case with Case No. PUE-2007-00031 are hereby denied, consistent with the findings above.

(3) The Company shall file quarterly reports with the Clerk of the Commission commencing July 1, 2008, and shall provide updates to Staff upon request. Additionally, a final detailed and comprehensive report, including specific plans to expand or alter each Pilot program, shall be filed within 90 days following the end of each respective Pilot program.

(4) The Company shall submit to the Division of Energy Regulation for approval, applicable tariffs or tariff changes necessary to implement any Pilot program.

(5) The Company shall obtain further Commission approval before changing any of the Pilots.

(6) The Commission makes no order regarding any recovery of costs incurred by the Company for the Pilots, consistent with the findings above.

(7) This case shall remain open to receive the reports required by this Order.

CASE NO: PUE-2007-00090
FEBRUARY 29, 2008

APPLICATION OF
CENTRAL WATER COMPANY, INC.

To amend its Certificate to Furnish Water Service

FINAL ORDER

Before the State Corporation Commission ("Commission ") is the application of Central Water Company, Inc. ("Company" or "Central Water"), for authorization to furnish water service in additional territory. By Final Order of February 11, 2000, in Central Water Co., Inc., Case No. PUE-1999-000593, 2000 S.C.C. Ann. Rep. 441, the Commission granted the Company's application for a certificate of public convenience and necessity. Central Water received Certificate No. W-298, which authorizes the Company to provide water service to a territory in Botetourt County, as shown on the map attached to, and made a part of, the certificate. The Company now proposes to expand its territory into a contiguous portion of Botetourt County.

By Order for Notice of November 15, 2007, the Commission docketed the application and directed Central Water to give notice of its application. We also provided for receipt of comments on the application and requests for a hearing. The Company filed with the Commission Clerk on December 3, 2007, proof of notice to the Chair of the Botetourt County Board of Supervisors. Proof of newspaper publication of notice was filed on January 7, 2008. The Commission finds that proper notice of the application was given.

In response to the notice, no comments or requests for a hearing were received.

Our Order for Notice of November 15, 2007, also directed the Commission Staff to investigate the application and to file a report of the results of the investigation. The Staff Report was filed with the Commission Clerk on February 1, 2008, and a copy was provided to the Company. On the basis of its investigation, the Staff recommended that the Commission grant the application and issue an amended certificate of public convenience and necessity authorizing service to the expanded territory. Central Water did not comment on the Staff Report.

The Commission has considered the application and the materials filed with it on September 24, 2007, and the Staff Report. On the basis of this record, we will grant the application. According to the application, Central Water anticipates serving new residential development in the additional service territory. As noted in the Staff Report, the developer would pay for the capital costs of new facilities. An expanded customer base may also offer opportunities for economies of scale, which would benefit existing and additional customers. We find that the public convenience and necessity would be served by authorizing Central Water to furnish water service to additional territory.

Accordingly, IT IS ORDERED that

(1) The Company's application to amend its certificate of public convenience authorizing it to furnish water service in Botetourt County be granted.

(2) Pursuant to the Utility Facilities Act, Chapter 10.1 (§ 56-265.1 et seq.*)* of Title 56 of the Code of Virginia, the Company is issued the following certificate of public convenience and necessity:

> Certificate No. W-298a, which authorizes Central Water Company, Inc. under the Utility Facilities Act to furnish water service to its existing territory in Botetourt County and in additional territory all as shown on the detailed map attached to the certificate as authorized in Case No. PUE-2007-00090; Certificate No.

W-298a will cancel Certificate No. W-298 issued to Central Water Company, Inc. on February 11, 2000, in Case No. PUE-1999-00593.

(3) This Case No. PUE-2007-00090 be dismissed from the Commission's Docket and be placed in closed status in the records maintained by the Commission Clerk.

CASE NO. PUE-2007-00092
JANUARY 9, 2008

APPLICATION OF
JAMES RIVER COGENERATION COMPANY

For a Certificate to Operate as an Electric Generating Facility Pursuant to Virginia Code § 56-580 D

FINAL ORDER

On October 5, 2007, James River Cogeneration Company ("JRCC" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") requesting that the Commission issue a certificate of public convenience and necessity ("Certificate" or "CPCN") to operate the Company's existing electric generating facility located in the City of Hopewell, Virginia ("Facility"). The Facility currently operates as a qualifying cogeneration facility ("QF") under the federal Public Utilities Regulatory Policies Act ("PURPA");[1] the Facility is not currently certificated by the Commission. The Company, however, desires to operate the Facility as a non-qualifying electric generating facility, and is seeking a CPCN from the Commission for that purpose.[2]

The Commission issued an Order for Notice and Comment on October 29, 2007 ("Order for Notice and Comment"), providing interested parties an opportunity to comment on the Company's Application and to request a hearing thereon. As the Commission stated in that Order, JRCC is applying for a Certificate pursuant to 5 VAC 5-20-80 A of the Commission's Rules of Practice and Procedure and to the extent applicable, the merchant plant rules, 20 VAC 5-302-10 *et seq*. According to the Application, JRCC owns and operates the Facility[3] and sells all of the Facility's output to Virginia Power pursuant to a power purchase agreement between JRCC and Virginia Power, the Fifth Amendment and Restatement of the Power Purchase and Operating Agreement between James River Cogeneration Company and Virginia Electric and Power Company ("PPA"), which was executed January 28, 1998.[4]

JRCC plans to file a self-certification of Exempt Wholesale Generator ("EWG") status with the Federal Energy Regulatory Commission ("FERC") to own and operate the Facility as an eligible facility of an EWG. JRCC also plans to file an application with the FERC for authority to make wholesale sales of electric energy, capacity, and ancillary services from the Facility at market-based rates. JRCC will request that its proposed market-based tariff become effective on the date that JRCC begins making sales to the market. The Facility has a net electric power production capacity of 103 MW. The Facility began commercial operation on January 10, 1988, as a QF, pursuant to PURPA. We would reiterate that output from the Facility is sold at wholesale, and such transactions are subject to the jurisdiction and oversight of the FERC.

In sum, the Company requests in its Application that the Commission issue an Order granting JRCC a CPCN in order to permit JRCC (i) to operate the Facility as a non-QF electric generating facility; and (ii) waive any information requirements provided in the Commission's merchant plant rules, 5 VAC 5-302-10, *et seq*. (i.e., the Commission's "filing requirements"), that may apply to JRCC's Application to the extent that JRCC has not provided such information in its Application.

In support of its Application, the Company represents that granting the Facility a CPCN will have no material adverse effect on reliability of electric service provided by any regulated utility and is not otherwise contrary to the public interest. Specifically, the Application states the Facility will continue to contribute to the reliability of electric service provided by Virginia Power pursuant to the PPA.

Additionally, the Application states that the Facility will continue to provide direct and indirect economic benefits to the surrounding area and to the Commonwealth as a whole; needed power to Virginia Power for the term of the PPA and then to the market; and diversity of fuel sources within the Commonwealth. The Facility is also said to provide a substantial tax base for state and local governments. The Application asserts that JRCC possesses all required state and federal environmental permits for the Facility.

The Commission's Order for Notice and Comment in this matter docketed the case and established an August 31, 2007 deadline for the Commission Staff and any interested persons to file written comments, if any, on the Application with the Clerk of the Commission. Contemporaneous with filing any such comments, interested persons were authorized to request that the Commission convene a hearing concerning the Company's Application.

[1] 16 U.S.C. § 2601 *et seq*.

[2] According to the Application, the Facility has been operated as a QF pursuant to the Public Utility Regulation Policies Act of 1978 since 1988. JRCC currently provides all of the electric capacity and energy from the Facility to Virginia Electric and Power Company ("Virginia Power"). JRCC also provides thermal output from the facility to an adjacent manufacturing plant.

[3] The Facility is a cogeneration facility comprised of six stoker coal-fired steam boilers and two condensing steam turbine generators. Thermal energy recovered from the turbines provides process steam to an adjacent manufacturing plant owned by Honeywell International, Inc., which manufactures carpet fibers, specialty fibers, and chemical intermediates. The Facility has a net electric power production capacity of 103 MW. The Facility began operation on January 10, 1988, as a QF, pursuant to the PURPA. JRCC now seeks a CPCN from the Commission permitting JRCC to operate the Facility as a non-QF electric generating facility. Thus, JRCC expects to operate the Facility as an independent power production facility ("IPP").

[4] The PPA amends and restates the Power Purchase and Operating Agreement between James River Cogeneration Company and Virginia Electric and Power Company, dated December 21, 1985, as amended prior to the PPA.

The Order for Notice and Comment further established December 27, 2007, as the date by which the Company could file a response to any comments or requests for hearing filed herein pursuant to this schedule. Finally, the Order for Notice and Comment directed the Company to publish a prescribed notice of this proceeding in newspapers of general circulation in the City of Hopewell.

On November 29, 2007, JRCC filed a certificate of service and an affidavit of publication which complies with Ordering Paragraph (7) of the Commission's Order for Notice and Comment. The Commission Staff filed a letter in this docket advising that the Staff did not oppose JRCC's Application and that, for that reason, the Staff had not filed comments and did not intend to do so. No requests for hearing or comments have been filed.

On December 14, 2007, the Virginia Department of Environmental Quality ("DEQ") filed a letter providing, *inter alia*, a summary of existing environmental requirements pertaining to the Facility and its compliance status, and recommending that the Commission ensure continuing compliance.[5] Attached to the letter were DEQ's Comments, which, it states, are intended to provide technical assistance to the Commission. The Comments, *inter alia*, review JRCC's compliance with the applicable permits and recommend that "the owner[] of the facility:

- maintain compliance with the facility's existing permits;
- commit to and maintain compliance with any permit modification; and
- notify DEQ's Piedmont Regional office of any operational changes that would or might require amendment of any applicable permits pertaining to air, water, waste, or petroleum tanks."

(Comments of the Department of Environmental Quality at 3.)

Thereafter, on December 20, 2007, JRCC filed its response to the letter filed by Staff and the comments of DEQ. JRCC indicated it did not object to the DEQ recommendations, and renewed its request that the Application be granted. JRCC noted the absence of any objection from the Commission Staff or any interested person, and thus requested that the Commission enter an Order that (i) grants the Company a CPCN in order to permit JRCC to operate the Facility described in the Application as a non-QF electric generating facility, and (ii) waive information requirements applicable under the Commission's merchant plant rules, 5 VAC 5-302-10 *et seq*.

NOW THE COMMISSION, in consideration of the foregoing, and having considered the Application and the responses thereto; the comments of Virginia's Department of Environmental Quality, and all applicable law, is of the opinion and finds as follows:

Pursuant to § 56-580 D of the Code, we find that JRCC's Facility (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility; and (ii) is not otherwise contrary to the public interest. We have further evaluated the Application pursuant to § 56-46.1 of the Code and have given consideration to the effect of this Facility on the environment. Section 56-46.1 of the Code provides that permits issued by federal, state, or local governmental entities that regulate environmental impact and mitigation of adverse environmental impact are deemed to satisfy the requirements of such section with respect to all matters that are governed by the permit.

In this regard, the DEQ has concluded that the JRCC Facility is in compliance with water and air permits that have been issued by the DEQ. The DEQ's report does not identify any environmental issues that are not otherwise addressed in the Facility's existing permits or approvals. In addition, the DEQ's comments recommend that the Facility: (1) maintain compliance with the Facility's existing permits; (2) commit to and maintain compliance with any permit modification; and notify DEQ's Piedmont Regional Office of any operational changes that would or might require amendment of any applicable permits pertaining to air, water, waste, or petroleum tanks. As a condition of the Certificate granted herein, we will require the Company to comply with these DEQ recommendations. No other environmental issues were raised in this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-580 D of the Code of Virginia, James River Cogeneration Company be granted Certificate of Public Convenience and Necessity No. ET-179 to operate an electric generation facility in the City of Hopewell, Virginia, upon the filing of site maps with the Commission's Division of Energy Regulation that conform to the filing requirements of such Division.

(2) The Certificate granted herein shall be conditioned upon James River Cogeneration Company (i) maintaining compliance with the Facility's existing permits; (ii) maintaining compliance with any future permit modifications; and (iii) notifying DEQ's Piedmont Regional Office of any operational changes that would or might require amendment of any applicable permits pertaining to air quality, water quality, waste generation or disposal, or the management of petroleum tanks.

(3) JRCC's request for the Commission's waiver pursuant to 20 VAC 5-302-10 *et seq*. of any filing requirement that may apply to this proceeding, to the extent that JRCC has not provided such information in its Application, is hereby granted.

(4) There being nothing further to come before the Commission in this proceeding, this case shall be removed from the docket and the papers transferred to the file for ended causes.

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[5] DEQ's responsibilities under a 2002 Memorandum of Agreement between DEQ and the Commission (entered into pursuant to §§ 10.1-1186.2:1 B and 56-46.1 G of the Code), require DEQ to furnish written information addressing (i) the environmental impacts of proposed electric generating plants and associated facilities, and (ii) environmental permits or approvals associated with such plants and facilities.

CASE NO. PUE-2007-00097
AUGUST 18, 2008

PETITION OF
MASSANUTTEN PUBLIC SERVICE CORPORATION

For an Annual Informational Filing (2007 Test Year)

ORDER

On October 18, 2007, Massanutten Public Service Corporation ("Massanutten" or the "Company") filed a request ("Petition") with the State Corporation Commission ("Commission") for an extension of time to file its 2007 Annual Informational Filing ("AIF") (for the twelve-month period ending June 30, 2007) from October 29, 2007, to November 30, 2007. The Commission granted Massanutten's Petition by Order dated October 25, 2007. On November 30, 2007, the Company filed its AIF, with schedules 7 and 25 filed under seal. Staff filed memos of incompleteness on December 11 and 12, 2007. Additional data was submitted January 9, 2008 in response to the memos of incompleteness. Staff filed a memo of completeness on January 14, 2008, indicating that the AIF complies with the provisions of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, 20 VAC 5-200-30 *et seq.* ("Rate Case Rules").

The Staff filed a Staff Report on April 9, 2008. The Report concluded that Massanutten's earnings performance for water and sewer operations, under the earnings test and on a fully adjusted basis, result in earnings below the Company's authorized return on equity range of 9.30%-10.30%. Staff did make certain booking recommendations requesting that the Commission direct the Company to investigate its intangible and general plant accounts, as well as related accumulated depreciation and accumulated deferred income tax ("ADIT"), to determine the appropriate allocation of such costs between the water and sewer operations, and include the reallocations in the next rate case or AIF, whichever is filed earlier.[1]

Staff reported that Massanutten communicated on February 12, 2008, that these entries had not yet been booked but that Massanutten plans to book the entries in the next three months. Staff reported that it will monitor progress on the Company's adoption of these booking recommendations in the course of the next AIF or rate case.

The Staff subsequently reported that the Company is in agreement with Staff's booking recommendations to investigate its intangible and general plant accounts, as well as accumulated depreciation and ADIT, to determine the appropriate allocation of such costs between the water and sewer operations, and that the Company will include the reallocations in the next AIF.

NOW, UPON CONSIDERATION of the applicable statutes and the record, the Commission is of the opinion and finds that all of Staff's recommendations regarding Massanutten's AIF should be adopted and approved.

Accordingly, IT IS ORDERED THAT:

(1) Consistent with the findings made herein, the booking recommendations set forth in the Staff Report and found above are hereby adopted, and Massanutten is ordered to include its reallocations in its next rate case or AIF, whichever is filed earlier.

(2) There being nothing further to be done in this proceeding, this case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's files for ended causes.

[1] Staff further noted that the Company stipulated to certain booking measures in its last rate case, PUE-2006-00126, as follows: Book availability fees to a separate account for each type of service in accordance with the Uniform System of Accounts; book all rate base associated balances as recommended in Staff witness Armistead's pre-filed testimony as of December 2006; cease accruing AFUDC and book corresponding adjustments to plant that have been capitalized; and book the negative acquisition adjustment of $178,138 as of December 2006. (Staff Report, p.8)

CASE NO. PUE-2007-00099
JANUARY 29, 2008

PETITION OF
GW CORPORATION,
JOHN K. HAMNER,
and
BRENDA J. HAMNER

For approval of a transfer of utility assets

ORDER GRANTING APPROVAL

On October 22, 2007, GW Corporation ("GW"), John K. Hamner and Brenda J. Hamner (collectively "Petitioners") filed a petition ("Petition") with the State Corporation Commission ("Commission") requesting approval pursuant to Chapter 5 of Title 56 ("Utility Transfers Act") of the Code of Virginia ("Code") of an August 10, 2007, Agreement ("Agreement") between GW and the County of Henrico, Virginia ("County"), in which GW proposes to sell and the County proposes to acquire the assets of the water system that serves the Glenwood Gardens subdivision ("GG System"). The Petitioners also request approval to transfer GW's certificate of public convenience and necessity ("CPCN") for the GG System to the County.

GW is a Virginia public service corporation[1] that provides water service to the Glenwood Gardens subdivision located in both the County and the City of Richmond ("City"). GW currently has 112 active customers, with 103 located in the County and nine located in the City, and another five potential connections located in the County. GW is wholly owned by John K. Hamner and Brenda J. Hamner ("Hamners"), who also own another public water utility, Brandi Wine Water Works, Ltd. ("Brandi Wine").

The Petitioners represent that the purpose of the proposed transfer is to allow the County to eliminate environmental concerns over the proposed expansion of the BFI Waste Services of Virginia ("BFI") landfill ("BFI Landfill") on Charles City Road in the County. The GG System is served by a single well within three miles of the BFI Landfill. The Petitioners represent that the Virginia Department of Environmental Quality ("VDEQ") has indicated to the County that the well is unacceptably close to the proposed BFI Landfill expansion, and it will not proceed in its landfill permit review until the environmental concerns related to the well is addressed.

Therefore, the County plans to purchase the GG System, disconnect it from its well, and reconnect GW's County customers to the County's public water system. At the same time, the City will reconnect GW's City customers to the City's public water system. The Petitioners represent that BFI will pay all of the costs necessary to disconnect and reconnect the GG System customers to the County's and the City's municipal water systems. The connection costs are expected to total $1.75 million. The City's Department of Public Utilities ("DPU") has indicated that it is working closely with the County's DPU to ensure that GW's City customers will experience a smooth transition of water service from GW to the City. According to the Petitioners, the transfer of GW's customers to the County and City municipal water systems will address the VDEQ's concerns with the BFI Landfill expansion.

Under the Agreement, the Petitioners propose to sell the real property, easements, fixtures and personal property of the GG System to the County for cash consideration of $150,000. The Petitioners and the County determined the purchase price through arm's length negotiation. GW expects to show a $140,000 gain from the transfer, which will be flowed through to be taxed on the Hamners' personal tax return. The assets to be transferred include a well lot, a concrete block well house, a drilled well, a two horsepower pump, a 5,000 gallon hydropneumatic tank, and approximately 6,600 linear feet of distribution piping, water services, and meters.

The Petitioners represent that all interested parties should benefit from the proposed transfer. The Hamners should benefit because the transfer allows them to dispose of a small, stand alone, well-dependent system at a very attractive price. The County should benefit because the transfer increases the County's municipal system customer base, and it facilitates the County's plans for continued commercial development and expansion. The City should benefit because the transfer increases the City's municipal system customer base at no incremental cost. The GW customers should benefit from connecting to large municipal water systems with extensive operational and financial resources that provide good quality, reliable water service.

On August 16, 2007, the County sent its original notice to GW customers regarding the transfer, which incorrectly stated that all GW customers would be connected to the County's municipal water system. On January 9, 2008, the County sent a corrected notice to the nine GW City customers, which informed them that they would instead be connected to the City's municipal water system. On January 15, 2008, the City sent its first notice to the affected City customers.

NOW THE COMMISSION, upon consideration of the Petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the proposed transfer should not impair or jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. In order to complete the record in this case, we will direct the Petitioners to provide comprehensive documentation on the transfer, including legal documents, accounting entries, the amount of any financial gain on the sale, and a detailed discussion of any tax consequences stemming from the transfer, to be supplied within a reasonable period after closing. In regards to the Petitioners' request for a transfer of GW's CPCN, we note that as a local governmental entity, the County is not subject to regulation by the Commission. Therefore, we find that the GW's CPCN should be cancelled, not transferred, once the transfer occurs.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, GW Corporation, John K. Hamner, and Brenda J. Hamner are hereby granted approval to transfer the utility assets of the water system that serve the Glenwood Gardens subdivision to the County of Henrico, Virginia, as described herein.

2) Certificate of Public Convenience and Necessity No. W-288 is hereby cancelled effective as of the closing date of the transfer described herein.

3) Within ninety (90) days of completing the transfer, the Petitioners shall file a Report of Action ("Report") with the Commission. The Report shall include the date of the transfer, the actual sales price, the settlement sheet, any legal documentation, and GW's complete accounting entries recording the transfer. As part of the Report, the Petitioners shall disclose the amount of any financial gain or loss booked from the sale and shall provide a detailed discussion of any tax consequences related to the transfer.

4) There appearing nothing further to be done in this matter, it is hereby dismissed.

[1] GW is organized as a Subchapter S corporation for tax purposes.

CASE NO. PUE-2007-00102
MARCH 18, 2008

APPLICATION OF
SOUTHWESTERN VIRGINIA GAS COMPANY

For an Annual Informational Filing for the twelve months ended June 30, 2007

ORDER ADOPTING STAFF RECOMMENDATIONS AND DISMISSING PROCEEDING

On October 26, 2007, Southwestern Virginia Gas Company ("Southwestern" or the "Company") filed its Annual Informational Filing ("AIF") with the State Corporation Commission ("Commission") for the twelve months ended June 30, 2007. The Company filed financial and accounting data in support of its application.

On November 16, 2007, Southwestern filed a formal Request for Waivers ("Request"), which was docketed as Case No. PUE-2007-00109. In its Request, Southwestern sought a waiver of the requirement that the Company report information for Southwestern Virginia Energy Industries, Ltd., the Company's parent ("Parent"), as well as consolidated information for the Parent and the Company that would otherwise be required to be filed in Schedules 1, 2, 6, and 7 as part of the Company's AIF. The Company related that the Parent had never contributed to the raising of capital for Southwestern, never assisted the Company in raising capital, is a closely held corporation that is not publicly traded, and did not have financial statements prepared for public distribution.

Southwestern further requested a waiver of the requirement to file a jurisdictional study as part of Schedule 30 of its AIF. Among other things, the Company related that it served very few non-jurisdictional customers and that these non-jurisdictional customers represent a very small portion of the Company's customers and throughput.

In an Order Granting Waiver entered on November 29, 2007, the Commission granted the Company's Request for Waivers,[1] but limited the waivers granted to the unique circumstances identified by Southwestern in its Request.

The Staff filed its Report herein on January 25, 2008. This Report included both financial and accounting analyses. In its financial analysis, Staff summarized several changes in the Company's ratemaking capital that occurred during the test period. These changes resulted in a weighted average cost of capital range between 8.505% and 9.178%. The Commission established the authorized range for Southwestern's return on equity of 9.30% - 10.30% in the Company's last rate case, Case No. PUE-2006-00103.

In its accounting analysis, the Staff reported that it focused its review on Schedules 6 and 7, 15 through 17, 21, and 25 of the Company's filing. The Staff related that because the Company had reported in its application that it had no regulatory assets, it did not conduct an earnings test analysis for Southwestern. Through its review process, Staff made a number of revisions to Southwestern's accounting adjustments. For the test year ended June 30, 2007, Staff's analysis shows that Southwestern had a 9.48% per book return on common equity and an 11.13% fully adjusted return on equity. Staff commented in its Report on the Company's per books rate base, cost of gas, payroll adjustments, temporary payroll adjustments, leak repairs adjustment, lease expense, depreciation, adjustment for income taxes, and adjustment for customer deposits.

With respect to the Company's per books rate base, Staff noted that Southwestern's 13-month average of Deferred Gas balances should be reflected in rate base net of the effect of income taxes. According to Staff, the Company inappropriately included Deferred Gas in rate base as gross of the effect of income taxes. Staff's correction to the Company's Deferred Gas had the effect of increasing rate base by $68,203.

With respect to Southwestern's cost of gas, Staff commented that the Company is made whole for the under-recovery of unaccounted for and Company-use gas through the Actual Cost Adjustment ("ACA") calculation in its Purchased Gas Adjustment ("PGA") mechanism. Staff noted that Company Adjustment Nos. 2a and 2b include a calculation that grosses up sales volumes for the effect of unaccounted for and Company-use gas, and that these adjustments had the effect of increasing Southwestern's revenue requirement. Staff explained that since the Company already recorded the changes related to unaccounted for and Company-use gas through its ACA, it was inappropriate to include the effect of these changes in the cost of gas adjustments. Moreover, in the Stipulation adopted by the Commission in its July 30, 2007 Final Order,[2] the Company agreed to include the effect of unaccounted for and Company-use gas in its calculation of base cost of gas and the Company's PGA factors.

Staff revised the Company's payroll adjustments to include five months of payroll expenses related to a permanent employee added in February 2008. Staff also adjusted Southwestern's cost of service to include expenses related to temporary workers, hired by the Company as flaggers to control traffic around work sites. Staff's adjustment for expenses related to these temporary employees reflected the actual amount paid to date in the pro forma year.

Staff revised the Company's adjustment for expenses associated with computer programming. Staff's adjustment was based on the Company's programmer's assurances that missed work for November and December would be made up, and that the pro forma programming hours would be maintained.

With regard to the Company's leak repairs, Southwestern projected spending $50,000 in the pro forma year. Staff reported that the leak repair project would not begin before January 2008, and that the contractor hired to do the work advised that costs for such repairs will amount to $24,769 charged to expense. Staff adjusted the Company's expenses for this amount.

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[1] See Application of Southwestern Virginia Gas Company, For a waiver of certain Rate Case Rules otherwise applicable to Annual Informational Filings, Case No. PUE-2007-00109, Order Granting Waiver (Nov. 29, 2007).

[2] Application of Southwestern Virginia Gas Company, For approval of an expedited increase in rates, Case No. PUE-2006-00103, slip op. at 5 (July 30, 2007 Final Order).

Staff also adjusted Southwestern's cost of service to reflect the fact that the Company's lease for the AS400 computer expired in December 2006, halfway through the test year. Staff related that the Company purchased the computer after the expiration of the lease, and the cost of the computer was included in Southwestern's rate base. Since the lease has expired and Southwestern will not incur these lease expenses in the pro forma year, the Staff eliminated the per book lease expense for the AS400 computer.

With respect to the Company's depreciation expense, as shown in the Company's most recent depreciation study, Uniform System of Account Nos. 370, 393, and 395 were fully depreciated. Staff revised the Company's depreciation expense adjustment to eliminate any accruals to these fully depreciated accounts.

With regard to income taxes, Staff reported that dividends on the Company's ESOP stock in the amount of $55,500 were declared during the test year and paid by Southwestern's Parent. According to Staff, this amount was deductible for incomes tax purposes. The entire amount of the tax deduction was retained by the Parent. Since a portion of the ESOP contributions were made by the utility, and a portion of the cash flow for the dividend payment originates from utility income flowing upstream to the Parent, Staff associated a portion of the test year tax deduction based on the ratio of utility ESOP contributions to the total system ESOP contributions. Staff relates that this is the same methodology proposed by Staff and approved by the Commission in Southwestern's last two rate cases, Case Nos. PUE-2006-00103 and PUE-2003-00426. Finally, Staff revised the Company's adjustment to interest on customer deposits to reflect the interest rate to be used for calendar year 2008, i.e., 3.9%, rather than the 5.0% rate approved for calendar year 2007, used by the Company in its adjustment.

Staff concluded that based on its analyses, the Company's return on equity was 11.13%, a return above the Company's authorized range for its return on equity of 9.30% - 10.30%. Staff advised that this amounts to earnings of $67,922, above the 10% point used to determine the revenue requirement for Southwestern in its last rate proceeding. Staff noted that the Company's per book jurisdictional return on equity fell within the Company's authorized return on equity range. Staff reported that the Company anticipates an increase in expenses related to leak repairs, even though as of December 2007, the Company could only confirm the expenditure of $24,769 in the pro forma period. Given the totality of these circumstances, Staff recommended that no action be taken with regard to the Company's base rates in this AIF at this time, but urged the Commission to monitor Southwestern's earnings position in Southwestern's next AIF or rate application and to take any action warranted based upon the facts determined therein.

In a letter filed with the Commission on February 19, 2008, Southwestern advised that it did not wish to comment upon or object to the Staff Report.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that this AIF should be docketed and assigned Case No. PUE-2007-00102; that the recommendations of the Staff, including the Staff's analyses related to the Company's cost of capital and capital structure, accounting adjustments, and revisions to Southwestern's cost of service set out in its January 25, 2008 Staff Report, are reasonable and should be adopted; that no action on the Company's base rates should be taken in this AIF; that the Company's earnings position should be monitored in Southwestern's next AIF or rate application, and appropriate action should be taken in that proceeding based on the record developed therein; and that there being nothing further to be done herein, this case should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) This application is hereby docketed and assigned Case No. PUE-2007-00102.

(2) The Staff's recommendations set out in the January 25, 2008 Staff Report, including the Staff's analyses related to the Company's cost of capital and capital structure, accounting adjustments, and revisions to Southwestern's cost of service, are hereby adopted.

(3) No action shall be taken on Southwestern's base rates in this AIF at this time. However, we will monitor Southwestern's earnings position in the Company's next AIF or rate application and take appropriate action based on the facts developed in the record in that proceeding.

(4) There being nothing further to be done herein, this case shall be dismissed from the Commission's docket of active proceedings and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUE-2007-00104
MARCH 5, 2008

APPLICATION OF
COVANTA FAIRFAX, INC.

For a Certificate to Operate as an Electric Generating Facility Pursuant to Virginia Code § 56-580 D.

FINAL ORDER

On November 2, 2007, Covanta Fairfax, Inc. ("Covanta" or "Company"), filed with the State Corporation Commission ("Commission") an application requesting that the Commission issue a certificate of public convenience and necessity ("Certificate" or "CPCN") to operate the Company's existing electric generation facility ("Facility") located in Fairfax County, Virginia. The Facility currently operates as a qualifying small power production facility ("QF") under the Public Utilities Regulatory Policies Act ("PURPA")[1] and is not currently certificated by the Commission. The Company requests a

[1] 16 U.S.C. §§ 2601 *et seq.*

Certificate so it can increase the net electric power production capacity of its Facility to 98 MW, which will disqualify the Company from operating its Facility as a QF under PURPA.[2]

The Commission issued an Order for Notice and Comment on December 10, 2007, ("Order for Notice and Comment") providing interested persons an opportunity to comment on the Company's application and to request a hearing thereon. As the Commission stated in the Order for Notice and Comment, Covanta is applying for a Certificate pursuant to 5 VAC 5-20-80 A of the Commission's Rules of Practice and Procedure and, to the extent applicable, the merchant plant rules, 20 VAC 5-302-10 *et seq*. According to the application, Covanta is a corporation organized under the laws of the Commonwealth of Virginia. Ownership interests in Covanta are described in paragraph 2 of the application. Covanta is also certified by the Federal Energy Regulatory Commission ("FERC") as an exempt wholesale generator ("EWG") based on its ownership and operation of the Facility.[3]

As the Commission noted in its Order for Notice and Comment, Covanta currently sells all of the Facility's output to Virginia Electric and Power Company ("Virginia Power") pursuant to a Power Purchase and Operating Agreement ("PPOA"). The PPOA was executed on June 30, 1987, with an initial term of twenty-five (25) years from the Facility's commercial operation date in June, 1990. The application further stated that Virginia Power and Covanta were negotiating an amendment to the PPOA that would allow Covanta to sell up to 98 MW of the Facility's output to Virginia Power.

On November 16, 2007, Virginia Power and Covanta executed an amendment to the PPOA, which was approved by the County of Fairfax and the Fairfax County Solid Waste Authority on December 3, 2007. The amendment was filed with the FERC on December 5, 2007. The amendment to the PPOA (i) allows Covanta to elect not to continue operation as a QF and affirms that such an election will not breach the PPOA; (ii) allows Covanta to elect to resume operations as a QF if it determines, due to a change in law or regulation, that continued operation of the Facility without QF status would have an adverse economic effect on Covanta; (iii) provides for the sale of the Facility's net electrical output up to 98 MW to Virginia Power during hours when the PJM Interconnection, L.L.C. ("PJM") market price is expected to be in excess of the current energy rate under the PPOA; (iv) provides for the sharing of the positive net margin calculated as the difference between the PJM market price at the Covanta pricing node and the existing PPOA energy rate;[4] and (v) allows Virginia Power to suspend deliveries of energy by Covanta in excess of 80 MW if it determines that such deliveries will cause a negative impact on Virginia Power or its transmission system that outweigh the benefits of sharing in the positive net margin on such sales. The amendment was incorporated as an amendment to the First Amended and Restatement of the existing PPOA.

In sum, the Company requests that the Commission issue an order (i) granting Covanta a Certificate to operate the Facility, (ii) waiving any information requirements imposed by the Commission's merchant plant rules, 20 VAC 5-302-10, *et seq*., that may apply to Covanta's application to the extent Covanta has not provided such information in its application; (iii) clarifying the Commission's ongoing jurisdiction over Covanta and the Facility in light of the Facility's relinquishment of its QF status; and (iv) granting such other authority, approval, and relief as may be deemed proper under the circumstances.

In support of its application, the Company represents that granting the Facility a CPCN will have no material adverse effect on reliability of electric service provided by any regulated utility and that granting a CPCN is not otherwise contrary to the public interest.[5] Specifically, the application states the Facility will continue to contribute to the reliability of electric service provided by Virginia Power and, in fact, will affirmatively improve system reliability in Virginia Power's Northern Virginia service territory.

The Commission's Order for Notice and Comment established a February 8, 2008, deadline for the Commission Staff and any interested persons to file written comments on the application with the Clerk of the Commission. Contemporaneous with filing any such comments, interested persons were also authorized to request that the Commission convene a hearing on the Company's application. The Order for Notice and Comment further established February 18, 2008, as the date by which the Company could file a response to any comments or requests for hearing. Finally, the Order for Notice and Comment directed the Company to serve a copy of the Order on the chairman of the board of supervisors of Fairfax County and to publish a prescribed notice of this proceeding in newspapers of general circulation in Fairfax County.

On December 20, 2007, the Virginia Department of Environmental Quality ("DEQ") filed its coordinated environmental review ("Report") in response to the Company's application. The DEQ Report indicates that no new permits are required for the change in legal status sought by the Company in this application. Specifically, the DEQ Report states that the existing Covanta plant has all the required permits for operation of the Facility because the Company is not seeking any change in the Facility's operating status. The DEQ Report further states that with respect to the Company's operating permits (air quality, solid waste, and water quality permits), the Facility is either in compliance with such permits, or there is no evidence of any noncompliance. However, the DEQ Report recommends that Covanta either renew the registration for its above-ground storage tank or follow the closure procedures if the storage tank is no longer in use.

Thereafter, on January 7, 2008, Covanta filed its proof of notice and a response to the DEQ Report. The Company furnished proof of (i) service of the Order for Notice and Comment on the chairman of the board of supervisors of Fairfax County, Virginia, and (ii) publication of the notice prescribed by such Order in a newspaper of general circulation in Fairfax County, Virginia. Covanta also represented that it filed to renew the registration of its above-ground storage tank with DEQ on December 20, 2007, and the Company furnished a copy of its registration renewal form and the check for the registration fee.

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[2] Under 18 C.F.R. § 292.204 (a), the output of the Company's Facility may not exceed 80 MW to maintain its status as a qualifying small power production facility under PURPA.

[3] The Facility consists of (a) four mass-burn boilers capable of burning a total of 3,000 tons per day of municipal solid waste, (b) two steam turbine generator sets and (c) all associated mechanical and electrical systems. The Facility is interconnected to Virginia Electric and Power Company's 230 kV transmission system through two 230 kV circuit breakers that connect the Facility to the company's Occoquan substation. The Facility commenced commercial operation in June 1990.

[4] If the PJM market price is lower than the existing PPOA energy rate at the time of the sale, Covanta will be paid the PJM market price.

[5] Additionally, the application states that the Facility will continue to provide one of the least expensive, reliable sources of renewable energy-based electricity in the rapidly growing Northern Virginia portion of Virginia Power's service territory. The County of Fairfax, which shares in the revenues received by Covanta under the PPOA, will also benefit from the excess energy from the Facility.

The Staff of the State Corporation Commission ("Staff") filed a letter in this docket on January 17, 2008, advising that the Staff did not oppose Covanta's application and that, for that reason, the Staff had not filed comments and did not intend to do so.

No comments or requests for hearing were filed by interested persons.

NOW THE COMMISSION, in consideration of the foregoing, and having considered the application, the DEQ Report, and all applicable law, is of the opinion and finds as follows:

Pursuant to § 56-580 D of the Code, we find that Covanta's Facility (i) will have no material adverse effect upon the reliability of electric service provided by any regulated public utility; and (ii) the application is not otherwise contrary to the public interest. We have further evaluated the application pursuant to § 56-46.1 of the Code and have given consideration to the effect of this Facility on the environment. Section 56-46.1 of the Code provides that permits issued by federal, state, or local governmental entities that regulate environmental impact and mitigation of adverse environmental impact are deemed to satisfy the requirements of such section with respect to all matters that are governed by the permit.

In this regard, the DEQ has concluded that Covanta's Facility is in compliance with the air quality, solid waste, and water quality permits that have been issued to the Facility. The DEQ Report also does not identify any environmental issues that are not otherwise addressed in the Facility's existing permits or approvals. In addition, the DEQ Report recommends that the Facility: (1) maintain compliance with the Facility's existing air quality, solid waste, water quality, and waste water discharge permits; (2) notify DEQ's Northern Virginia Regional Office of any changes that would or might require amendment of any applicable permits pertaining to air quality, water quality, waste generation or disposal, or the management of petroleum tanks; and (3) renew the registration for the Facility's above-ground storage tank if the tank is still in use or follow the closure procedures if the tank is not in use. By letter filed with the Commission on January 7, 2008, Covanta has provided proof that it filed to renew the registration of its above-ground storage tank, as required by the DEQ Report, on December 20, 2007. As a condition of the certificate granted herein, we will require the Company to comply with all of the DEQ's recommendations. No other environmental issues were raised in this proceeding.

Covanta's application further requested that the Commission clarify its jurisdiction over the Company if a CPCN is issued. We will therefore reiterate, as we did in our Order for Notice and Comment, that since the Facility's output is sold at wholesale and subject to the jurisdiction and oversight by the FERC, we do not exercise jurisdiction over the Company's rates under the PPOA .

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Pursuant to § 56-580 D of the Code of Virginia, Covanta Fairfax, Inc. be granted Certificate of Public Convenience and Necessity No. ET-181, to operate an electric generation facility in Fairfax County, Virginia, upon the filing of site maps with the Commission's Division of Energy Regulation that conform to the filing requirements of such Division.

(2) The certificate of public convenience and necessity granted herein shall be conditioned upon Covanta Fairfax, Inc., (i) maintaining compliance with the Facility's existing air quality, solid waste, water quality, and waste water discharge permits; (ii) notifying DEQ's Northern Virginia Regional Office of any changes that would or might require amendment of any applicable permits pertaining to air quality, water quality, waste generation or disposal, or the management of petroleum tanks; and (iii) renewing the registration for the Facility's above-ground storage tank or following the DEQ's recommended closure procedures if the above-ground storage tank is no longer in use.

(3) Covanta's request for this Commission's waiver pursuant to 20 VAC 5-302-40, of any filing requirement that may apply to this proceeding, to the extent that Covanta has not provided such information in its application, is hereby granted.

(4) There being nothing further to come before the Commission in this proceeding, this case shall be removed from the docket and the papers transferred to the file for ended causes.

CASE NO. PUE-2007-00105
JULY 9, 2008

APPLICATION OF
DALE SERVICE CORPORATION

For Volumetric Rate Design Approval

FINAL ORDER

On November 2, 2007, Dale Service Corporation ("Dale Service" or the "Company") filed an application for volumetric rate design approval, supporting testimony, and exhibits with the State Corporation Commission ("Commission"). The application was filed to comply with the Commission's Order issued March 19, 2007 in Case No. PUE-2006-00070 ("Order") wherein Dale Service was ordered to proceed expeditiously to design volumetric billing for approval in its next rate case.[1]

Following guidance given the Company by the Commission's Staff as requested in the application, the Commission issued an Order for Notice on December 17, 2007, which directed, among other things, that notice be given and published as prescribed, that comments and/or requests for hearing may be

[1] Dale Service filed its next rate case in Case No. PUE-2007-00076 requesting leave to file its proposed volumetric billing in a separately docketed case (above-captioned), for which leave was granted in the Commission's Order for Notice and Hearing (Ordering Para. 3), issued September 21, 2007. Since the filing of the above-captioned case, the Commission approved the Company's permanent fixed rates in Case No. PUE-2007-00076 by Order issued March 5, 2008. The Company's current rates are $101.26 per quarter for residential customers and $127.14 per quarter for commercial customers.

filed, and that the Commission Staff shall investigate the application and file a Staff Report.[2] On April 21, 2008, the Commission issued an Order Granting Extension which extended the time for filing the Staff Report and the Company's rebuttal. The Staff Report was filed on May 6, 2008, and on that date, the Commission issued a Second Order Granting Extension which allowed Dale Service a one-week extension to file its rebuttal. On May 27, 2008, the Comments of Applicant To Staff Report was filed. On May 28, 2008, Staff filed an Errata Page to correct and replace page 6 of the Staff Report.

No comments or requests for hearing were filed and no respondents requested participation.

The Company's application, filed pursuant to 5 VAC 5-20-80 of the Commission's Rules of Practice and Procedure, seeks the Commission's guidance and approval in complying with the Order directing the Company to design volumetric rates. The Company, through the direct testimony of Company witness Norris Sisson, requests that the Commission approve the following rate design proposal, to take effect in conjunction with the next rate case:

1. Using water service billing data obtained from Virginia American Water Company ("VAWC"), Dale Service would determine each customer's individual usage level.

2. Based on a customer's water usage level, residential customers would be divided into three classes of usage; low, average and high usage and would be billed according to their classification. Low-, average- and high-usage customers would be invoiced at $85.85, $101.00 and $117.48 respectively.[3]

3. Customers in multi-unit residential complexes, including condominiums and apartment buildings, would be billed at the average-usage residential classification rate.

4. Commercial customers will continue to be billed at their current rate, which approximates a volumetric billing through the calculation based on "equivalent taps."

Dale Service proposes to set volumetric billing levels such that (1) the 25% of customers using the least quantity of water per quarter will be billed at the "low-usage" rate, (2) the 50% of customers who use more than the "low-usage" customers will be billed at the "average-usage" rate, and (3) the remainder of customers, who comprise the highest level of water usage, will be billed at the "high-usage" rate. This would break the customers into more equitable low-, average- and high-usage classifications. Due to the fact that the VAWC billing data measures usage in incremental thousand gallon units, it is extremely unlikely that the number of customers in each incremental class can be exact. Therefore, the low-usage number of customers would be rounded up from 25%, the average-usage class will be rounded, and the high-usage class will be comprised of the remaining customers. According to data Dale Service obtained from VAWC, the usage breaks occurred at the 10 and 24 thousand gallons per quarter thresholds.

Dale Service proposes to review these classifications every three years, consistent with its policy regarding commercial customers. Partial years of service for customers who move from Dale Service's service territory would be charged the rate associated with their usage classification prior to moving, on a pro-rata basis. New customers will be charged on a pro-rata basis using the average usage rate until their actual usage classification can be established. Lastly, since almost no multi-unit residential complexes in the Dale Service territory are metered by individual unit, Dale Service proposed to bill these customers as average usage customers.

The Staff Report filed on May 6, 2008, describes the Company's efforts to develop a method for converting its fixed rates to volumetric billing. The Staff Report notes that Dale Service currently bills its residential and commercial customers quarterly in advance at a fixed rate per quarter. To convert to volumetric billing, the Company obtained from VAWC, the provider of water utility service to the Company's Dale City territory, the aggregate quarterly billing information on a per customer basis for the Company's customers. The Staff Report noted Company witness Sisson's testimony that conversion of VAWC's customer data to volumetric billing for the Company's customers presented at least three issues for implementation as usage-based billing:

> 1. VAWC bills its water customers in arrears on a 'staggered' quarterly basis, whereas Dale Service bills it sewer customers prospectively on a uniform quarterly cycle. These are generally the same customers in Dale City.
>
> 2. The 'staggered' quarterly basis of VAWC's billing cycle means that approximately one-third of its Dale City customers are invoiced each month. For example, one-third of the customers are billed in January for the October-December water usage period. Dale Service stated that this adds to the complexity of determining normal, non-seasonal water usage to be used for billing sewer service if such a 'normalized' usage approach were adopted.
>
> 3. If customers' wastewater bills are based on 'normalized' winter months in order to eliminate the warm weather seasonal water usage, administrative issues could arise as to adding new customers and dealing with annual billing for any customers who do not reside in their Dale City residences for all or part of these winter months.
>
> (Staff Report, p. 2)

The Staff Report made nine recommendations to modify the Company's proposed volumetric rate design which are repeated generally as follows:

1. Using VAWC water service billing data at least biennially, Dale Service should determine each customer's individual usage level.

[2] We note that the proceeding in Case No. PUE-2007-00076 to set the Company's current rates was conducted simultaneously with this case to establish volumetric rate billing for the Company's next rate case, which is expected to be filed no later than November of 2008. (Application, p. 4)

[3] These amounts were calculated based on residential water consumption distribution in the service territory and Dale Service's revenue requirement, as filed in PUE-2007-00076, and upon a cost of service study filed as Attachment A to the application in this case.

2. Based on a customer's water usage level, the Company should divide residential customers into five usage blocks; lowest, low, average, high, and highest and each block should be billed according to its classification.

3. Dale Service should design the five usage blocks to assign 20% of its customers to the lowest, low, average, high, and highest usage blocks.

4. Dale Service should design rates in its next rate proceeding where the lowest and highest block rates are approximately 30% lower and higher, respectively, of the average usage block rate. The low and high usage blocks should also be approximately 15% less or more than the average block rate.

5. The Company should determine customer usage every other year or each time the Company files a rate proceeding with the Commission if the last adjustment in the usage blocks was made one year or more prior to the filing date of the rate case.

6. The Company should determine the aggregate water usage of each multi-unit residential complex prior to its next rate filing to determine whether the individual tenant or owner should be billed in a rate usage block other than the middle or average usage block.

7. Customers in multi-unit residential complexes, including condominiums and apartment buildings, should be billed at the average-usage residential classification rate since the customers are almost exclusively not metered individually.

8. Dale Service should also contract with VAWC for billing data for its commercial customers and adjust the equivalent residential taps of the customers its commercial customers are using in the same time frame recommended for the residential customers.

9. Dale Service should file all schedules, work papers, and the rates, rules and regulations in its next rate case reflecting the recommendations above and using water usage data for the year prior to the filing the rate case.

Dale Service filed comments to the Staff Report stating that it is amenable to the general methodology suggested for residential customers proposed on page 7 of the Staff Report and to recommendations 3 and 4 of the Staff Report. Dale Service expressed concern with Staff's recommendations 1, 2, 5, 6 and 8, in particular. The Company notes that the cost of obtaining usage data from VAWC and the administrative expenses associated with the rate design conversion, including the cost of new billing software and compensation of additional personnel, will directly lead to higher rates for customers. The Company objects to the recommendation that its customers' classifications be reassessed biennially in the event there is no intervening rate proceeding, and requests that the commercial customers be excluded from such biennial review.

Dale Service also requests in its comments to the Staff Report that the recommended five customer classifications be rejected in favor of the proposed three classifications.

Finally, the Company requests in its comments that Staff's recommendation 7, for average-usage level billing for all multi-unit customers be accepted and recommendation 6, which the Company states will require further investigation and analysis be rejected. The Company notes that no owner of multi-unit complexes has participated in this or any rate proceeding, and that the evaluation of multi-unit residential customers' usage should be delayed until the initial implementation of volumetric billing is accomplished.

NOW THE COMMISSION, having considered the record, the pleadings, and the applicable law, is of the opinion and finds that Dale Service should design its volumetric billing, to be implemented with its next rate proceeding, in accordance with our findings below.

The Company should obtain and use VAWC water service billing data at least biennially, to determine each residential customer's individual usage level, in accordance with Staff's recommendation 1. The Commission agrees with Staff that the three-year period for acquiring new VAWC water billing data will not provide an adequate and timely pricing signal to the Company's residential customers.

The Company should develop its volumetric billing design for residential customers using the three classifications proposed, such that the 25% of customers using the least quantity of water per quarter will be billed at the "low-usage" rate, the 50% of customers who use more than the "low-usage" customers be billed at the "average-usage" rate, and the remainder of the customers, who comprise the highest level of water usage, will be billed at the "high-usage" rate. While the Commission recognizes that Staff's recommendation 2 to develop five usage blocks would send a more precise price signal, the difficulties inherent in the conversion to volumetric billing and the significant expenditures required to do so call for our rejection of this recommendation at this time. The Commission may reconsider development of five usage blocks in a later proceeding, once the Company implements its volumetric rate design and reports to the Commission upon its implementation as ordered below.

Consistent with our acceptance of the Company's proposed three usage classifications above, we reject Staff's recommendation 3 to allocate 20% of the customers to each usage block.

The Company should design rates in its next rate proceeding consistent with our acceptance of the Company's proposed three usage classifications above. Therefore, we modify Staff's recommendation 4 and order the Company to design rates for the low and high usage blocks approximately 15% less or more than the average rate block. The Commission will not set specific volumetric rates to be filed in tariffs in this proceeding.

The Company should determine customer usage going forward every other year or each time the Company files a rate proceeding if the last adjustment in the usage blocks was made one year or more prior to filing the rate proceeding, consistent with Staff's recommendation 5.

The Commission rejects Staff's recommendation 6 and will allow the Company to delay evaluating multi-unit residential customers' usage until the operational constraints of implementing the ordered volumetric billing are known and reported to the Commission. The Commission is of the opinion that evaluation of multi-unit residential customers' usage would provide insufficient usefulness, given the resources required to comply with this Staff recommendation.

The Company should bill its customers in multi-unit residential complexes including condominiums and apartment buildings, at the average-usage residential classification rate consistent with Staff's recommendation 7.

The Company should contract with VAWC to obtain billing data for its commercial customers and adjust the equivalent residential taps of the customers its commercial customers are using in the same time frame found for residential customers, consistent with Staff's recommendation 8.

The Company should file with its next rate proceeding all schedules, work papers, and the rates, rules and regulation, reflecting the findings above and using water usage data for the year prior to the filing of the rate application, consistent with Staff recommendation 9.

Accordingly, IT IS ORDERED THAT:

(1) Dale Service shall develop and implement its rate design for volumetric billing, consistent with the findings above, and include it with the next rate application.

(2) This case is dismissed.

CASE NO. PUE-2007-00106
MARCH 14, 2008

PETITION OF
SPECTRA ENERGY VIRGINIA PIPELINE COMPANY,
SPECTRA ENERGY EARLY GROVE COMPANY,
SPECTRA ENERGY CORP,
SALTVILLE GAS STORAGE COMPANY L.L.C.,
EAST TENNESSEE NATURAL GAS, L.L.C.,
SPECTRA ENERGY TRANSMISSION, LLC,
and
SPECTRA ENERGY PARTNERS, LP

For cancellation of certificates of public convenience and necessity, authority to withdraw tariffs and operation and maintenance manuals, and termination of requirements to file other affiliate filings based upon approval of request filed for the Federal Energy Regulatory Commission to assume jurisdiction, and other related matters pursuant to Chapters 4, 5, and 10.1 of Title 56 of the Code of Virginia

FINAL ORDER

On December 21, 2007, Spectra Energy Corp ("Spectra"),[1] Spectra Energy Virginia Pipeline Company ("Virginia Pipeline"),[2] Spectra Energy Early Grove Company ("Early Grove"),[3] Saltville Gas Storage Company L.L.C. ("Saltville"),[4] Spectra Energy Partners, LP ("Spectra Partners"),[5] and East Tennessee Natural Gas, L.L.C., ("East Tennessee")[6] (hereafter collectively referred to as the "petitioners"), filed both public and confidential versions of a petition with the Commission under the Utility Facilities Act, Chapter 10.1 of Title 56, Chapter 4 of Title 56, and Chapter 5, the Utility Transfers Act, of Title 56 of the Code of Virginia (the "Code"). Through a letter dated January 10, 2008, filed with the Commission, the petitioners supplemented their petition by clarifying that Spectra Energy Transmission, LLC ("Spectra Transmission"), a Delaware limited liability company and direct parent of both Virginia Pipeline and Early Grove, is also one of the petitioners in the proceeding. This letter advised that the identification of Spectra Transmission as a petitioner did not otherwise change the process for transfer and sale set out in the petition.[7]

In their petition, among other things, the petitioners requested authority to permit East Tennessee to acquire and operate the P-25 Pipeline Facility[8] now operated by Virginia Pipeline. According to the petition, this transaction would be accomplished through an asset sale of the P-25 Pipeline Facility to East Tennessee pursuant to a confidential Asset Purchase Agreement that the petitioners filed with the Commission under seal. As proposed in the petition, the Asset Purchase Agreement would become effective once FERC and Commission approvals are received. Under the terms of the Asset Purchase Agreement, East Tennessee proposed to pay Spectra approximately $25,300,000 for the P-25 Pipeline and various related facilities in the petition and purchase agreement, and payment was to be made primarily with shares of East Tennessee's parent, Spectra Partners.

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[1] Spectra is a Delaware Corporation indirectly owning 100% of Spectra Energy Virginia Pipeline Company and Spectra Energy Early Grove Company.

[2] Virginia Pipeline is a Virginia natural gas utility regulated by the State Corporation Commission ("Commission"). Virginia Pipeline operates an intrastate pipeline and a storage facility.

[3] Early Grove is a Virginia natural gas utility regulated by the Commission. It operates a storage field located in Scott and Washington Counties, Virginia.

[4] Saltville is a limited liability company regulated by the Federal Energy Regulatory Commission ("FERC").

[5] Spectra Partners is a Delaware limited partnership which indirectly owns a 100% interest in East Tennessee Natural Gas, L.L.C. Spectra is the majority shareholder in Spectra Partners.

[6] East Tennessee is a Tennessee limited liability company regulated by the FERC.

[7] Hereafter, when referring to petitioners in this order, such reference shall include Spectra Transmission as well as other previously identified petitioners.

[8] The P-25 Pipeline Facility includes approximately seventy-two miles of intrastate transmission pipeline currently operated by Virginia Pipeline under Certificates of Public Convenience and Necessity issued by the Commission. The P-25 Pipeline Facility extends from Saltville, Virginia, to Radford, Virginia, and interconnects with East Tennessee at Radford.

The petition explained that, upon receipt of the necessary approval and completion of the asset sale transaction, the P-25 Pipeline Facility would be incorporated into, and made a part of, East Tennessee's system. According to the petition, service would be provided through the P-25 Pipeline Facility to East Tennessee and Atmos Energy Corporation ("Atmos"). The petition explained that the contract with East Tennessee would be terminated upon completion of the proposed asset purchase transaction.

The petition also related that service would be provided through the P-25 Pipeline Facility to Atmos pursuant to East Tennessee's FERC Gas Tariff, Second Revised Volume No. 1, upon incorporation of the P-25 Pipeline Facility into East Tennessee's system. The petition states that Atmos Energy had executed a new letter agreement with East Tennessee whereby Atmos agreed not to oppose the proposed transaction. The petition explained that Atmos would continue to pay rates for service at levels comparable to those found in the current Commission-regulated tariffs for the remaining term of its current service contract through April 30, 2014.

Additionally, the petition requested authority to permit Saltville to acquire and operate the Early Grove Facility,[9] a depleted reservoir storage field located in Scott and Washington Counties, Virginia. Early Grove currently operates the Early Grove Facility under a Hinshaw exemption and is subject to regulation by the Commission as well as to regulation by the FERC in the provision of certain intrastate and interstate storage services, respectively. Saltville proposed to acquire and operate the Early Grove Facility through an intercompany merger with Early Grove.

Further, the petition requested authority to permit Saltville to acquire and operate the Virginia Storage Facility[10] through an intercompany merger with Virginia Pipeline at the same time the merger with Early Grove takes place. All three companies are wholly owned affiliates of Spectra.

Under the terms of a confidential Merger Agreement attached to the petition and filed under seal, Saltville will acquire the member interests in Early Grove and Virginia Pipeline at the Companies' net book value as of the time of acquisition, excluding the net book value of the P-25 Pipeline Facility. According to the petition, upon completion of this transaction, the Early Grove Facility and Virginia Storage Facility will become part of Saltville's integrated system, and services will be provided under Saltville's FERC Gas Tariff, Original Volume No. 1.

The petition represented that existing customers of the Early Grove Facility and the Virginia Storage Facility plan to execute new service agreements with Saltville under Saltville's Firm Storage Rate Schedule FSS. According to the petition, these new agreements would provide customers with the same contract quantities (Maximum Storage Quantity, Maximum Daily Withdrawal Quantity, and Maximum Daily Injection Quantity) that the existing customers currently possess under their Early Grove Facility and Virginia Storage Facility contracts. The petition represents that the existing customers will be given separate negotiated rate agreements that state that these customers will pay only the rates currently paid for service under the existing Commission-regulated tariffs for the remaining term of their current contracts for such service. The petition represented that former Early Grove and Virginia Storage Facility customers have executed letter agreements whereby, among other things, each of the customers have agreed not to oppose the transactions described in the petition.

Further, the petition requested cancellation of the Certificates of Public Convenience and Necessity issued by the Commission to Early Grove and Virginia Pipeline, relief from various filing and other regulatory requirements imposed by various Commission Orders identified at pages 14 through 18 of the public version of the petition, as well as dismissal of various Commission proceedings discussed at pages 16 through 18 of the public version of the petition. Additionally, the petition requests relief from any further monitoring or remedial actions imposed by the Commission's Order of Settlement entered in Case No. PUE-2002-00413, as well as the suspension of all outstanding fine amounts associated with the remediation work performed or to be performed in the future under that Order.[11]

Finally, the petition sought authority to withdraw Early Grove's and Virginia Pipeline's tariffs and operation and maintenance manuals now on file with the Commission. The petitioners renewed their request for approval of the regulatory actions outlined in the petition as well as such other approvals or relief that might be necessary under the law and Commission rules, regulations, and guidelines to effectuate the transactions proposed in the petition.

On January 15, 2008, the Commission issued its Order for Notice and Comment ("Order") herein. Among other things, that Order docketed the proceeding, invited interested persons to file written comments or requests for hearing on the Company's petition with the Commission on or before February 11, 2008, directed the Staff to file a Report with the Clerk of the Commission on or before February 19, 2008, and permitted the petitioners to file on or before February 26, 2008, a pleading responsive to the comments or requests for hearing filed by interested parties and to the Report filed by the Staff. The January 15, 2008 Order directed the petitioners to serve a copy of the Order upon local officials in the areas of the Commonwealth in which Virginia Pipeline and Early Grove offer service through the natural gas pipeline and natural gas storage facilities that are the subject of the captioned petition and to serve a copy of the Order upon all customers currently served by Virginia Pipeline and Early Grove.

On January 25, 2008, the petitioners, by counsel, filed their proof of notice and service required by the January 15, 2008 Order for Notice and Comment. No comments or requests for hearing were filed.

On February 19, 2008, the Staff filed its Report herein in both public and confidential versions. On February 20, 2008, the Staff, by counsel, filed a letter making certain clerical corrections to the Staff Report.

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[9] The Early Grove Facility consists of 29 wells, of which 22 are active, and seven are monitoring wells. This Facility also includes approximately 16 miles of four-inch diameter pipeline looped with approximately five miles of six-inch diameter pipeline, connecting the facility to the main line of East Tennessee, as well as to two 600 horsepower compressor units.

[10] The Virginia Storage Facility is a natural gas storage facility encompassing Virginia Pipeline, located in Smyth and Washington Counties, Virginia, near Saltville's existing facilities. The Virginia Storage Facility operates under a Hinshaw exemption and is subject to regulation by the Commission. It also operates under a blanket certificate issued by the FERC. The Virginia Storage Facility includes approximately 6.9 miles of eight-inch diameter piping connecting the storage cavern to East Tennessee near Chilhowie, Virginia. The Virginia Storage Facility includes two 600 HP compressor units.

[11] See Commonwealth of Virginia ex rel. State Corporation Commission v. Virginia Gas Pipeline Company, Case No. PUE-2002-00413, 2002 S.C.C. Ann. Rep. 587 (Oct. 7, 2002 Order of Settlement).

In the Staff Report, the Staff summarized the transactions set forth in the petition, the relief requested therein, and identified the petitioners. With regard to the transfer of utility assets pursuant to which Virginia Pipeline agreed to sell and East Tennessee agreed to acquire the P-25 Pipeline Facility, the Staff noted that East Tennessee had filed an application with the FERC docketed as CP08-38-000 for authorization of blanket certificate activity on December 18, 2007, under FERC's Prior Notice Regulations. The Staff noted that under the Prior Notice Regulations, FERC approval would be deemed to have occurred automatically without the need to issue an order following the expiration of the 60-day FERC comment period unless interested parties filed a protest. The Staff reported that the P-25 Pipeline FERC filing was noticed on December 21, 2007, and assuming that FERC received no protests, automatic approval of the P-25 Pipeline Facility transfer transaction would be effective on and after February 19, 2008.

Staff commented that the net book value of the P-25 Pipeline Facility assets as of November 30, 2007, was $24.7 million, and that ETNG would initially book the $813,523 purchase premium over net book value as an acquisition adjustment, which would later be written off.

With regard to the Virginia Pipeline and Early Grove merger transaction, Staff reported that on December 18, 2007, Saltville had filed a request for authorization of blanket certificate activity with the FERC in Docket No. CP08-39-000 to acquire, operate, and maintain through merger Virginia Pipeline and Early Grove in accordance with FERC's Prior Notice Regulations. The Staff noted that the FERC approval would be deemed to occur automatically without the need to issue an Order following the expiration of the 60-day FERC comment period unless interested parties filed protests.

Staff noted that Saltville will assume the properties, rights, privileges, powers, and debts of Virginia Pipeline and Early Grove at net book value as of the date of the merger, excluding the previously transferred net assets of the P-25 Pipeline Facility. Staff commented that once the P-25 Pipeline Facility is transferred to East Tennessee and Virginia Pipeline and Early Grove are merged into Saltville, the Virginia Pipeline and Early Grove operations formerly regulated by the Commission will operate under the FERC's jurisdiction, and the Certificates of Public Convenience and Necessity and Commission-approved tariffs for Virginia Pipeline and Early Grove would have to be withdrawn since these companies' post-transfer operations would no longer be subject to the Commission's rate and service regulation.

With regard to the Commission's pipeline safety regulation of Virginia Pipeline and Early Grove, the Staff Report explained that the Commission had adopted Parts 191, 192, 193, and 199 of the Code of Federal Regulations to serve as minimum gas pipeline safety regulations ("Safety Standards") in Virginia in Case No. PUE-1989-00052. Section 56-257.2 B of the Code allows the Commission to impose the fines and penalties set out in that statute to enforce these Safety Standards. The Commission's Division of Utility and Railroad Safety ("Division") is the Division of the Commission responsible for assisting the Commission with the investigation of each jurisdictional natural gas company's compliance with the Safety Standards.

The Staff noted that during 2002, the Division investigated and alleged that Virginia Pipeline had violated various Commission Safety Standards during the construction, operation, and maintenance of the P-25 Pipeline Facility. In an Order of Settlement ("Settlement Order") issued on October 7, 2002,[12] the Commission accepted a settlement offer by Virginia Pipeline that included a $410,000 fine, of which $55,000 was paid contemporaneously with the entry of the Order. The Settlement Order provided that the remainder of the penalty could be suspended, in whole or in part, provided that Virginia Pipeline implemented and completed the monitoring and remedial action program set out in the Settlement Order on a timely basis. This remedial program included, among other things, the hiring of a corrosion specialist firm and the performance of periodic direct examination, in-line inspection as specified in the Settlement Order, and direct assessment corrosion surveys at least twice over a ten-year period from the date of the Settlement Order. The Settlement order directed Virginia Pipeline to submit reports of its findings, inspections, and corrective actions every six months to the Division. Staff noted that if the proposed transfer of the P-25 Pipeline Facility to East Tennessee is approved, the P-25 Pipeline Facility would become part of East Tennessee's interstate natural gas pipeline network, subjecting the Facility to U.S. Department of Transportation ("DOT") pipeline safety requirements which are administered by the DOT's Pipeline and Hazardous Materials Safety Administration ("PHMSA").

The Staff then summarized the dockets with filing and reporting requirements remaining in various Commission dockets to which Virginia Pipeline and Early Grove are currently subject. The Staff noted that the petitioners had identified three certificate cases, four cash management cases, and three affiliate cases that impose Commission reporting and filing requirements. During its review, Staff identified three additional affiliate cases set out in note 11 at page 13 of the public version of the Staff Report.

Staff discussed various benefits associated with the transactions set out in the petition, summarized the accounting for the transactions set out therein, addressed the tax issues raised by the petition, and conducted an analysis of the financial ramifications of the transactions proposed by the petitioners at pages 17-18 of the public version of the Staff Report. Staff concluded that after the proposed transactions, the former Virginia Pipeline and Early Grove operations should continue to have access to capital on reasonable terms to finance and support the continuation of natural gas transmission and storage service.

Staff concluded that the proposed transfer of the P-25 Pipeline Facility to East Tennessee and the merger of Virginia Pipeline and Early Grove into Saltville represented a logical restructuring of Spectra's Virginia operations along functional lines. According to the Staff, the transfer of regulatory jurisdiction from the Commission to the FERC should streamline the petitioners' reporting requirements, while ensuring that Virginia customers of Virginia Pipeline and Early Grove will continue to receive regulatory protection.

Based on the petition and information available to Staff during its review, and provided that the petitioners comply with the recommendations found on pages 19 through 21 of the Staff Report, Staff concluded that the Commission could find that the proposed transfer of utility assets and the proposed change of control should not impair or jeopardize adequate service to the public at just and reasonable rates and could be approved. Staff recommended approval of the proposed transfers of the P-25 Pipeline Facility, the proposed merger of Virginia Pipeline and Early Grove with Saltville, the cancellation of the Certificates of Public Convenience and Necessity, and the elimination of certain utility reporting and follow up requirements, subject to the recommendations set out at pages 20 through 21 of the Staff Report to ensure that the proposed transactions comply with the Utility Transfers Act, Chapter 5 (§ 56-88 et seq.) of Title 56 of the Code of Virginia.

On February 22, 2008, the petitioners, by counsel, filed their response to the Staff Report. In their response, the petitioners clarified certain aspects of the early history of Virginia Gas Company ("VGC") and noted that VGC was publicly traded on NASDAQ prior to its acquisition by NUI Corporation, and that Michael L. Edwards held the titles of President and Chief Executive Officer of Virginia Gas Company at the time of this acquisition.

[12] Commonwealth of Virginia, ex rel. State Corporation Commission v. Virginia Gas Pipeline Company, Case No. PUE-2002-00413, 2002 S.C.C. Ann. Rep. 587 (Oct. 7, 2002 Order of Settlement).

The petitioners clarified that under the transactions proposed in the petition, the P-25 pipeline would be split, with 72 miles of the Virginia Pipeline Facility being owned by East Tennessee and 6.9 miles of the Facility being owned by Saltville. The petitioners advised that this division of the P-25 pipeline would not occur until after the completion of the transactions set forth in the petition and upon receipt of all necessary regulatory approvals.

The petitioners also advised that the East Tennessee acquisition of the 72 miles of the P-25 pipeline was deemed authorized under FERC Prior Notice Regulations on February 19, 2008, and that assuming no party protested Saltville's acquisition of the storage facility, the other remaining assets of Virginia Pipeline and Early Grove would be deemed authorized under FERC Prior Notice Regulations on March 3, 2008. The petitioners represented that they would supplement the FERC proceeding information set out in its Response relating to the Saltville acquisition subsequent to March 3, 2008. The petitioners further represented in their Response that they agreed with the recommendations of the Staff Report, as set forth on pages 20 and 21 of that Report.

On March 6, 2008, the petitioners, by counsel, supplemented their response by including a March 4, 2008 letter from the petitioners' FERC counsel addressing the status of Saltville's request for authority to acquire, operate, and maintain storage facilities owned by Spectra Energy Early Grove Company and Spectra Energy Virginia Pipeline Company, docketed as FERC Docket No. CP08-39-000. The petitioners' FERC counsel advised that on March 3, 2008, the comment period on Saltville's request expired without any comments being filed with respect to that request. The Petitioners' FERC counsel related that since no protest was filed with FERC during the comment period, Saltville was authorized pursuant to 18 C.F.R. § 157.205 (h) (2007), to acquire, operate, and maintain the storage facilities without further FERC action.

NOW THE COMMISSION, having considered the foregoing, is of the opinion and finds that the transfer and merger activities identified in the December 21, 2007 petition, as supplemented and clarified by the petitioners' January 10, 2008 filing, should be approved subject to the recommendations set forth on pages 20 and 21 of the public version of the February 19, 2008 Staff Report filed herein. We also find that the transfer and acquisition transactions set out in the petition and its accompanying documents should not impair or jeopardize adequate service to the public at just and reasonable rates, provided the Staff recommendations found at pages 20 and 21 of the Staff Report are attached as conditions to the approvals granted herein. We adopt Staff's recommendations in full in order to properly review and monitor the transactions approved herein, to ensure sufficient records of all transfer-related data, and to clarify the nature and scope of our approval.

We further find that upon filing of the Report described in Recommendation 1 found on page 20 of the Staff Report, the Certificate of Public Convenience and Necessity Nos. GT-67(a) and GT-68(a) issued to Virginia Pipeline for its pipeline facility, Certificate of Public Convenience and Necessity No. GS-2(b) issued to Virginia Pipeline for the Virginia Storage Facility, and Certificate of Public Convenience and Necessity Nos. GS-1(a) issued to Early Grove for the Early Grove Storage Facility should be cancelled. Additionally, we find that the petitioners should be released from the reporting and regulatory requirements and reports set forth in Case No. PUE-1994-00078, PUE-1996-00093, PUE-1997-00024, PUE-2006-00043, PUE-2006-00044, PUE-2006-00052, PUE-2006-00053, PUE-2004-00067, PUE-2004-00110, PUE-2004-00133, PUE-2006-00027, PUE-2006-00085, and PUE-2006-00118.

In this vein, we note that in Case No. PUE-2006-00021, Early Grove was directed to file either the instant regulatory filing or an appropriate application for approval of affiliate arrangements.[13] We further directed that if the Company's anticipated regulatory filing did not render the affiliate issues discussed by the Staff Report filed in Case No. PUE-2006-00021, moot, Early Grove must file for approval for any appropriate affiliate agreements required by Chapter 4 of Title 56 of the Code of Virginia within ninety (90) days of any such decision by the Commission on the anticipated regulatory filing.

Subsequently, Early Grove filed a petition seeking an extension of time in which to file its anticipated regulatory filing. That request was docketed as the instant case, Case No. PUE-2007-00106. We granted Early Grove's requested extension on November 8, 2007, and the anticipated regulatory filing is the captioned petition filed on December 21, 2007, involving the transfers, acquisitions, and mergers that are the subject of the instant Order. We find that the approval of the December 21, 2007 petition renders the necessity of Early Grove filing for further affiliate arrangements moot. Early Grove need not make any further such filings.

Moreover, since Case Nos. PUE-2002-00413, PUE-2004-00110, PUE-2004-00133, PUE-2006-00043, PUE-2006-00044, PUE-2006-00052, and PUE-2006-00053 remain open, these dockets should be closed. We find these actions appropriate, since upon consummation of the merger and transfers anticipated by the petition, the entities now jurisdictional to the Commission will no longer exist.

With regard to the Settlement Order, we agree that it is important that the facilities that are now part of Virginia Pipeline continue to be operated safely in the provision of adequate service. In this regard, we find that the agreements reached between East Tennessee, Saltville, PHMSA, and the Division as outlined in the letters attached to the Staff Report should serve to promote the continuation of the provision of safe and adequate service by the facilities formerly jurisdictional to the Commission. Saltville, Pipeline, and East Tennessee have committed to PHMSA to continue the inspection and monitoring program specified in Paragraphs (2)(A) (i) and (2)(B) (i)-(vi) i.e., the Remedial Program, found in our October 7, 2002 Settlement Order, entered in Case No. PUE-2002-00413. The Director of the Eastern Region for PHMSA has advised the Division that PHMSA intends to track and verify that the technical safety directives set forth in the Settlement Order are fulfilled. East Tennessee and Saltville have represented in letters to the Division that they will provide reports to the Division every six months ("Program Reports") during the term of the inspection and monitoring of the Remedial Program established in the Settlement Order, simultaneously when the Program Reports are sent to PHMSA. Indeed, in light of the representations made by Saltville, Virginia Pipeline, and East Tennessee, as well as the Eastern Region of PHMSA's commitment to track and verify compliance with the technical safety directive that are a part of the Remedial Program, we will suspend the remaining balance of the civil penalty imposed by our Settlement Order docketed as Case No. PUE-2002-00413 and close that case.

Finally, upon filing the Report described in recommendation 1 of the Staff's February 19, 2008 Report, the petitioners may withdraw the tariffs and operation and maintenance manuals on file for Virginia Pipeline and Early Grove with the Commission. The Division of Energy Regulation should cancel these tariffs upon the filing of the Report described in Recommendation 1 found at page 20 of the Staff Report with the Commission.

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[13] See Application of Duke Energy Early Grove Company f/k/a Virginia Gas Storage Company, For an Annual Informational Filing for the calendar year ending December 31, 2005, Case No. PUE-2006-00021, slip op. at 6-7. (Aug. 9, 2007 Final Order).

Accordingly, IT IS ORDERED THAT:

(1) Consistent with the findings made herein, the transfers, acquisitions, and mergers described in the December 21, 2007 petition are approved subject to the recommendations set forth at pages 20 and 21 of the February 19, 2008 Staff Report.

(2) Within sixty (60) days of completing the transfer of a portion of proposed P-25 Pipeline Facility and associated facilities to Virginia Pipeline and the transfer of a portion of the P-25 Pipeline Facility and associated facilities to Saltville, as described in the petition, as well as upon completion of the merger of Virginia Pipeline and Early Grove into Saltville, the petitioners shall file a Report with the Commission which shall comprehensively address the actual transfers and merger transactions including the dates of such transactions, the accounting entries for Virginia Pipeline, Early Grove, East Tennessee, and any and all legal documentation, together with a discussion of any associated tax consequences. This Report shall include an executed copy of the actual Merger Agreement.

(3) Upon receipt of the Report required in Ordering Paragraph (2) herein by the Commission, Certificates of Public Convenience and Necessity Nos. GT-67(a), GT-68(a), GS-2(b) and GS-1(a) shall be cancelled.

(4) The petitioners are hereby released from the regulatory and filing requirements prescribed in Case Nos. PUE-1994-00078, PUE-1996-00093, PUE-1997-00024, PUE-2004-00067, PUE-2004-00110, PUE-2004-00133, PUE-2006-00043, PUE-2006-00044, PUE-2006-00052, PUE-2006-00053, PUE-2006-00027, PUE-2006-00085, and PUE-2006-00118.

(5) Early Grove need not make any of the affiliate filings required by the August 9, 2007 Final Order entered in Case No. PUE-2006-00021.

(6) Case Nos. PUE-2002-00413, PUE-2004-00110, PUE-2004-00133, PUE-2006-00043, PUE-2006-00044, PUE-2006-00052, and PUE-2006-00053 shall be closed, and the papers filed therein shall be lodged in the Commission's files for ended causes. A copy of this Order shall be associated with each of the foregoing dockets.

(7) Virginia Pipeline shall supply East Tennessee with any necessary records pertaining to the portions of the P-25 Pipeline being transferred to East Tennessee. Likewise, Virginia Pipeline shall supply Saltville with the necessary records related to the transfer of the portion of the P-25 Pipeline Facility to Saltville, and Virginia Pipeline and Early Grove shall be directed to supply Saltville with any necessary records related to their respective mergers with Saltville.

(8) Upon filing of the Report required by Ordering Paragraph (2) hereof, Virginia Pipeline and Early Grove's respective tariffs may be cancelled, and they may withdraw their operation and maintenance manuals on file with the Commission.

(9) Consistent with the findings and commitments made by PHMSA, Saltville, East Tennessee, and Virginia Pipeline, the Remedial Program specified in our Settlement Order entered in Case No. PUE-2002-00413 shall be completed, and Saltville and East Tennessee shall provide copies of the Pipeline Reports they provide concerning this program every six months to the Division throughout the term of the remediation program as described in the Staff Report, simultaneously with the transmittal of said Reports to PHMSA.

(10) This matter shall be continued, in order to receive the Report required in Ordering Paragraph (2) to be filed herein.

CASE NO. PUE-2007-00106
JUNE 11, 2008

PETITION OF
SPECTRA ENERGY VIRGINIA PIPELINE COMPANY,
SPECTRA ENERGY EARLY GROVE COMPANY,
SPECTRA ENERGY CORP,
SALTVILLE GAS STORAGE COMPANY L.L.C.,
EAST TENNESSEE NATURAL GAS, L.L.C.,
SPECTRA ENERGY TRANSMISSION, LLC,
and
SPECTRA ENERGY PARTNERS, LP

For cancellation of certificates of public convenience and necessity, authority to withdraw tariffs and operation and maintenance manuals, and termination of requirements to file other affiliate filings based upon approval of request filed for the Federal Energy Regulatory Commission to assume jurisdiction, and other related matters pursuant to Chapters 4, 5, and 10.1 of Title 56 of the Code of Virginia

DISMISSAL ORDER

On March 14, 2008, the State Corporation Commission ("Commission") entered its Final Order in the captioned matter. Among other things, that Order approved the transfers, acquisitions, and mergers described in the December 21, 2007 petition filed herein, subject to the recommendations set forth at pages 20 and 21 of the February 19, 2008 Staff Report filed in this docket. Additionally, Ordering Paragraph (9) of the March 14, 2008 Final Order ("Final Order") provided that, consistent with the findings and commitments made by the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration ("PHMSA"), Saltville Gas Storage Company L.L.C. ("Saltville"), East Tennessee Natural Gas, L.L.C. ("East Tennessee"), and Spectra Energy Virginia Pipeline Company ("Virginia Pipeline"), the remedial program specified in Case No. PUE-2002-00413[1] would be completed and Saltville and East Tennessee would provide copies of the Pipeline Reports concerning the remediation. program described in the Staff Report simultaneously with the

[1] See Commonwealth of Virginia, ex rel. State Corporation Commission v. Virginia Gas Pipeline Company, Case No. PUE-2002-00413, 2002 S.C.C Ann. Rept. 587 (Oct. 7, 2002 Order of Settlement).

transmittal of such Reports to PHMSA. Ordering Paragraph (10) of the Final Order provided that the captioned case would be continued in order to receive the comprehensive Report required by Ordering Paragraph (2) of the Final Order.

On May 16, 2008, the petitioners herein filed the comprehensive Report required by Ordering Paragraph (2) of the Final Order.

NOW UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that the captioned proceeding should be dismissed, and the papers filed herein lodged in the Commission's file for ended causes.

Accordingly, IT IS ORDERED THAT this proceeding is hereby dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUE-2007-00107
APRIL 2, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing rules and regulations to implement the sale of electricity from renewable sources through a renewable energy portfolio standard program pursuant to § 56-585.2 of the Code of Virginia

ORDER

The State Corporation Commission ("Commission") has responded to the General Assembly's directive in the 2007 Acts of Assembly at Chapter 933 ("Chapter 933"),[1] which directs the Commission to afford, among other things, incentives for regulated electric utilities to implement or increase the sale of electricity from renewable sources through development of a program emphasizing a "renewable energy portfolio standard" ("RPS"). On December 3, 2007, the Commission established this proceeding pursuant to the General Assembly's enactment of § 56-585.2 G of the Code directing the Commission to "promulgate such rules and regulations as may be necessary to implement the provisions of this section including a requirement that participants verify whether the RPS goals are met in accordance with this section."

Pursuant to our Order Establishing Proceeding, the Commission posed seven issues and/or questions for stakeholder comment before considering any rulemaking under § 56-585.2 G of the Code.[2] The following six parties filed comments: the Office of the Attorney General, Division of Consumer Counsel; Appalachian Power Company; the Virginia Committee for Fair Utility Rates and the Old Dominion Committee for Fair Utility Rates; Virginia Electric and Power Company; Virginia Pulp & Paper Manufacturers Commenters including MeadWestvaco, International Paper, Smurfit-Stone Container Enterprises, Inc. and Georgia Pacific; the Virginia Members of the VMD Association of Electric Cooperatives[3] and Old Dominion Electric Cooperative.

Following issuance of the Commission's Order Establishing Proceeding, Appalachian Power Company filed on January 22, 2008, an application for approval to participate in the Virginia Renewable Energy Portfolio Program, Case No. PUE-2008-00003, on which we now take judicial notice. The Commission issued on March 13, 2008, in said Case No. PUE-2008-00003, an Order for Notice and Comment which, among other things, prescribed notice to be published and provided for comments and requests for hearing, directed a Staff Report to be filed, and provided for discovery with a Hearing Examiner assigned to rule on any discovery matter arising.

NOW THE COMMISSION, having considered the comments filed herein and upon taking judicial notice of the pending application by Appalachian Power Company in Case No. PUE-2008-00003, is of the opinion that promulgation of rules in this proceeding is not "necessary" at this time to "implement the provisions of" § 56-585.2 G of the Code. We also note, for example, that issues raised in this docket by the commenters may be addressed, to the extent relevant, on case-by-case basis. The Commission may elect later to proceed, *sua sponte*, to consider rulemaking in a future docket if it appears that implementation of § 56-585.2 of the Code cannot be carried out effectively on a case-by-case basis under existing Commission rules.

Accordingly, IT IS HEREBY ORDERED THAT this case is dismissed.

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[1] Chapter 933 (SB 1416) amends and reenacts §§ 56-233.1, 56-234.2, 56-235.2, 56-235.6, 56-249.6, 56-576 through 56-581, 56-582, 56-584, 56-585, 56-587, 56-589, 56-590, and 56-594 of the Code of Virginia ("Code"); amends the Code by adding sections numbered 56-585.1, 56-585.2, and 56-585.3; and repeals §§ 56-581.1 and 56-583 of the Code, relating to the regulation of electric utility service.

[2] The reader may refer to pages 2-4 of the Order Establishing Proceeding, issued December 3, 2007, for a full statement of the issues presented for comment.

[3] The Virginia member cooperatives include A&N Electric Cooperative, BARC Electric Cooperative, Central Virginia Electric Cooperative, Community 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 Electric Cooperative, and Southside Electric Cooperative.

CASE NO. PUE-2007-00110
APRIL 15, 2008

JOINT PETITION AND APPLICATIONS OF
FILLMORE CCA HOLDINGS, INC.,
and
HOMESTEAD WATER COMPANY, L.C.

For a declaration of non-jurisdiction, or in the alternative, application for authorization to transfer water utility assets out of time pursuant to § 56-88; application for the issuance of a certificate of public convenience and necessity pursuant to § 56-265.3; for approval of articles of entity conversion pursuant to § 13.1-722.12; for approval of articles of incorporation and for approval of proposed rates, rules and regulations of service

ORDER

On November 20, 2007, Fillmore CCA Holdings, Inc. ("Fillmore CCA"), and Homestead Water Company, L.C. ("HWC") (collectively "Petitioners"), filed with the State Corporation Commission ("Commission") a joint Petition and Applications ("Petition") requesting either a declaration of non-jurisdiction over HWC, or in the alternative, an application for authorization to transfer water utility assets out of time pursuant to § 56-88 *et seq.* of Title 56 ("Utility Transfers Act") of the Code of Virginia ("Code"), an application for issuance of a certificate of public convenience and necessity ("CPCN") pursuant to Code § 56-265.3, approval of articles of entity conversion pursuant to Code § 13.1-722.12, approval of articles of incorporation; and approval of rates, rules, and regulations of service. This Order will solely address the Petitioners' request pursuant to the Utility Transfers Act.

HWC is a Virginia limited liability company that provides water service to approximately 450 customers, including the Homestead Resort ("The Homestead"),[1] in Bath County, Virginia.

Fillmore CCA is a Delaware corporation that specializes in owning and operating travel and leisure businesses. Fillmore CCA is indirectly owned by KSL Capital Partners, LLC ("KSL").[2] KSL is a private equity firm headquartered in Denver, Colorado, which invests in the travel and leisure industry with interests in the hospitality, recreation, club, real estate and travel services sectors. KSL's investments include:

1) ClubCorp, Inc. ("ClubCorp"), which operates 97 country clubs, golf clubs and public golf facilities, four destination golf resorts and 64 business, sports and business/sports clubs in 27 states, Washington D.C., and three foreign countries;
2) Barton Creek Resort & Spa in Austin, Texas;
3) The Homestead Resort in Hot Springs, Virginia;
4) Rancho Las Palmas Resort & Spa in Rancho Mirage, California;
5) La Quinta Resort & Club and PGA West in La Quinta, California;
6) Doral Golf Resort & Spa in Miami, Florida;
7) Grand Wailee Resort Hotel & Spa in Maui in Wailee, Hawaii;
8) Arizona Biltmore Resort & Spa in Phoenix, Arizona;
9) La Costa Resort and Spa in Carlsbad, California; and
10) Hotel del Coronado near San Diego, California.

According to its website, KSL manages committed capital of more than $1.25 billion.

The Waterworks Facilities ("Facilities") that serve The Homestead and the surrounding area have existed since the early 1900s. During most of that time, the Facilities were operated by the Engineering Department of Virginia Hot Springs, Inc., and its predecessor organizations. On October 6, 1993, shortly after ClubCorp purchased The Homestead and its affiliate operations, HWC was registered with the Commission as a Virginia limited liability company. On June 19, 1996, HWC assumed separate ownership and operation of the Facilities.

On December 26, 2006, Fillmore CCA acquired indirect control over HWC through its acquisition of ClubCorp.[3] Fillmore CCA, ClubCorp Acquisition Corporation ("Acquisition Sub"), and ClubCorp ("Merger Parties") entered into an Agreement and Plan of Merger ("Merger Agreement") for Fillmore CCA to acquire ClubCorp for cash consideration of approximately $1.63 billion. Fillmore CCA initially financed the ClubCorp acquisition by borrowing approximately $1.3 billion in debt and investing more than $300 million in equity.

The Merger Parties structured the ClubCorp acquisition as a reverse triangular merger transaction ("RTM Transaction"). The acquiring company (Fillmore CCA) formed a shell subsidiary (Acquisition Sub) that merged with the target company (ClubCorp) and then dissolved, leaving the target company (ClubCorp) intact as a wholly owned subsidiary of the acquiring company (Fillmore CCA).

In July 2007, Fillmore CCA refinanced ClubCorp with $1.6 billion in new debt, which paid off the original debt financing of $1.3 billion and allowed Fillmore CCA to return to its investors their initial $300 million equity investment. Consequently, ClubCorp and its affiliates, including HWC, now appear to be 100% debt financed.

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[1] Founded in 1766, the Homestead is a National Historic Landmark. The Homestead includes approximately 495 guest rooms and suites, 10 dining facilities, three 18-hole championship golf courses, a nationally recognized spa, a golf school, equestrian center, gun club, six tennis courts, an indoor and outdoor swimming pool, ten downhill ski runs and over 72,000 square feet of conference space.

[2] Fillmore CCA is a direct, wholly owned subsidiary of Fillmore CCA Holdings I, LLC ("Fillmore CCA I"). Fillmore CCA I is directly owned by KSL.

[3] HWC is a direct, wholly owned subsidiary of CCA Resort Holdco ("CCA") . CCA is a direct, wholly owned subsidiary of ClubCorp Mortgage Borrower, LLC ("ClubCorp Mortgage"). ClubCorp Mortgage is a direct, wholly owned subsidiary of ClubCorp Mezzanine Borrowers ("ClubCorp Mezzanine"). ClubCorp Mezzanine is a direct, wholly owned subsidiary of ClubCorp USA, Inc. ("ClubCorp USA"). ClubCorp USA is a direct, wholly owned subsidiary of ClubCorp.

During a compliance review subsequent to the acquisition, the Petitioners discovered that the HWC change of control could require the approval of the Commission pursuant to the Utility Transfers Act. In addition, the Petitioners realized that the Commission could require HWC to reincorporate as a Virginia public service corporation pursuant to Code § 13.1-620 G and to obtain a CPCN pursuant to Code § 56-265.3. Therefore, the Petitioners filed the Petition eleven months after the original transaction took place.

During a preliminary review of the Petition, it was determined that the Petitioners' Code § 56-89 request to approve a transfer of utility assets was actually a Code § 56-88.1 request to approve a change of control. Hence, the Utility Transfers Act request is hereinafter referred to as a change of control request.

On January 15, 2008, the Commission issued a Preliminary Order in which it made several declarations regarding the Petition. First, the Commission found that the matters arising from the Petition were within its jurisdiction and directed that a docket be opened to address the various issues. With regard to the Petitioners' request for a declaration of non-jurisdiction, the Commission found that HWC's reorganization in 1993 as a limited liability company removed it from the protection of the grandfathering clause of Code § 13.1-620 G, which exempts water companies incorporated and operating prior to January 1, 1970, from the requirement to reorganize as a public service corporation. Therefore, the Commission denied the Petitioners' request for a declaration of non-jurisdiction.

The Commission also found that the HWC change of control described in the Petition was subject to the Commission's review pursuant to § 56-88.1 of the Code, irrespective of the prior status of HWC under the grandfathering provisions of Code § 13.1-620 G. Therefore, the Commission directed Staff to commence its Utility Transfers Act review and extended the deadline for such review until March 19, 2008.

In addition, the Commission found that the Petitioners' initial CPCN filing lacked sufficient information to be deemed complete, and directed the Petitioners to supplement the Petition by filing complete rates, rules and regulations so that the proposed rate changes could be noticed to HWC's service area and customers therein.

Finally, the Commission noted that Bath County has a public water and sewer service authority, BCPSA, from which the Petitioners may need to obtain prior approval for their CPCN request pursuant to § 56-265.3 C of the Code. Accordingly, the Commission directed interested parties, including the Bath County Board of Supervisors ("BCBOS"), to file comments, briefs, or legal memoranda with the Commission by February 7, 2008, to address whether the Petitioners' request for a CPCN should first be approved by the BCPSA.

On February 4, 2008, the BCBOS filed comments on the Petition in which it requested "the right afforded [by § 56-265.3 of the Code] to approve the application for issuance of a certificate of public convenience and necessity prior to consideration by the State Corporation Commission."

On March 7, 2008, the Commission issued an Order Extending Time for Review, in which it determined that in order to investigate fully the issues associated with the Petition, it was appropriate to extend the period for review pursuant to Code § 56-88.1 et seq. through May 19, 2008.

On March 24, 2008, counsel for the Petitioners ("Petitioners' Counsel") filed a response ("Response") to the BCBOS's filed comments. In the Response, Petitioners' Counsel represented that the BCPSA's prior approval is unnecessary for issuance of a CPCN to HWC. Alternatively, Petitioners' Counsel represented that if the Commission gives BCPSA authority to approve the Petition, the authority should be limited to a simple approval or disapproval rather than an approval with conditions attached.

NOW THE COMMISSION, upon consideration of the Petition and the representations of the Petitioners and having been advised by Staff, is of the opinion and makes the following findings regarding the Petition. First, we will limit the scope of this Order to the Utility Transfers Act request. We will address the other portions of the Petition in separate, future orders. The Code § 56-265.3 requirement for obtaining prior approval from a public service authority does not apply to the Utility Transfers Act, so we do not consider it here.

Pursuant to the Utility Transfers Act request, we find that, in addition to the December 2006 merger with Fillmore CCA, the Petitioners also require approval for ClubCorp's acquisition of The Homestead in October 1993. Section 56-88 of the Code states in part that a public utility is "**any** company which owns or operates facilities within the Commonwealth . . . for the furnishing of sewerage facilities or water." In 1993, The Homestead owned and operated the Facilities and provided the water service. Its acquisition by ClubCorp constituted a public utility change of control that was subject to the provisions of Code § 56-88 et seq. We remind the Petitioners to be cognizant of the Utility Transfers Act's broad application in the future.

Based on the information included in the Petition and provided to the Commission Staff, we find that The Homestead's 1993 change of control and HWC's 2006 change of control have not impaired or jeopardized the provision of adequate service to the public at just and reasonable rates. The Petitioners' statutory violations of the Utility Transfers Act do not appear deliberate. Once cognizant of the issue, the Petitioners took the initiative of notifying the Commission and filing the Petition. Furthermore, HWC represents that it is using the same personnel to provide the same services at the same rates to the same customers with the same equipment and plant as it did before the merger. Therefore, we approve the two transfers subject to certain requirements that we find necessary to ensure that the standard of the Utility Transfers Act is met.

Some of the more notable requirements are as follows. We will require the Petitioners to file a Report with the Commission, which will include a comprehensive description of both The Homestead's October 1993 change of control and HWC's December 2006 change of control, an executed copy of the related October 1993 and December 2006 acquisition agreements, and any and all legal documentation related to the two transfers. We will also require the Petitioners to include with the Report a list of any and all loan covenants related to the December 2006 ClubCorp merger transaction, the July 2007 ClubCorp refinancing, or any other financing transactions that could, directly or indirectly, affect HWC. On an ongoing basis, the Petitioners should be required to notify Staff promptly of any adverse actions taken by creditors, including delinquent payment penalties, margin calls, or foreclosures, as a result of any loan covenant violations related to the above financings. Finally, we will require HWC to adopt, on a prospective basis, the Uniform System of Accounts ("USOA") for recording its business transactions.

Accordingly, IT IS HEREBY ORDERED THAT:

1) Fillmore CCA Holdings, Inc., and Homestead Water Company, L .C ., are hereby granted authority for The Homestead's October 1993 change of control and for HWC's December 2006 change of control pursuant to §§ 56-88 et seq. of the Code of Virginia as described herein.

2) The authority granted herein shall be limited to Utility Transfers Act issues and requests. The remaining Petition issues and requests will be addressed in separate, future orders.

3) Within sixty (60) days of the effective date of the Order authorizing The Homestead's October 1993 change of control and HWC's December 2006 change of control, the Petitioners shall file a Report with the Commission. The Report will include a comprehensive description of both The Homestead's October 1993 change of control and HWC's December 2006 change of control, an executed copy of the related October 1993 and December 2006 acquisition agreements, and any and all legal documentation related to the two transfers.

4) The Petitioners shall include with the Report a list of any and all loan covenants related to the December 2006 ClubCorp merger transaction, the July 2007 ClubCorp refinancing, or any other financing transactions that could, directly or indirectly, affect HWC. On an ongoing basis, the Petitioners shall also notify Staff promptly of any adverse actions taken by creditors, including delinquent payment penalties, margin calls, or foreclosures, as a result of any loan covenant violations related to the above financings.

5) HWC shall adopt on a prospective basis the USOA for recording all of its business transactions.

6) The Utility Transfers Act authority granted in this case shall have no ratemaking implications. In particular, this authority will not guarantee recovery of any costs directly or indirectly related to HWC's change of control.

7) Fillmore CCA and HWC are directed that:

a) The quality of service to HWC customers shall not deteriorate due to a lack of maintenance or capital investment;

b) The quality of service to HWC customers shall not deteriorate due to a reduction in the number of employees providing services; and

c) Fillmore CCA and HWC shall continue to maintain a high degree of cooperation with the Commission Staff and will take all actions necessary to ensure a timely response to Staff inquiries with regard to the continuing operation of the Facilities.

8) This matter shall be continued pending further order of the Commission.

CASE NO. PUE-2007-00111
JULY 9, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER

For a certificate of public convenience and necessity to construct and operate a 138 kV Double Circuit Transmission Line in Wise and Russell Counties

FINAL ORDER

On December 3, 2007, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Virginia Power" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and certification of a proposed 138 kV double circuit transmission line that will connect the Company's recently approved coal-fired electric generating facility ("Coal Plant") in Wise County, Virginia, to the existing Clinch River Substation in Russell County, Virginia, owned by Appalachian Power Company ("Apco").[1] The proposed 138 kV transmission line is approximately nine (9) miles long and would adjoin and run parallel to the right-of-way of a 138 kV transmission line recently constructed by Old Dominion Power Company ("Old Dominion Power").

On January 8, 2008, the Commission issued its Order for Notice and Comment directing Virginia Power to publish notice of its application, inviting comments and requests for hearing on the application by interested persons, and directing the Commission Staff to investigate the application and to file a Report containing the Staff's findings and recommendations.

On January 17, 2008, Virginia Power filed a Motion for Order Revising Order for Notice and Comment ("Motion"). The Motion advised the Commission of the need to modify the route of the proposed transmission line in the vicinity of the Company's Coal Plant in order to avoid an Old Dominion Power distribution line located on the west side of Route 655. The Company proposed to revise the route of the transmission line by moving the line from the west side to the east side of Route 655 in order to avoid Old Dominion Power's distribution line. By Amending Order dated January 22, 2008, the Commission granted the Company's Motion and amended the public notice provisions of the Commission's January 8, 2008 Order for Notice and Comment to reflect the Company's proposed realignment of the transmission line.

On February 12, 2008, the Department of Environmental Quality ("DEQ") filed a report ("DEQ Report") in which DEQ coordinated a review of the proposed transmission line project by a number of governmental agencies, including DEQ; Department of Conservation and Recreation ("DCR"); Department of Game and Inland Fisheries ("DGIF"); Marine Resources Commission; Department of Agriculture and Consumer Services; Department of Health; Department of Mines, Minerals and Energy ("DMME"); Department of Historic Resources; Department of Transportation ("DOT"); and Wise County. On February 25, 2008, DEQ filed a revised page 7 to the DEQ Report to include a recommendation from the Department of Historic Resources that was inadvertently omitted from the February 12, 2008 DEQ Report.

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[1] *See, 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, (Final Order, March 31, 2008), Doc. Cont. No. 394908.

The DEQ Report lists permits or approvals that are likely to be necessary as a prerequisite to the construction of the proposed transmission line. The DEQ Report also contains the following recommendations designed to reduce the impact of the proposed line on the environmental and historic assets in the area:

1. Follow the DEQ recommendations to avoid wetlands and streams, and minimize indirect and temporary impacts to wetlands;

2. Reduce solid waste at the source, re-use it and recycle it to the maximum extent practicable;

3. Coordinate impacts to karst terrain with the DCR;

4. Coordinate with the DCR to survey the proposed transmission line corridor for habitat suitable for rare plant species and for updates to their Biotics database if a significant amount of time passes before the project is implemented;

5. Coordinate with the DGIF to conduct a habitat assessment for endangered bat species and to identify stream crossing locations in order to develop adequate measures for the avoidance and minimization of potential adverse impacts to listed aquatic resources;

6. Follow recommendations of the DGIF, to the extent possible, to protect aquatic resources and wildlife species;

7. Coordinate with the DMME if questions arise during planning or construction regarding active or inactive mine workings;

8. Coordinate road and transportation impacts with Wise and Russell Counties and the DOT Wise Residency;

9. Follow the principles and practices of pollution prevention to the maximum extent practicable;

10. Conduct a comprehensive architectural and archaeological survey, update existing information as necessary, and work closely with the Department of Historic Resources to avoid, reduce and mitigate any negative impacts identified; and

11. Limit the use of pesticides and herbicides to the extent practicable.

On March 5, 2008, the Company filed with the Commission Clerk proof of public notice by (1) newspaper publication, (2) sending copies of the Commission's Order for Notice and Comment and Amending Order to government officials in Wise and Russell Counties, and (3) sending by first-class mail copies of the public notice and sketch map to all property owners within the route of the Company's proposed transmission line. No comments or requests for hearing were filed with the Commission.

On April 3, 2008, the Commission Staff, by counsel, filed a Motion requesting an extension of time in which to file the Staff Report in this matter. In its Motion, the Staff stated that it needed additional time to review the Company's responses to Staff discovery requests before it filed the Staff Report in this proceeding.

On April 10, 2008, the Commission granted the Staff's Motion. The Commission extended the filing date for the Staff Report to May 16, 2008, and the filing date for responses to the Staff Report to May 27, 2008.

On May 16, 2008, the Staff filed its Report in this matter. In its Report, the Staff examined, among other things, the need for the proposed transmission line; the economic impact of the proposed transmission line; the impact of the proposed transmission line on residences, buildings, woodlands, and wetlands in the project area; any existing right-of-way easements that could be used for the proposed transmission line; and the upgrades and work necessary at Apco's Clinch River substation to accommodate the new 138 kV transmission line.

The Staff Report stated that the Company's "Coal Plant must have a reliable connection of sufficient capacity into the [PJM Interconnection LLC ("PJM")] . . . system in order for Virginia Power to be able to serve its customers from the plant in accordance with PJM procedures, and to operate the plant in the same manner as its other plants."[2] Accordingly, the Staff agreed a transmission line connecting the Coal Plant to the regional transmission grid is needed. The Staff Report also reviewed all the alternatives available to integrate the Coal Plant's output with the regional transmission grid but ultimately concluded that the Company's decision to build a 138 kV double circuit transmission line connecting the Coal Plant to Apco's Clinch River substation was reasonable when compared with any other alternatives available for connecting the Coal Plant to the regional transmission grid.

The Staff Report further stated that "[t]he proposed transmission line is essential to the operation of the proposed Coal Plant. Thus, the economic development benefits of the proposed transmission line reflect those of the Coal Plant."[3] Economic development benefits of the Coal Plant and transmission line include, among other things, increased employment opportunities and additional tax revenues in Wise and Russell Counties.

The Company also presented two possible alignments for the transmission line. The proposed alignment would generally run the transmission line on the south side of the Old Dominion Power right-of-way between the Company's Coal Plant and Apco's Clinch River Substation, while the alternate alignment would generally run the transmission line on the north side of the Old Dominion Power right-of-way.

[2] May 16, 2008 Staff Report at 3.

[3] *Id.* at 4.

The Staff Report examined the impacts the proposed and alternate alignments of the transmission line would have on homes and buildings, woodlands, and wetlands in the project area. As noted in the Staff Report, the proposed alignment of the transmission line on the south side of the Old Dominion Power right-of-way will have a greater impact on homes and buildings, with 14 structures located within 500 feet of the line as compared to 9 structures on the alternate alignment. However, the impact of the proposed and alternate alignments on woodlands and wetlands is not substantially different. In spite of the greater number of homes and structures impacted by the proposed alignment, the Staff Report supported the Company's preference to locate the line generally along the south side of the Old Dominion Power right-of-way. As noted in the Staff Report, the alternate alignment along the north side of the Old Dominion Power right-of-way would require the Company's transmission line to cross over the Old Dominion Power 138 kV line, raising reliability concerns. The Staff Report stated that when one transmission line crosses over another, there is the possibility that a broken insulator, broken conductor, or a collapsed tower in the upper line could cause one or more of its conductors to fall on the lower line, thereby interrupting power transfers in both transmission lines and causing power outages over large areas.

Based on the Staff's review of the Company's application, the Staff Report ultimately concluded "that the proposed line is needed and recommends that the Commission approve its construction on the Company's proposed alignment on its proposed route."[4]

On May 27, 2008, Virginia Power filed Comments on the Staff Report. In its Comments, the Company agreed "with the conclusions and recommendations of the Staff Report that the Commission approve the construction of the proposed Hybrid Energy Center-Clinch River transmission line on the Company's proposed route."[5] However, the Company requested the "Commission not to adopt, or direct the Company to follow, the specific recommendations of the DEQ and the reviewing agencies."[6] In support of this request, the Company expressed concern that adopting the DEQ's recommendations in the Commission's Final Order could have the effect of making the recommendations mandatory and preventing the Company from working with the state agencies participating in the DEQ Report. While not specifically stated in the Company's Comments, the Company apparently desires to work with the state agencies participating in the DEQ Report in an effort to reach reasonable agreements on any of the recommendations that the Company finds unreasonable or objectionable.

NOW THE COMMISSION, having reviewed the Company's application and supporting testimony, the Staff Report, the Company's Comments, and the applicable law, is of the opinion and finds that the public convenience and necessity require the construction of the proposed line and that the Company's application should be granted, subject to the following findings and conditions.

The statutory scheme governing the Company's application is found in several chapters of Title 56 of the Code of Virginia ("Code"). Section 56-265.2 A of the Code provides that "[i]t 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 (i) shall consider the effect of the proposed facility on economic development within the Commonwealth and (ii) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B 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."

Finally, the Code requires the Commission to 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."

Need

In Case No. PUE-2007-00066, the Commission approved the Company's application to construct and operate a 585 MW Coal Plant in Wise County, Virginia. Currently, there are no transmission facilities in the area, owned by the Company or others, sufficient to provide electrical transmission from the Coal Plant to the regional transmission grid. By interconnecting the Company's Coal Plant to Apco's Clinch River Substation with the proposed transmission line, the Coal Plant will be fully integrated into the PJM transmission network because both Apco and the Company are centrally operated by PJM as part of the PJM regional transmission organization. Interconnecting the Coal Plant with transmission facilities within the PJM control area will, therefore, allow the plant to be centrally dispatched by PJM. Accordingly, we find the Company's proposed transmission line is needed to connect the Company's Coal Plant with the regional transmission grid in a reasonable, efficient, and reliable manner.

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[4] *Id.* at 15.

[5] Comments of Virginia Electric and Power Company on Staff Report at 1.

[6] *Id.* at 2.

Economic Development

Having found that the proposed transmission line is necessary for the operation of the Company's Coal Plant, the economic development benefits of the Coal Plant and proposed transmission line are essentially the same since both projects are interrelated and dependent on one another. Indeed, the economic development benefits of the Coal Plant could not be realized without a transmission line connecting the Coal Plant's output to the regional transmission grid.

The economic benefits of the Company's Coal Plant were described in considerable detail in the testimony and exhibits admitted into the record in Case No. PUE-2007-00066. These economic benefits include, among other things, increased employment opportunities during the construction and operation of the Coal Plant and increased tax revenues for Wise County. The proposed transmission line will also create additional economic development opportunities in Russell County. Employment opportunities will be increased in Russell County during the construction of the line, and the county's tax base and revenues will increase because a portion of the proposed transmission line will be located in Russell County. Accordingly, we find the proposed transmission line will have a positive influence on economic development in Wise and Russell Counties.

Scenic Assets and Historic Districts

The appendix to the Company's application indicates that there are no historic properties currently listed or eligible for listing in the National Register for Historic Places or the Virginia Landmarks Register that would be visually impacted by the proposed transmission line.[7] In addition, those homes and buildings that will be visually impacted by the transmission line will not have their scenic assets substantially diminished by the proposed transmission line. Old Dominion Power has recently constructed a 138 kW transmission line from its Virginia City Substation in Wise County to Apco's Clinch River Substation. Since the proposed transmission line will be collocated and placed adjacent to the Old Dominion Power transmission line for its entire 9-mile length, we find that any additional incremental impact on the scenic assets of the area will be minimal.

Existing Rights-of-Way

The Company owns no existing transmission line right-of-way easements in the project area.[8] In addition, there appear to be no right-of-way easements owned by others that could totally accommodate the proposed transmission line. However, the Company's proposal to route the transmission line parallel to Old Dominion Power's new 138 kV transmission line will allow the Company to reduce the right-of-way easements it must acquire to construct the proposed transmission line. By routing its proposed transmission line adjacent to Old Dominion Power's transmission line for its entire length, the Company can reduce the width of the right-of-way necessary for the transmission line from 150 feet to 120 feet by utilizing 30 feet of the Old Dominion Power's right-of-way for blow out and contingencies.[9]

Since there are no existing right-of-way easements that can totally accommodate the transmission line project, we find the Company's proposal to route the proposed transmission line parallel to Old Dominion Power's transmission line is reasonable. While the Company's proposal will not eliminate the need for new rights-of-way for the project, we find the Company's proposed routing does reduce the right-of-way easements that must be acquired for the transmission line.

Alignment of the Proposed Transmission Line

We find the proposed alignment of the Company's transmission line generally along the south side of Old Dominion Power's 138 kV transmission line is reasonable. While there are more homes and structures that are located within 500 feet of the line with the Company's proposed alignment, this adverse impact is outweighed by the superior reliability of the proposed alignment. The alternate alignment of the proposed transmission line would generally route the line along the north side of the Old Dominion Power transmission line but would require the proposed line to cross over Old Dominion Power's 138 kV transmission line. When one transmission line crosses over another, there is the possibility that a broken insulator, broken conductor, or a collapsed tower in the upper line could cause one or more conductors to fall on the lower line, thereby interrupting power transfers in both transmission lines and causing power outages over large areas. We therefore find the Company's proposed alignment for the transmission line is reasonable.

Environmental Impact

Under § 56-46.1 A and B of the Code, the Commission is required to consider the proposed transmission line's impact on the environment and to establish such conditions 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 facility by state agencies concerned with environmental protection.

In order to assist the Commission with its review of the environmental impact of the proposed transmission line, the DEQ filed its coordinated environmental review on February 12, 2008, and supplemented its report on February 25, 2008. The specific recommendations contained in the DEQ Report were summarized earlier in this Order, and they will not be repeated here.

In the Company's Comments, it urged "the Commission not to adopt, or direct the Company to follow, the specific recommendations of the DEQ and the reviewing agencies" because of the Company's concern that such Commission action could convert "non-mandatory recommendations [in the DEQ Report] . . . into mandatory requirements."[10] We reject the Company's overly broad request that the Commission not adopt any of the recommendations in the DEQ Report.

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[7] Application Appendix at 25.

[8] *Id.* at 24.

[9] *Id.*

[10] Comments of Virginia Electric and Power Company on Staff Report at 2-3.

Section 56-46.1 A of the Code requires the Commission to "receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection." We find that to the extent DEQ's recommendations are applicable to the Company's transmission line, and are not otherwise covered by a permit, law, regulation, or approval, the DEQ recommendations are reasonable and should be adopted. As a condition of our approval herein, the Company shall comply with all applicable DEQ recommendations.[11]

The Company's Comments did not address or explain why the DEQ Report's recommendations are unnecessary to minimize the adverse environmental impact of the Company's proposed transmission line. Accordingly, the Company's request not to adopt the DEQ Report's recommendations is denied. We find, based on the record in this matter, that such recommendations are necessary to minimize the adverse environmental impacts of the proposed transmission line, and that the Company should comply with all applicable DEQ recommendations.

Motion for Protective Order

In the January 8, 2008 Order for Notice and Comment, the Commission discussed the Company's Motion for a Protective Order that was filed with the Company's application. While we deferred ruling on the Motion in our Order for Notice and Comment, we directed the Staff to afford confidential treatment to those documents designated as confidential by the Company. Since this case will be ended by this Order, we will deny Virginia Power's Motion as moot.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Power is authorized to construct and operate an overhead 138 kV double circuit transmission line from its proposed Coal Plant in Wise County to Apco's Clinch River Substation in Russell County on the route and alignment proposed in the Company's application.

(2) Pursuant to §§ 56-46.1, 56-265.2 and related provisions of Title 56 of the Code of Virginia, Virginia Power's application for a certificate of public convenience and necessity to construct and operate its proposed transmission line is granted, as provided for and subject to the requirements set forth in this Final Order.

(3) Pursuant to the Utility Facilities Act, Chapter 10.1 (§ 56-265.1 *et seq*.) of Title 56 of the Code, the Company is issued the following certificates of public convenience and necessity:

> Certificate No. ET-182, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate the transmission lines and facilities in Russell County, authorized in Case No. PUE-2007-00111, all as shown on the detailed map attached to the certificate.
>
> Certificate No. ET-183, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to construct and operate transmission lines and facilities in Wise County, authorized in Case No. PUE-2007-00111, all as shown on the detailed map attached to the certificate.

(4) The Commission's Division of Energy Regulation shall forthwith provide the Company a copy of the certificates issued in Ordering Paragraph (3) above with the detailed map attached.

(5) The Motion of Virginia Electric and Power Company for Entry of a Protective Order of December 3, 2007, be denied as moot.

(6) This matter is dismissed and the papers herein placed in the file for ended causes.

[11] The Company shall coordinate with the DEQ its implementation of these recommendations, including any potential modifications or clarifications thereto mutually agreeable to the Company and the DEQ.

CASE NO. PUE-2007-00113
SEPTEMBER 24, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For a certificate of public convenience and necessity to construct and operate a 138 kV double circuit transmission line and substation in Botetourt County, Virginia

FINAL ORDER

On December 5, 2007, Appalachian Power Company ("Appalachian" or "Company") filed with the State Corporation Commission ("Commission") an application for a certificate of public convenience and necessity to construct and operate a 138 kV double circuit transmission line and substation in Botetourt County, Virginia. Appalachian proposes to tap its existing Roanoke-Cloverdale 138 kV transmission line and to construct a 3.3-mile double circuit 138 kV extension from the existing line to a new substation to be constructed in the Lake Forest area of Botetourt County.

On January 24, 2008, the Commission issued an Order for Notice and Hearing directing Appalachian to provide notice of its application; inviting comments on the application by interested persons; setting June 2, 2008, as the date of the public hearing on the Company's application; and establishing a procedural schedule for the filing of testimony and exhibits by respondents and the Commission Staff.

On March 10, 2008, the Department of Environmental Quality ("DEQ") filed a report in which the DEQ coordinated a review of the proposed transmission line project by a number of governmental agencies. The report lists permits and approvals that are likely necessary as a prerequisite to the construction of the proposed line. The report also contains recommendations for minimizing potential impacts to natural resources associated with the proposed project.[1] The Staff reported on its investigation of the application in a filing made on April 24, 2008 ("Staff Report"), in which the Staff recommended approval of the project by the Commission. No other party filed to participate as a respondent in this proceeding, but four sets of comments were filed with the Commission in opposition to the transmission line project.[2] Appalachian filed rebuttal testimony on May 14, 2008, addressing the filed comments and the DEQ report.

A public hearing was held on June 2, 2008. No public witnesses appeared to testify. The prefiled testimony of the Company and Staff were entered into the record.

On September 3, 2008, the Chief Hearing Examiner, Deborah V. Ellenberg, filed a Report that summarized the record, analyzed the evidence and issues in this proceeding, and made certain findings and recommendations ("Report"). The Chief Hearing Examiner's Report included the following findings:

1. The public convenience and necessity require construction of the project;

2. The Company has demonstrated a need for the project;

3. The project will enhance the reliability of the Company's service;

4. There are no existing rights-of-way that provide a preferable alternative route for the proposed line;

5. The Company's proposed route is superior to other alternatives;

6. The DEQ recommendations, as agreed to by the Company, are necessary to minimize any adverse environmental impact of the proposed project, and the Company should comply with those DEQ recommendations;

7. The Company's proposal will then reasonably minimize any adverse impact on the scenic assets, historic districts and environment of the area in which the project will be located; and

8. The proposed project will have a positive impact on economic development in the area it will serve.

Based upon these findings, the Chief Hearing Examiner recommended that the Commission enter an Order that (1) adopts the findings in her Report and (2) grants the application to construct and operate the proposed substation and 138 kV transmission line.

Comments to the Report of the Chief Hearing Examiner were filed by Appalachian on September 5, 2008 ("Comments"). In its Comments, the Company restated its intention to comply with all the requirements and recommendations in the DEQ report, provided that the Company is permitted to engage in further discussions with the Department of Forestry concerning its recommendation for forest loss mitigation related to this project. The Company further requested that the Commission expedite its consideration of this matter in light of the pressing need for the transmission line and substation, which the Company asserts must be in service by June of 2009 in order to mitigate the growing risk of service interruptions.[3]

NOW THE COMMISSION, having considered the record herein and applicable law, is of the opinion and finds that the public convenience and necessity require construction of the proposed line and substation and that the Company's application should be granted, subject to the following findings and conditions.

Approval

The statutory scheme governing the Company's application is found in several chapters of Title 56 of the Code of Virginia ("Code"). Section 56-265.2 A of the Code provides that "[i]t 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 (i) shall consider the effect of the proposed facility on economic development within the Commonwealth and (ii) shall consider any improvements in service reliability that may result from the construction of such facility.

[1] *See* Exhibit 10, Staff Report attachment 5.

[2] *See* Chief Hearing Examiner's Report at 4.

[3] Comments at 2.

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."

Finally, the Code requires the Commission to 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."

Need

The Chief Hearing Examiner found that the proposed substation and transmission line are necessary.[4] According to Appalachian, the project is needed to provide reliable and efficient service to accommodate projected load growth in southern Botetourt County, eastern Roanoke County, and western Bedford County.[5] Staff investigated and confirmed that new development in the area, including a new shopping center, a grocery store, restaurants, and other residential, commercial, and industrial customers, is driving the need for the new transmission line and substation.[6] The record in this case is uncontroverted that there is a need for the Company's proposed 138 kV transmission line and substation. Accordingly, we accept the Chief Hearing Examiner's finding that the Company has demonstrated a need for the project.

Economic Development and Service Reliability

The Chief Hearing Examiner noted that the Staff considered and testified as to the impact of the project on economic development.[7] Dr. Lough opined that the proposed transmission line and related facilities should enable continued reliable service to new and existing customers in the area and that right-of-way acquisition and construction would not adversely impact any existing or planned businesses or industries. Accordingly, we accept the Chief Hearing Examiner's finding that the project will enhance the reliability of the Company's service. We further find that the project will not adversely affect economic development and is necessary to allow ongoing economic development in the area to continue.

Scenic Assets, Historic Districts, and Existing Rights-of-Way

The Chief Hearing Examiner reported that four sets of public comments were filed with the Commission in opposition to the line.[8] The first set was a petition signed by 37 landowners in the project area which pre-dated a public information session held by the Company prior to finalizing its preferred route and before the application was filed with the Commission. The petitioners raised concerns over the effect of the project on scenic views, property values, and health issues associated with electric and magnetic fields. The Company represented that it took these comments into account in ultimately reaching a decision on the preferred route for the line and that most of the landowners who signed the petition will not be affected by the line.[9] The second set of comments consisted of letters from 10 landowners opposed to a particular line segment that the Company was considering during the development phase of the project. However, the preferred route filed by the Company does not include that segment. Another commenter, Robert Poyner, suggested the proposed line is not needed but, if built, would be better located in existing rights-of-way. A fourth landowner submitted a letter objecting to the proposed route through his property.

Appalachian offered prefiled rebuttal testimony to address the issues raised by Mr. Poyner in his comments to the Commission.[10] Mr. Poyner suggested that Appalachian should have followed the existing rights-of-way for the Cloverdale-Joshua Falls 765 kV transmission line or the existing 34.5 kV Blue Ridge Tap. Company witness Carl A. Persing testified that using or underbuilding the existing Cloverdale-Joshua Falls line would be cost prohibitive and would require that the entire 765 kV line be taken out of service to redesign or rebuild the towers. Mr. Persing stated that the towers in place do not have sufficient clearance to permit underhanging of the 138 kV line and were not built to withstand the additional load the new line would require.[11] According to Mr. Persing, this 765 kV line is a critical component of the transmission system and could not be taken out of service for the extended period of time necessary to do the work.[12]

Company witness Persing further testified that the Company considered the existing 34.5 kV Blue Ridge Tap as Segment S, but eliminated it as a viable alternative because it has a 50-foot right-of-way. The proposed 138 kV line requires a 100-foot right-of-way. Because of the extensive residential construction along the 34.5 kV line, 11 residences and 1 recreational building would have to be acquired and demolished or moved.[13] Finally, Mr. Persing stated that using Segment S for the proposed line would require the 34.5 kV line to be taken out of service for an extended period, leaving no way to serve

[4] Chief Hearing Examiner's Report at 10.

[5] Exhibit 1, Appalachian application at 1.

[6] Exhibit 10, Staff Report at 9.

[7] Chief Hearing Examiner's Report at 10 (citing Exhibit 10 at 13).

[8] *Id*. at 4.

[9] *Id*.

[10] *Id*. at 4-5 (summarizing Appalachian testimony).

[11] Exhibit 7, Persing rebuttal testimony at 2.

[12] *Id.*

[13] *Id*. at 3.

the 2,000 customers served by the Blue Ridge Substation during construction. This fact and the unacceptably high impact on residences led Segment S to be eliminated from consideration by the Company.[14]

Staff witness W. Timothy Lough investigated the use of existing rights-of-way for the line and concluded that the proposed project is superior to other alternatives with respect to most of the key attributes.[15] The preferred route minimizes the number of residences impacted and is not expected to impact any scenic or historic resources. In addition, the Company has presented reasons for not using existing easements of right-of-way and plans for minimizing the impact of the substation.[16] We find that existing rights-of-way cannot adequately serve the needs of the Company.

Environmental Impact

Under § 56-46.1 A and B of the Code, the Commission is required to consider the proposed transmission line'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 facility by state agencies concerned with environmental protection.

In order to assist the Commission with its review of the environmental impact of the proposed transmission lines, the DEQ filed its coordinated environmental review on March 8, 2008.[17] The specific recommendations are summarized in the DEQ Report as follows:

- Follow DEQ's recommendations to avoid impacts to wetlands and streams, and minimize indirect and temporary impacts to wetlands (Environmental Impacts and Mitigation, item 1(c), pages 9-10).
- Reduce solid waste at the source, re-use it and recycle it to the maximum extent practicable (Environmental Impacts and Mitigation, item 5(e), page 14).
- Coordinate impacts to karst terrain with the Department of Conservation and Recreation (DCR) (Environmental Impacts and Mitigation, item 6(e), page 15).
- Coordinate this project with the DCR for updates to their Biotics database if a significant amount of time passes before the project is implemented (Environmental Impacts and Mitigation, item 6(e), page 15).
- Follow the time-of-year restrictions for Glade and Tinker Creeks and implement measures to protect aquatic resources as recommended by the Department of Game and Inland Fisheries (Environmental Impacts and Mitigation, item 7(c), pages 16-17).
- Coordinate with the Department of Forestry to develop appropriate measures for the loss of forestry resources and to protect trees that are not identified for removal from the adverse effects of construction activities (Environmental Impacts and Mitigation, item 9(c), page 17).
- Coordinate with the Department of Mines, Minerals and Energy if questions arise during the planning or construction regarding abandoned mines (Environmental Impacts and Mitigation, item 10(c), page 18).
- Conduct a comprehensive archaeological survey and work closely with the Department of Historic Resources to avoid, reduce and mitigate any negative impacts identified (Environmental Impacts and Mitigation, item 11(c), page 19).
- Coordinate road and transportation impacts with Botetourt County and the Virginia Department of Transportation Salem Residency (Environmental Impacts and Mitigation, item 12(b), page 19).
- Coordinate with Federal Aviation Administration to ensure compliance with Federal Aviation Regulations (Environmental Impacts and Mitigation, item 13(b), page 20).
- Follow the principles and practices of pollution prevention to the maximum extent practicable (Environmental Impacts and Mitigation, item 15, pages 20-21).
- Limit the use of pesticides and herbicides to the extent practicable (Environmental Impacts and Mitigation, item 16, page 21).

During the course of the proceeding, the Company advised that it intends to comply with all of the requirements and recommendations listed in the DEQ report, subject to further discussion, negotiation, and agreement between the Company and the Department of Forestry as to the nature and extent of the recommended mitigation for loss of forest resources.[18] The Chief Hearing Examiner found that to the extent the DEQ's recommendations are applicable to the Company's transmission line, and are not otherwise covered by permit, law, regulation, or approval, the DEQ recommendations are

[14] *Id.*

[15] Exhibit 10, Staff Report at 10-13.

[16] *Id*. at 14.

[17] *See* Exhibit 10, Staff Report attachment 5.

[18] Exhibit 10, Staff Report at 8; Exhibit 7, Persing rebuttal testimony at 5; Chief Hearing Examiner's Report at 9.

reasonable and should be adopted. The Chief Hearing Examiner recommends that as a condition of the Commission's approval, the Company should be ordered to comply with all the DEQ recommendations.[19]

In its Comments, the Company reiterated that it intends to comply with all of the requirements and recommendations listed in the report of the DEQ, provided that the Company is permitted to engage in further discussions, negotiations, and may reach agreement with the Department of Forestry as to the particular nature and extent of the recommended forest mitigation for the proposed transmission line and substation project.[20]

We agree with the Chief Hearing Examiner and find that, as a condition of our approval, the Company will comply with all applicable DEQ recommendations, which we find necessary to minimize adverse environmental impact.[21]

Alignment of the Proposed Transmission Line and Substation

The Chief Hearing Examiner noted that Appalachian considered three alternatives to the proposed project, rejecting the first two because of inferior reliability and contingency benefits. The third alternative was eliminated because of its greater costs and potential impact on residential areas.[22] Further, the Company examined six substation sites and 38 transmission line segments from which it developed eight alternative routes in the course of reaching its preferred route for the line. Ultimately the preferred route was selected because it minimized the impact to homes and buildings when compared to the other alternatives. The Chief Hearing Examiner explained that while one of the other routes would impact 27% less forest and would minimize adverse impacts to other natural and cultural resources, it would nearly double the number of residences within 500 feet of the centerline of the proposed project.[23] We agree with the Chief Hearing Examiner that the route proposed by the Company is superior to the alternatives.

Accordingly, IT IS ORDERED THAT:

(1) Appalachian is authorized to construct and operate a 138 kV double circuit transmission line and substation in Botetourt County, Virginia. Said transmission line shall extend from a tap in the Company's existing Roanoke-Cloverdale 138 kV transmission line to a new substation to be constructed in the Lake Forest area of Botetourt County, on the route and alignment proposed in Appalachian's application.

(2) Pursuant to §§ 56-46.1, 56-265.2 and related provisions of Title 56 of the Code, Appalachian's application for a certificate of public convenience and necessity to construct and operate its proposed transmission line and substation is granted, as provided for herein, and subject to the requirements set forth in this Final Order.

(3) Pursuant to the Utility Facilities Act, Chapter 10.1 (§§ 56-265.1 *et seq*.) of Title 56 of the Code, Appalachian is issued the following certificate of public convenience and necessity:

> Certificate No. ET-28l which authorizes Appalachian Power Company under the Utility Facilities Act to operate presently constructed transmission lines and facilities in Botetourt County, all as shown on the detailed map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2007-00113; Certificate No. ET-28l cancels Certificate No. ET-28k issued to Appalachian Power Company on May 31, 2001, in Case. No. PUE-1997-00766.

(4) The Commission's Division of Energy Regulation shall forthwith provide the Company a copy of the certificate issued in Ordering Paragraph (3) above with the detailed map attached.

(5) As there is nothing further to come before the Commission, this matter is dismissed and the papers herein placed in the file for ended causes.

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[19] Chief Hearing's Examiner's Report at 9.

[20] Comments at 1.

[21] The Company shall coordinate with the DEQ its implementation of these recommendations, including any potential modifications or clarifications thereto mutually agreeable to the Company and the DEQ.

[22] Chief Hearing Examiner's Report at 7.

[23] *Id.*

CASE NO. PUE-2007-00116
MARCH 31, 2008

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY
and
AMERICAN WATER CAPITAL CORP.

To continue participation in a financial services agreement with an affiliate

ORDER GRANTING AUTHORITY

On December 14, 2007, Virginia-American Water Company ("Virginia-American") and American Water Capital Corp. ("AWCC") (collectively "Applicants") filed a motion for interim authority ("Motion") to continue participation in a Financial Services Agreement ("FSA") set to expire on

December 31, 2007.[1] On December 17, 2007, Applicants filed an application to participate in a FSA under Chapter 4 of Title 56 of the Code of Virginia (§§ 56-76 et seq.) through December 31, 2009. By Order dated December 20, 2007, the State Corporation Commission ("Commission") granted an extension of existing authority and jurisdiction over the instant application for a three month period, or March 31, 2008.

AWCC has provided financial services to Virginia-American under the FSA for almost eight years.[2] The current application seeks authority to continue participating in the FSA for an additional two-year period. Financial services supplied under the FSA include cash management through nightly "cash sweeps" and investment of excess cash. The interest rate applicable to short-term borrowings from AWCC or short-term investment with AWCC will be the effective cost of funds in the market. According to the Applicants, continued participation in the FSA will allow Virginia-American to borrow at lower rates and receive higher investment rates than it could obtain on a stand alone basis. Applicants represent that interest savings under the FSA have benefited ratepayers over the past several years.

THE COMMISSION, upon consideration of the application and having been advised by its staff, is of the opinion and finds that participation in the FSA is in the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Applicants are hereby authorized to participate under the Financial Services Agreement under the terms and conditions and for the purposes set forth in the application through December 31, 2009.

(2) Prior to any changes in terms and conditions of the Financial Services Agreement, Virginia-American shall obtain additional approval from this Commission.

(3) On or before March 1 of 2009, and 2010, Applicants shall file an annual schedule of the short-term borrowing and lending activity during the previous calendar year. The schedule shall include; a monthly schedule of the maximum daily balance borrowed or invested by Virginia American, the average daily balance for the month, and the average rate of interest for the month; and an annual schedule of the allocation of all line of credit fees.

(4) The authority granted herein shall have no implications for ratemaking purposes.

(5) Approval of the application shall not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

(6) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

(7) Virginia-American shall file for separate authority under Chapter 3 to have aggregate short-term borrowings in excess of twelve percent of total capitalization.

(8) Should Applicants seek to extend the authority for Virginia-American to participate in the FSA beyond December 31, 2009, Applicants shall file an application requesting such authority no later than November 1, 2009.

(9) This matter shall be continued subject to the continuing review, audit and appropriate directive of the Commission.

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[1] Authority to participate in the FSA was granted in Case No. PUE-2004-00074, Order dated October 12, 2004. Ordering paragraph (7) stated "Should Applicants seek to extend the authority for Virginia-American to participate in the FSA beyond December 31, 2007, Applicants shall file an application requesting such authority no later than November 1, 2007."

[2] By Orders dated June 23, 2000, June 28, 2002, and July 1, 2004, Applicants were granted authority to enter into and participate in a financial services agreement through August 30, 2004 in Case No. PUA-2000-00038.

CASE NO. PUE-2007-00117
JANUARY 8, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue debt and preferred securities

ORDER GRANTING AUTHORITY

On December 14, 2007, Virginia Electric and Power Company ("Virginia Power" or "Applicant") filed an application with the Virginia State Corporation Commission ("Commission") under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to issue debt and preferred securities. Applicant has paid the requisite fee of $250.

Virginia Power proposes to sell through January 31, 2010, up to $3 billion aggregate principal amount of its Senior Notes, Junior Subordinated Notes, Sub-Junior Subordinated Notes and preferred securities (collectively "the Securities"). The Company also proposes to issue debt to its parent, Dominion Resources, Inc. ("DRI") which, according to Virginia Power would in all material aspects mimic the provisions of similar debt issued to the capital markets by DRI.

In conjunction with the issuance of the Securities, Virginia Power also proposes to establish a Trust Financing Facility. According to Virginia Power, the Trust will exist only for the purpose of issuing its own preferred and common securities, investing the proceeds from the sales in Virginia Power's Junior Subordinated Notes and/or Sub-Junior Subordinated Notes and conducting other incidental activities. Since the Trust will be an affiliate of Virginia Power, Applicant has sought approval under Chapter 4 of Title 56 of the Code of Virginia.

The Securities may be issued in various series with various maturities and will bear interest or pay dividends at rates determined by their maturities, features, and conditions in the financial markets at the time of sale. Virginia Power proposes to market the Securities on a competitive basis at market rates to or through underwriters and dealers to the public or through private placement with financial institutions, depending on the most economically desirable circumstances at the time of issuance. The Securities may also be sold directly to purchasers or through agents at market rates.

The proceeds from the Securities will be used to meet a portion of Applicant's capital requirements such as construction, upgrading and maintenance expenditures, capacity expansion, and the refunding of outstanding debt and preferred securities.

Virginia Power also proposes to enter into anticipatory hedging transactions related to the issuance of the Securities. Virginia Power states that the purpose of entering into anticipatory hedging transactions is to provide a mechanism to mitigate the risk that economic circumstances underlying decisions to refund an outstanding security or to issue a new security will change adversely by the time the transaction can be executed. Applicant proposes to limit such authority in a manner similar to that authorized by the Commission in Case No. PUF970017.

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: a) issue up to $3 billion in aggregate of its Securities, and b) establish a Trust for the issuance of securities, under the terms and conditions and for the purposes set forth in the application though January 31, 2010, provided that any refinancing results in demonstrated cost savings to Virginia Power.

2) Applicant shall submit a preliminary report of action within ten days after the issuance of any Securities pursuant to this Order to include the type of security, the date of issuance, the amount of issuance, the applicable interest rate or dividend rate, the maturity date, and net proceeds to Applicant.

3) Within 60 days of the end of the calendar quarter in which Securities are issued, Applicant shall file a more detailed report to include the information required in Ordering Paragraph (2), as well as an itemized list of actual expenses to date associated with the Securities issuances, a comparison of the effective rate of Securities issued and any refunded securities, use of proceeds, and a balance sheet reflecting the actions taken.

4) On or before March 31, 2010, Applicant shall file a final report of action to include all information required in Ordering Paragraph (3) which incorporates then-current actual expenses and fees paid for the proposed Securities issuances.

5) The authority granted herein shall have no implications for ratemaking purposes.

6) The authority granted herein shall not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the right, pursuant to § 56-79 of the Code of Virginia, to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

8) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUE-2007-00118
JANUARY 16, 2008

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 and to engage in an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On December 27, 2007, Kentucky Utilities Company, d/b/a/ Old Dominion Power Company ("Applicant" or the "Company"), filed an application with the State Corporation Commission ("Commission") requesting authority to issue securities under Chapter 3 of Title 56 of the Code of Virginia ("Code") and to engage in an affiliate transaction under Chapter 4 of Title 56 of the Code. Applicant paid the requisite fee of $250.

Applicant requests authority to issue up to $275,000,000 of long-term debt ("Proposed Debt") during the 2008 calendar year to Fidelia Corporation ("Fidelia"). The proposed transaction constitutes an affiliate transaction under Chapter 4 of Title 56 of the Code since Fidelia is the finance company subsidiary of E.ON AG ("E.ON"), the parent holding company of Applicant. The rate of interest on the Proposed Debt will depend on market conditions at the time of issuance and the term of maturity. The interest rate may be fixed or variable; however the term of maturity will not exceed thirty years. Applicant further states that the interest rate on all borrowings will be at the lowest of: i) the effective cost of capital for E.ON; ii) the effective cost of capital for Fidelia Corporation ("Fidelia"); or iii) the Company's effective cost of capital as determined by reference to the Company's cost of a direct borrowing from an independent third party for a comparable term loan (the "Best Rate Method").

The Proposed Debt will be in the form of unsecured notes to Fidelia, subject to the terms of the loan agreement as set forth in Exhibit 1 attached to the Application. Applicant further requests authority to enter into one or more interest rate hedging agreements that may be in the form of a T-bill lock, swap, or similar agreement ("Hedging Facility") designed to lock in the underlying interest rate on Proposed Debt in advance of closing on the loan.

The Company states that proceeds from the Proposed Debt will be used during 2008 for routine and ongoing upgrades and expansions related to its distribution and transmission systems and other capital projects including, but not limited to, pollution control facilities.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue and deliver the Proposed Debt in the form of unsecured notes in an aggregate principal amount not to exceed $275,000,000 in the manner and for the purposes as set forth in its application, through the period ending December 31, 2008.

2) Applicant is authorized to execute and deliver and perform the obligations of the Company under *inter alia*, the loan agreement with Fidelia, the Proposed Debt authorized in Ordering Paragraph (1), and such other agreements and documents as set out in its Application, and to perform the transactions contemplated by such agreements.

3) Applicant shall submit a Preliminary Report of Action within ten (10) days after the issuance of any securities pursuant to Ordering Paragraph (1), to include the type of security, the issuance date, amount of the issue, the interest rate, the maturity date, and a brief explanation of reasons for the term of maturity chosen.

4) Within sixty (60) days after the end of each calendar quarter in which any of the Proposed Debt is issued pursuant to Ordering Paragraph (1), Applicant shall file with the Commission a detailed Report of Action with respect to all Proposed Debt issued during the calendar quarter to include:

(a) The issuance date, type of security, amount issued, interest rate, date of maturity, issuance expenses realized to date, net proceeds to Applicant, and an updated cost/benefit analysis that reflects the impact of any Hedging Facility for any Proposed Debt issued to refund other outstanding debt prior to maturity, if an update is applicable;

(b) A summary of the specific terms and conditions of each Hedging Facility and an explanation of how it functions to lock in the interest rate on an associated issuance of Proposed Debt; and

(c) The cumulative principal amount of Proposed Debt issued under the authority granted herein and the amount remaining to be issued.

5) Applicant shall file a final Report of Action on or before March 31, 2009, to include all information required in Ordering Paragraph (3) along with a balance sheet that reflects the capital structure following the issuance of the Proposed Debt. Applicant's final Report of Action shall further provide a detailed account of all the actual expenses and fees paid to date for the Proposed Debt with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the application.

6) Approval of the application shall have no implications for ratemaking purposes.

7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUE-2008-00001
JANUARY 29, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of revising the rules of the State Corporation Commission governing utility rate increase applications

ORDER FOR NOTICE AND COMMENT

The 2007 Session of the Virginia General Assembly of Virginia approved Senate Bill 1416 (and companion bill, House Bill 3068), enacted as Chapter 933 of the 2007 Acts of Assembly.[1] This legislation, *inter alia,* (i) requires incumbent electric utilities' rates to be reviewed in 2009 and biennially thereafter, subject to certain, statutory earnings benchmarks;[2] (ii) establishes new cost-recovery mechanisms (including certain financial incentives) by

[1] Chapter 933 amends and reenacts §§ 56-233.1, 56-234.2, 56-235.2, 56-235.6, 56-249.6, 56-576 through 56-581, 56-582, 56-584, 56-585, 56-587, 56-589, 56-590, and 56-594 of the Code of Virginia ("Code"); amends the Code by adding sections numbered 56-585.1, 56-585.2, and 56-585.3; and repeals §§ 56-581.1 and 56-583 of the Code, relating to the regulation of electric utility service.

[2] As described in SB 1416's legislative summary "[T]he ratemaking procedure requires the State Corporation Commission (SCC) to conduct a rate case for investor-owned utilities in 2009; thereafter, the SCC will review each utility's rates, terms, and conditions using two 12-month test periods ending December 31, 2010, though the SCC is given discretion to stagger the years in which it conducts such reviews. In these biennial reviews the SCC will determine fair rates of return on common equity for the utility's generation and distribution services, using any methodology it finds consistent with the public interest. However, the return shall not be set: (i) lower than the average of the returns on common equity reported to the Securities and Exchange

which Virginia's incumbent electric utilities may recover their capital and operating costs,[3] (iii) modifies statutory provisions governing cost recovery applicable to rate cases filed by all utilities to allow, *inter alia,* utilities' recovery in rates of costs that the Commission "finds reasonably can be predicted to occur during the rate year";[4] and (iv) amends prior law governing performance-based regulation of gas utilities to include electric utilities within its scope.[5]

The new regulatory scheme for Virginia electric utilities thus necessitates revisions to the Commission's existing rules governing utility rate increase applications ("Rate Case Rules"), 20 VAC 5-200-30, and the provisions of SB 1416 correspondingly direct the Commission to promulgate such rules and regulations "as may be necessary" to implement this new legislation.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that a proceeding should be established to revise its existing Rate Case Rules to reflect and to accommodate statutory changes enacted in Chapter 933 of the 2007 Acts of Assembly. Additionally, the necessity of making such changes also provides the Commission an opportunity to update and refine the provisions of these rules generally applicable to all utilities whose rates are subject to the Commission's ratemaking authority.

Accordingly, the Commission proposes to repeal the existing Rate Case Rules in 20 VAC 5-200-30, and to promulgate revised Rate Case Rules in a new Chapter 201 in Title 20 of the Virginia Administrative Code, consisting of sections 20 VAC 5-201-10 through 20 VAC 5-201-80. To initiate this proceeding, the Commission's Staff has prepared proposed rules ("Proposed Rules") which are appended to this Order. We will direct that notice of the Proposed Rules be given to the public and that interested persons be provided an opportunity to file written comments on, propose modifications or supplements to, or request oral argument on the Proposed Rules.

In addition, we note that the new legislation shortens the time periods within which electricity rate cases must be completed. These shorter time periods reduce the time available for discovery and analysis of the requested rate changes. To meet these shorter time frames, the Proposed Rules make several changes to current practice, with the goal of affording all parties due process. Thus, interested persons may comment on, among other things, whether the filing requirements set forth in the Proposed Rules should be expanded, reduced or otherwise modified to address such matters.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE-2008-00001.

(2) The Commission's Division of Information Resources shall forward a copy of this Order to the Registrar of Regulations for publication in the Virginia Register.

(3) On or before February 18, 2008, the Commission's Division of Information Resources shall publish the following notice as classified advertising in newspapers of general circulation throughout the Commonwealth of Virginia.

NOTICE TO THE PUBLIC OF A PROCEEDING TO AMEND
REGULATIONS GOVERNING UTILITY RATE INCREASE APPLICATIONS
CASE NO. PUE-2008-00001

The 2007 Session of the Virginia General Assembly of Virginia approved Senate Bill 1416 (and companion bill, House Bill 3068), enacted as Chapter 933 of the 2007 Acts of Assembly. This legislation: (i) requires incumbent electric utilities' rates to be reviewed in 2009 and biennially thereafter, subject to certain, statutory earnings benchmarks; (ii) establishes new cost-recovery mechanisms (including certain financial incentives) by which Virginia's incumbent electric utilities may recover their capital and operating costs, (iii) modifies statutory provisions governing cost recovery applicable to rate cases filed by all utilities to allow, *inter alia,* utilities' recovery in rates of costs that the Commission "finds reasonably can be predicted to occur during the rate year", and (iv) amends prior law governing performance-based regulation of gas utilities to include electric utilities within its scope. In particular, the new legislation shortens the time periods within which electricity rate cases must be completed. These shorter time periods reduce the time available for discovery and analysis of the requested rate changes. To meet these shorter time frames, these proposed rules make several changes to current practice, with the goal of affording all parties due process.

Commission for the three most recent annual periods by a peer group of a majority of the other vertically-integrated investor-owned electric utilities in the southeastern United States with a Moody's bond rating of at least Baa: or (ii) higher than 300 basis points above that average."

[3] As described in SB 1416's legislative summary "[E]ach utility may seek rate adjustment clauses to recover: (i) costs for transmission services provided by PJM Interconnection under applicable rates, terms and conditions approved by the Federal Energy Regulatory Commission (FERC) and costs of FERC-approved demand response programs; (ii) deferred environmental and reliability costs authorized under prior capped rate rules; (iii) costs of providing incentives for the utility to design and operate fair and effective demand-management, conservation, energy efficiency, and load management programs; (iv) costs of participation in the new renewable energy portfolio standard program; and (v) costs of projects that the SCC finds to be necessary to comply with state or federal environmental laws or regulations applicable to generation facilities used to serve the utility's native load obligations, which costs may include the enhanced rate of return for new base load generation if the project would reduce the need for construction of new generation facilities by enabling the continued operation of existing generation facilities. A utility may also apply a rate adjustment clause for recovery from customers of the costs of: (i) a coal-fired generation facility that utilizes Virginia coal and is located in the coalfield region of the Commonwealth, (ii) one or more other generation facilities, or (iii) one or more major unit modifications of generation facilities, to meet the utility's projected native load obligations. The utility may recover an enhanced rate of return on common equity associated with the type of project, which may include projects utilizing nuclear power, renewable technologies, carbon capture facilities, combined cycle combustion turbines, and conventional coal facilities."

[4] § 56-235.2 of the Code.

[5] § 56-235.6 of the Code.

The new regulatory scheme for Virginia electric utilities thus necessitates revisions to the Commission's existing rules governing utility rate increase applications ("Rate Case Rules"), 20 VAC 5-200-30, and the provisions of Chapter 933 of the 2007 Acts of Assembly correspondingly direct the Commission to promulgate such rules and regulations "as may be necessary" to implement this new legislation. Additionally, the necessity of making such changes also provides the Commission an opportunity to update and refine the provisions of these rules generally applicable to all utilities whose rates are subject to the Commission's ratemaking authority.

Accordingly, the Commission has established a proceeding in which it proposes to repeal the existing Rate Case Rules in 20 VAC 5-200-30, and to promulgate revised Rate Case Rules in a new Chapter 201 in Title 20 of the Virginia Administrative Code, consisting of sections 20 VAC 5-201-10 through 20 VAC 5-201-80 ("Proposed Rules"). The Proposed Rules were prepared by the Commission's Staff, and are appended to the Commission's Order for Notice and Comment establishing this proceeding. Interested persons are encouraged to obtain copies of this Commission Order and the Proposed Rules. Copies are available for public inspection at the Commission's Document Control Center, Tyler building, First Floor, 1300 East Main Street, Richmond, Virginia 23219, Monday through Friday, 8:15 a.m. to 5:00 p.m. Copies may also be downloaded from the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

On or before April 14, 2008, any interested person may comment on, propose modifications or supplements to, or request oral argument on the Proposed Rules by filing an original and fifteen (15) copies of such comments with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, making reference in such comments to Case No. PUE-2008-00001. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

All filings in this proceeding shall be directed to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, making reference in such comments to Case No. PUE-2008-00001.

STATE CORPORATION COMMISSION

(4) On or before April 14, 2008, any interested person or respondent may comment on, propose modifications or supplements to by filing an original and fifteen (15) copies of such comments with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, making reference in such comments to Case No. PUE-2008-00001. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

(5) On or before April 14, 2008, any person desiring to participate in this proceeding as a respondent shall file an original and fifteen (15) copies of a notice of participation with the Clerk of the Commission at the address in Ordering Paragraph (4), referencing Case No. PUE-2008-00001. Pursuant to Rule 5 VAC 5-20-80 of the Commission's Rules of Practice of Proceeding, 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.

(6) On or before April 14, 2008, any respondent herein may request oral argument in conjunction with the Commission's consideration of the Proposed Rules by filing any such request with the Clerk of the Commission at the address in Ordering Paragraph (4), referencing Case No. PUE-2008-00001. Any such request for oral argument shall state with specificity why the issues raised in such a request cannot be adequately addressed in written comments. If a sufficient request for oral argument is not received, the Commission may consider the matter and enter an order based upon the papers filed herein.

(7) The Commission Staff shall file a report with the Clerk of the Commission on or before May 9, 2008, concerning comments submitted to the Commission by interested parties and respondents concerning the Proposed Rules.

(8) This matter is continued for further Orders of the Commission.

NOTE: A copy of Attachment A entitled "Rules Governing Rate Increase Applications" 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. PUE-2008-00001
DECEMBER 16, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of revising the rules of the State Corporation Commission governing utility rate increase applications pursuant to Chapter 933 of the 2007 Acts of Assembly

ORDER ADOPTING REGULATIONS

On January 29, 2008, the State Corporation Commission ("Commission") entered an Order for Notice and Comment in this docket ("Order") establishing a proceeding to revise the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, ("Rate Case Rules").[1] Draft revisions to the Rate Case Rules ("Proposed Rules") prepared by the Commission Staff ("Staff") were appended to the Order.

The Order permitted interested persons to submit on or before April 14, 2008 (i) comments concerning the Proposed Rules; (ii) notices of participation under our rules (for those intending to participate in this proceeding as respondents); and (iii) requests, by respondents, for oral argument concerning the draft rules. The Order further required the Staff to file on or before May 9, 2008, a report with the Clerk of the Commission concerning the comments submitted to the Commission ("Staff Report").

Comments concerning the Proposed Rules were timely received from (i) the Virginia Electric and Power Company d/b/a Dominion Virginia Power ("DVP"); (ii) Appalachian Power Company ("Appalachian"); (iii) the Potomac Edison Company d/b/a Allegheny Power ("Allegheny"); (iv) Kentucky Utilities d/b/a Old Dominion Power Company; (v) Columbia Gas of Virginia; Roanoke Gas Company; Virginia Natural Gas; Washington Gas Light Company; Aqua Virginia, Inc.; Massanutten Public Service Company; Virginia American Water Company; Atmos Energy Corporation ("Joint Respondents");[2] (vi) the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"); and (vii) the Virginia Committee for Fair Utility Rates and the Old Dominion Committee for Fair Utility Rates (filing jointly, hereafter "the Committees").

Thereafter, on May 1, 2008, the Commission, on Staff's motion, entered an Order extending the filing deadline for the Staff Report in this docket from May 9, 2008, to July 15, 2008. Additionally, such Order permitted interested parties and respondents that filed initial comments in this proceeding on or before April 14, 2008, an opportunity to file comments on or before August 15, 2008, replying to the Staff's Report, and, if desired, to the initial comments of any other interested party or respondent. Finally, the Commission's May 1, 2008 Order scheduled oral argument in this docket on September 16, 2008, in response to requests therefor from participants in this proceeding.

The Staff filed its Staff Report in this docket on July 15, 2008. Thereafter, reply comments in response to the Staff Report or in response to the initial comments of other participants in this docket were timely filed by all participants who filed initial comments.

On September 16, 2008, the Commission received oral argument on the proposed rules.[3] The Commission's Staff and the following parties participated: DVP, Appalachian, Allegheny, Joint Respondents, Consumer Counsel, and the Committees. At the conclusion of the oral argument, the Commission established a 30-day interval in which the parties were permitted to submit additional information to the Commission concerning any consensus reached among the parties regarding any issue then remaining in contention. On October 20, 2008, DVP filed additional comments.

NOW UPON CONSIDERATION of the comments filed herein together with the representations and advisements of counsel at the oral argument, we find that we should adopt the rules appended hereto as Attachment A, effective January 1, 2009.

The regulations we adopt herein contain a number of modifications to those that were first proposed by the Commission Staff and published in the Virginia Register on February 18, 2008. These modifications follow our consideration of further proposed changes made to those rules by the Staff prior to (and contemporaneous with) the September 16, 2008, hearing in this docket, other changes suggested by the parties at the hearing, and our analysis of the entire record in this proceeding. We will not comment on each rule in detail, but we will comment on several of them.

First, we note that DVP and others suggested that the "60 day prior notice" requirement expressed in 20 VAC 5-201-10 A could practically impede utilities' ability to obtain rate relief on January 1, 2009—the day following the expiration of capped electric rates and the first date on which many of the ratemaking provisions in § 56-585.1 of the Code of Virginia ("Code") (in the case of investor-owned electric utilities) become available. While we will retain the 60 day notice requirement in this rule, we emphasize that 20 VAC 5-201-10 E permits the Commission to grant waivers of these rules for good cause shown. However, the Commission would urge those intending to seek such waivers to request them as soon as possible. Further, prior to the implementation of these rules, rate case applicants should provide notice of intent to file such applications in a timely manner.

Second, we address an issue given much consideration in the parties' comments and at the hearing, namely the provisions of draft rule 20 VAC 5-201-10 C. This provision has antecedents in our current rules, and operates to preclude parties from raising in the context of earnings test filings made pursuant to these rules, issues previously decided by Commission Order in an applicant's most recent rate case. While we note that (i) Staff reiterated

[1] In adopting the rules proposed in this proceeding, we repeal former 20 VAC 5-200-30, and establish a new Chapter 201 (20 VAC 5-201-10, et seq.) in Title 20 of the Virginia Administrative Code.

[2] Columbia Gas of Virginia, Roanoke Gas Company, Virginia Natural Gas, Washington Gas Light Company, Aqua Virginia, Inc., Massanutten Public Service Company; and Virginia American Water Company submitted joint comments. Atmos Energy initially filed a timely notice of participatation without comments, and subsequently joined in the reply comments filed by the Joint Respondents on August 14, 2008.

[3] With respect to our September 16, 2008, oral argument in this matter, we note that such argument was focused on several issues concerning which a clear consensus had not emerged among the Staff and various parties. We emphasize, however, that the fact that a particular issue was not addressed or discussed at the hearing does not lessen the extent to which we have considered it. The Commission has carefully considered all the comments filed herein.

its technical concerns about including a provision directed at potential, future case *participants* in rules governing rate case *applicants*, and (ii) the Committees' more general opposition to the presence of a rule effecting issue preclusion, we will retain this provision in the rules we adopt herein. However, as suggested by the Joint Respondents, we have modified this provision to clarify that it is applicable to the earnings test components of general and expedited rate cases.

Third, we consider the requirement expressed in 20 VAC 5-201-10 D that applications filed pursuant to these rules shall not be deemed filed under Chapters 10 or 23 of Title 56 of the Code "unless they are in full compliance with these rules." AEP and Allegheny raised concerns about the "full compliance" requirement on the basis that delay in processing rate applications could result from the operation of this language. Indeed, both parties suggested that the Commission establish a "substantial" or "material" compliance threshold. However, the rules we adopt herein retain the "full compliance" language because it is the standard contained in our current rate case rules and we are not aware of any practical difficulties resulting from its incorporation into those rules in 1999. We conclude, therefore, that the Staff's issuances of memoranda of completeness in these cases as required by Rule 160 of the Commission's Rules of Practice and Procedure (5 VAC 5-20-160) has, to date, been accomplished with dispatch and reasonableness. We would expect such practice to continue hereafter, and so the rules we adopt herein will retain the "full compliance" requirement expressed in 20 VAC 5-201-10 D.

Fourth, Consumer Counsel requested that rule 20 VAC 5-201-10 F be modified to provide to Consumer Counsel immediate access to information deemed to be confidential by the applicant. We adopt the rule as proposed; however, we encourage applicants and parties to utilize, to the fullest extent possible, protective orders which should operate to provide confidential information to rate case participants in a timely manner.

Fifth, the parties, Staff and the Commission discussed at the oral argument the requirement in 20 VAC 5-201-10 H of the draft rules that applicants furnish certain schedules in Microsoft Excel format. While all acknowledged that Excel is currently an industry standard for electronic spreadsheets, such standards change over time—sometimes quickly—and thus specifying a proprietary product in our rules may not be appropriate. Consequently, we have modified this rule to simply provide that the electronic spreadsheet format utilized by applicants be "commercially available and have common use in the utility industry."

Sixth, the Joint Respondents proposed to delete the word "historic" from 20 VAC 5-201-20 B. We will retain such term in this rule. The use of a historic test year provides basic information concerning an applicant's cost of service which can be adjusted based on projections as allowed per § 56-235.2 of the Code.

Seventh, the Joint Respondents expressed objections in both filed comments, and at the oral argument to the provisions of 20 VAC 5-201-40 A, requiring that all rate schedules be filed by applicants seeking the Commission's approval of a Performance Based Regulation ("PBR") plan pursuant to these rules. As the basis for their objection, they assert that the provisions of § 56-235.6 A of the Code authorizing PBRs expressly contemplate a departure from cost-of-service ratemaking, and thus requiring PBR applicants to file cost of service-related schedules is inconsistent with this statute. Joint Respondents also emphasized that § 56-235.6 B of the Code establishes a "not excessive" benchmark for PBR rates, versus the conventional "just and reasonable" standard associated with conventional cost of service ratemaking under § 56-235.2 of the Code. We have determined, however, that the filing requirements expressed in 20 VAC 5-201-40 A will be retained in the rules we adopt in this proceeding. As noted by the Staff in its comments and at the hearing, the provisions of § 56-235.6 C (iv) of the Code authorize the Commission to discontinue a PBR if rates are determined to be excessive when compared to cost of service and any benefits that accrue from the PBR. Thus, all schedules must be filed with an applicant's proposed PBR to determine, and thus benchmark, the applicant's cost of service in order to enable the Commission to make a fully informed decision regarding whether rates under the proposed PBR are excessive and to execute the provisions of § 56-235.6 C (iv) of the Code, if necessary.

Eighth, with respect to the "off-year" filing requirement provided in Subsection C of draft rule 20 VAC 5-201-50, we have determined that this requirement is unnecessary, and have eliminated this Subsection. The Commission and its Staff are authorized by § 56-36 of the Code to obtain all of the information by means of that statutory authority, and it is because of that specific statutory authority that Subsection C is deemed unnecessary at this time. We expect that all utilities will respond to Staff's request for information in a timely manner.

Ninth, 20 VAC 5-201-90[4] identifies certain schedules and exhibits required in conjunction with filings made pursuant to these rules, and provides instructions for their preparation. The instructions for Schedule 29, provided in this rule, as proposed by the Staff, requires applicants to furnish certain work papers for earnings test and ratemaking adjustments. Allegheny and the Joint Respondents expressed concern that the requirement in draft paragraph (a) of the instructions for Schedule 29 that applicants provide information concerning "relative FASB statements[s] and Commission precedent[s]" for certain adjustments imposed a burdensome requirement. We have modified such paragraph (a) to require that the purpose of and methodology used for each such adjustment be furnished in narrative form, and that relevant FASB statements and Commission precedents be referenced "if known or available." This change should permit the Staff and parties to obtain the information they need relative to these adjustments while easing concerns utilities may have regarding the burden of furnishing such information.

Tenth, the Joint Respondents proposed a threshold for the expense analysis required in the instructions for Schedule 30. We adopt the proposed rule as modified by Staff at the oral argument noting that while the requirement may entail or necessitate analysis of lesser dollar items for smaller utilities, such smaller dollar items are equally material to the operating and maintenance expenses used to determine cost of service.

Finally, we note two miscellaneous changes to the draft rules. With respect to draft Schedule 46 in the Proposed Rules, we have determined that this requirement has limited future use and have eliminated it from the Proposed Rules. However, any applicant filing for a rate adjustment clause pursuant to § 56-582 B (vi) or § 56-585.1 A 5 a of the Code shall provide all significant documents, contracts, studies, investigations or correspondence that support actual costs for each rate adjustment for which the applicant is seeking initial approval. Such information should demonstrate that the costs are incremental and not reflected in previously approved rates.

Additionally, we have eliminated language in paragraph (b) (first reference) in the instructions for draft Schedule 47 in the Proposed Rules (now Schedule 46) that had required in conjunction with rate adjustment clause filings made pursuant to § 56-585.1 A 6 of the Code, a statement demonstrating that a proposed generating unit is consistent with a least cost integrated resource plan. We have determined that such a statement is not necessary for purposes of these rules.

[4] 20 VAC 5-201-90 was previously identified as 20 VAC 5-201-100 in the proposed Rules. This section and subsequent sections were renumbered in the final version of the Rules we adopt herein.

Accordingly, IT IS ORDERED THAT:

(1) We hereby repeal 5 VAC 5-200-30 and adopt the Rules Governing Utility Rate Applications and Annual Informational Filings to be set forth in a new Chapter 201 (20 VAC 5-201-10 *et seq.*) in Title 20 of the Virginia Administrative Code, appended hereto as Attachment A, all to become effective on January 1, 2009.

(2) A copy of this Order and the rules adopted herein shall be forwarded promptly for publication in the Virginia Register of Regulations.

(3) This case is dismissed and the papers herein shall be placed in the filed for ended causes.

Commissioner Dimitri did not participate in this matter.

NOTE: A copy of Attachment A entitled "Rules Governing Utility Rate Applications and Annual Informational Filings" 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. PUE-2008-00002
SEPTEMBER 5, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER

For a certificate of public convenience and necessity for facilities in Caroline County: Ladysmith CT-Line #256 Junction 230 kV Double Circuit Transmission Line

FINAL ORDER

Before the State Corporation Commission ("Commission") is the application of Virginia Electric and Power Company, d/b/a Dominion Virginia Power ("Dominion Virginia Power" or "Company"), for approval of the Ladysmith CT-Line #256 Junction 230 kV Double Circuit Transmission Line. The Company proposes to construct in Caroline County an overhead double-circuit 230 kV transmission line from its existing Ladysmith CT Power Station to a point on the existing Fredericksburg-Four Rivers 230 kV Transmission Line #256. According to the application, the line must be completed and in operation by May 2010. As discussed in this Final Order, the Commission will grant the application and approve construction and operation of the line.

By Order for Notice of May 1, 2008, the Commission docketed the application and directed the Company to give notice to Caroline County, landowners as prescribed by statute, and to the public. On May 15, 2008, Dominion Virginia Power filed proof of notice to Caroline County. Proof of notice to owners of property within the proposed right-of-way was filed with the Commission Clerk on May 23, 2008. The Company filed on June 2, 2008, proof of newspaper publication of notice of its application. The Commission finds that proper notice of the application was given as required by § 56-46.1 B of the Code of Virginia ("Code") and the Commission's Order for Notice.

In our Order for Notice, the Commission provided for filing with the Commission Clerk comments on the application and requests for a public hearing. No comments or hearing requests were received.

In the Commission's Order for Notice, we directed the Commission Staff ("Staff") to investigate the application and to file a report on its investigation. In conjunction with its investigation, the Staff asked the Virginia Department of Environmental Quality ("DEQ") to coordinate a review of the proposed transmission line by state and local environmental agencies. On May 22, 2008, the Comments of the Department of Environmental Quality ("DEQ Comments") were filed with the Commission Clerk. DEQ identified in its report necessary environmental permits required for the project and listed a number of additional measures for limiting adverse environmental impacts. On June 30, 2008, the Staff filed its report ("Staff Report"). The Staff recommended that the Commission approve construction of the proposed transmission line, which would provide a second interconnection of the Ladysmith CT (combustion turbine) Power Station to the existing transmission grid.

The Company filed on July 23, 2008, its Comments of Virginia Electric and Power Company on Staff Report ("Company Comments"). The Company agreed with the Staff Report and recommendation that the Commission approve the proposed transmission line. Dominion Virginia Power expressed concerns with the Commission adopting recommendations in the DEQ Comments.

NOW THE COMMISSION, having reviewed this matter, is of the opinion and finds that the public convenience and necessity require the construction of the proposed line and that the Company's application should be granted, subject to the following findings and conditions.

As required by § 56-46.1 B of the Code, the Commission must find that the proposed transmission line is needed. Likewise, § 56-265 A of the Code requires us to find that the public convenience and necessity require the facility. As noted in Dominion Virginia Power's application and in the Staff Report, at 2-4, the Commission has approved the addition of Units 3, 4, and 5 at the Ladysmith CT Power Station. The additional units are expected to begin commercial operation in 2008 and 2009. Virginia Electric & Power Co., Case No. PUE-2007-00032, Final Order of August 24, 2007, 2007 S.C.C. Ann. Rep. 435, Supplemental Order of March 19, 2008, 2008 S.C.C. Ann. Rep. ___. The addition of these three units to Units 1 and 2, which were approved in 2000, brings the Ladysmith station's nominal aggregate capacity to 800 MW. In our Final Order of August 24, 2007, 2008 S.C.C. Ann. Rep. at 436 n. 4, the Commission recognized that the addition of Units 3 and 4, which expanded capacity to approximately 650 MW, would require additional transmission facilities to interconnect the station. As discussed in the Company's application and in the Staff Report, at 2-4, the additional transmission line is required for reliable interconnection to the Dominion Virginia Power and PJM electric grid. The double-circuit design and operation at 230 kV will provide an efficient network connection and will augment the existing radial connection now serving the plant.

The Commission finds that the proposed transmission line is needed and the public convenience and necessity require its construction and operation. The Commission has approved the expansion of the Ladysmith station, and the proposed line will assure that the Ladysmith station serves as a reliable source of electricity to meet growing customer demand. While the route is entirely within its service territory, Rappahannock Electric Cooperative has indicated that it supports the proposed transmission project.

Sections 56-46.1 A and B of the Code require the Commission to consider the impact of the proposed line on the environment. The use of existing rights-of-way for transmission lines is addressed in § 56-46.1 C and § 56-259 C of the Code. Dominion Virginia Power proposes to construct the line of approximately 5.3 miles on existing rights-of-way and on property already owned by the Company. This proposed routing is in keeping with the policies expressed in the cited statutes and will avoid the environmental impact of establishing new right-of-way. No adverse impacts on scenic assets or historic districts were identified.

As provided by § 56-46.1 A of the Code, the Commission must consider the reports on the review of the application undertaken by state environmental agencies. DEQ provided a list of state and federal permits and approvals which may apply to the proposed transmission project.[1] DEQ also provided the following recommendations from interested state agencies:

- Follow the Department of Environmental Quality's (DEQ) recommendations to avoid wetlands and streams, and minimize indirect and temporary impacts to wetlands.
- Reduce solid waste at the source, re-use it and recycle it to the maximum extent practicable.
- Coordinate with the Department of Conservation and Recreation for updates to its Biotics database if a significant amount of time passes before the project is implemented.
- Follow recommendations of the Department of Game and Inland Fisheries, to the extent possible, to protect aquatic resources and wildlife species.
- Coordinate road and transportation impacts with Caroline County and the Virginia Department of Transportation Bowling Green Residency.
- Follow the principles and practices of pollution prevention to the maximum extent practicable.
- Limit the use of pesticides and herbicides to the extent practicable.[2]

Accompanying each recommendation in the DEQ Comments were references to a detailed discussion and attached correspondence.

The Company objects to the following three recommendations in the DEQ Comments: (1) that all equipment crossings of streams must be constructed using clear-span footbridges; (2) that the Company's standard 100-foot buffer around streams and wetlands should be increased to 300 feet; and (3) that there should be time-of-year restrictions for clearing right-of-way even where threatened or endangered species are not found.[3] Based on the pleadings, we find that these three recommendations in the DEQ Comments are not necessary to minimize adverse environmental impacts of the proposed line.

In addition, if the Commission adopts the DEQ recommendations, the Company "seeks assurance" that such recommendations "will not be inadvertently converted into mandatory requirements. . . ."[4] In this regard, the Company either misreads the statute or asks the Commission to ignore its explicit obligations thereunder. The Commission currently has an express statutory obligation to "establish such conditions as may be desirable or necessary to minimize adverse environmental impact" on environmental matters that are not otherwise "governed by permit or approval" from a governmental agency.[5] As part of this obligation, § 56-46.1 A of the Code further requires the Commission to "receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection." Based on the pleadings in this matter, we find that the DEQ recommendations, except for the three rejected above, are necessary to minimize adverse environmental impacts of the proposed line, and the Company admits that such recommendations "are in addition to the requirements of federal, state and local laws or regulations."[6] Accordingly, to the extent the DEQ recommendations approved herein are not otherwise governed by a permit, law, regulation, or approval, such recommendations are herein adopted and the Company shall comply therewith.[7]

Accordingly, IT IS ORDERED THAT:

(1) As provided by §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the application be granted.

[1] DEQ Comments at 3-4.

[2] DEQ Comments at 5.

[3] Company Comments at 6-7.

[4] Company Comments at 2.

[5] Va. Code § 56-46.1 A.

[6] Company Comments at 2.

[7] The Company shall coordinate with the DEQ its implementation of these recommendations, including any potential modifications or clarifications thereto mutually agreeable to the Company and the DEQ.

(2) The Company be authorized to construct and operate in Caroline County an overhead transmission line of 230 kV between the Ladysmith CT Power Station and the point on the existing Fredericksburg-Four Rivers 230 kV Transmission Line #256, and related facilities.

(3) In the construction and operation of the transmission line, the Company shall comply with the recommendations made in the DEQ Comments as discussed in this Order.

(4) Pursuant to the Utility Facilities Act, Chapter 10.1 (§ 56-265.1 et seq.) of Title 56 of the Code, the Company is issued the following certificate of public convenience and necessity:

> Certificate No. ET-70g, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate presently constructed transmission lines and facilities in Caroline County all as shown on the detailed map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2008-00002; Certificate No. ET-70g cancels Certificate No. ET-70f issued to Virginia Electric and Power Company on October 6, 2000, in Case No. PUE-2000-00009.

(5) The Commission's Division of Energy Regulation shall forthwith provide the Company a copy of the certificate issued in Ordering Paragraph (4) above with the detailed map attached.

(6) As a condition of the certificate granted in this case, the transmission line shall be constructed and in-service by January 1, 2011. In the event of a delay, the Commission grants the Company leave to request an extension of this date.

(7) Case No. PUE-2008-00002 shall be dismissed from the Commission's docket and placed in closed status in the records maintained by the Commission Clerk.

Commissioner Dimitri did not participate in this matter.

CASE NO. PUE-2008-00003
AUGUST 11, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For Approval to Participate in the Virginia Renewable Energy Portfolio Standard Program

FINAL ORDER

On January 22, 2008, Appalachian Power Company ("Appalachian" or "Company") filed with the State Corporation Commission ("Commission") an Application seeking approval to participate in a renewable energy portfolio standard program ("Application"), pursuant to § 56-585.2 B of the Code of Virginia ("Code").

In its Application, the Company states that to further the General Assembly's goal of increasing the amount of renewable energy used within the Commonwealth, Code § 56-585.2 was enacted to allow electric utilities to participate in a renewable energy portfolio standard ("RPS") Program with voluntary RPS Goals that commence in 2010, as follows:

> RPS Goal I: In calendar year 2010, 4 percent of total electric energy sold in the base year.
>
> RPS Goal II: For calendar years 2011 through 2015, inclusive, an average of 4 percent of total electric energy sold in the base year, and in the year 2016, 7 percent of total electric energy sold in the base year.
>
> RPS Goal III: For calendar years 2017 through 2021, inclusive, an average of 7 percent of total electric energy sold in the base year, and in calendar year 2022, 12 percent of total electric energy sold in the base year.

In its Application, Appalachian asserts that, along with its parent company American Electric Power Company, it has an extensive background in renewable energy sources, the experience necessary to manage a renewable energy program, and a reasonable expectation of achieving 12 percent of its base year electric sales from renewable sources during calendar year 2022.[1]

Code § 56-585.2 C provides that a company participating in an RPS Program shall be entitled to a 50 basis point increase to the fair combined rate of return on common equity for meeting the RPS Goals set out in subsection D of Code § 56-585.2. Further, pursuant to Code § 56-585.2 E, a utility participating in an RPS Program shall have the right to recover all incremental costs incurred in its participation in the RPS Program through rate adjustment clauses provided under Code §§ 56-585.1 A 5 and A 6.

Appalachian proposes meeting its RPS Goals with a combination of run-of-river hydroelectric energy from existing facilities, new purchases of wind energy, and any carry forward credits Appalachian obtains for exceeding target threshold amounts.[2] The planned wind additions consist of a 100 MW power purchase agreement ("PPA") with Fowler Ridge Wind Farm ("FRWF"), a 75 MW PPA with Camp Grove Wind Farm LLC, and Appalachian's

[1] Appalachian's Application at 2.

[2] Appalachian's Application, Exhibit Witness SCW, Direct Testimony of Scott C. Weaver at 9.

affiliate Indiana Michigan Power's 100 MW PPA with FRWF.[3] Each PPA stipulates that Appalachian will receive all current and future attributes from both projects associated with the energy purchased by Appalachian, including the associated Renewable Energy Credits ("RECs"). These RECs are legal proof that one MWh of electricity has been generated by a renewable-fueled or environmentally friendly source.[4]

An Order providing for notice to the public and an opportunity for comments and requests for a hearing on the Application was issued by the Commission on March 13, 2008. Pursuant to the March 13, 2008 Order for Notice and Comment, Notices of Intent to Participate were filed by the Office of the Attorney General, Division of Consumer Counsel ("Attorney General") and Virginia Electric and Power Company ("Dominion Virginia Power").

Comments were filed by the Attorney General on May 1, 2008, supporting Commission approval of the Company's participation in the RPS with specific recommendations to accompany its approval.[5] The Attorney General recommends that the base year level used to calculate RPS Goals exclude Appalachian's nuclear supply. The result of this recommendation is to lower the amount of renewable energy that must be used to meet the RPS Goal. The Attorney General also recommends that the ruling on the reasonableness of the costs of Appalachian's plan be limited to the costs before the Commission which are supported by sufficient evidence. Costs for presently unknown renewable projects or sources should be reviewed in future proceedings. Finally, the Attorney General recommends that the Company should be required to indicate what it proposes to do with any excess renewable RECs that would be generated by its proposal and provide support for any plan to accumulate a significant amount of RECs.

On May 15, 2008, Appalachian filed its Response to the Comments of the Attorney General. In response to the Attorney General's comments, Appalachian addresses the prudence of its procurement of wind power, recalculation of RPS Goals without nuclear power, the reasonableness of the RPS Program costs, and the uncertain future values of RECs.[6] The Company asserts that the preliminary showing made in its Application of the prudence of its procured wind power is sufficient for the Commission's approval of the Application, and that it need not show comprehensive economic analysis of its wind contracts compared to other renewable resource alternatives, as suggested by the Attorney General.[7]

On the issue of nuclear energy, Appalachian asserts that it had not excluded nuclear power from its initial calculations because it is speculative to segregate the annual amount of power the Company receives from the Cook Nuclear Plant. In this Response however, the Company states that it agrees with the recommendation of the Attorney General to remove nuclear power from the base year level used to calculate Appalachian's RPS Goals.[8]

Appalachian also asserts that the Commission must, when considering the Application, determine "at the time of approval" that the Company will meet those goals "at reasonable cost and in a prudent manner."[9] The statute mandates that the Company must present, and the Commission must consider, the reasonableness and prudence of its plan for achieving the RPS Goals, including all associated costs, at the time the Application is made. Without the Commission's resolution of these issues, the Company would be faced with too many open-ended variables. According to Appalachian, such uncertainty might be detrimental to the success of the RPS Program, both for the Company and for future RPS Program participants.

Finally, Appalachian disagrees with the Attorney General's suggestion that the Company should be required to indicate what it proposes to do with any excess RECs that would be generated by its proposal and to provide support for any plan to accumulate a significant amount of RECs.[10] According to Appalachian, such a requirement is beyond the Company's Application and exceeds the requirements of the statute, noting that it is precisely due to the uncertainty and unpredictability of RECs that the Company has not indicated what it proposes to do with any excess RECs.

On May 29, 2008, the Staff of the State Corporation Commission ("Staff") filed a Report detailing its investigation of the application and stating its conclusions about the Company's proposal.[11] The Staff believes that the Company's plan has a reasonable expectation of meeting its RPS Goals regardless of whether nuclear power is included in the calculation of Appalachian's 2007 base year energy sales level. The Staff further believes that, if it is first determined that participation in the voluntary program is prudent, the choice of wind power to meet the RPS Goals is a prudent choice given that wind receives a double credit toward meeting the RPS Goals. The Staff noted that the decision to participate in the voluntary RPS Program will impose an additional $64 million dollar cost to be born by Virginia customers as a result of the program's 50 basis point incentive. The magnitude of the costs to customers of Appalachian's participation in the RPS Program underscores the importance of the plan being at a reasonable cost. Therefore, the Staff recommends that the Commission defer approval of the Company's RPS plan until such time as costs of the Company's proposed plan versus a Company-built option or a combination of Company-built/PPA contracts option can be evaluated (perhaps at the time that Appalachian requests recovery of its 50 basis point incentive) to determine if the Company's proposed plan is at a reasonable cost.[12]

The Staff Report notes that while the costs of the initial wind energy contracts are presented in the Company's Application, there are other, future, costs that will be incurred in connection with the Company's participation in an RPS Program. According to the Staff, these future costs should be addressed in future proceedings. Such proceedings may include fuel rate, base rate, and/or rate adjustment clause applications as appropriate. The Staff recommends

[3] Appalachian's Application, Exhibit Witness JG, Direct Testimony of Jay Godfrey at 10-11.

[4] *Id*. at 12.

[5] Attorney General's May 1, 2008 Comments at 13.

[6] Appalachian's May 15, 2008 Response.

[7] *Id*. at 2 (citation omitted).

[8] *Id.* at 3.

[9] *Id.* at 3-4 (quoting Va. Code § 56-585.2 F).

[10] *Id.* at 4-5.

[11] Staff's May 29, 2008 Report at 9-10.

[12] *Id.*

that the Commission not approve recovery of any costs that are not now before it. While the Company's plan to accumulate a banked reserve of RECs does not appear to be unreasonable, the Staff recommends that customers ultimately receive the full benefit of any excess RECs that they have funded.

On June 6, 2008, the Staff filed a Motion for Leave to File Supplement to the Staff Report, in which the Staff presents additional information learned after filing the Report on May 29, 2008. Through discovery, Staff determined that the Company estimates that the Virginia jurisdictional share of the $142 million difference between the wind plan and the base plan is $55.6 million.[13] As noted in the Staff Report, the cumulative present worth of the 50 basis point incentive from Appalachian's Virginia jurisdiction is $63.8 million. The magnitude of the costs to the customers of Appalachian's participation in the RPS Program underscores the importance of the plan being at a reasonable cost. The Company will, if the Commission approves Appalachian's RPS plan, receive an incentive of approximately $64 million paid solely by Virginia customers on a present value basis. This incentive would be produced by an investment in Virginia of $55.7 million. Thus, the incentive exceeds the actual incremental investment in Virginia planned to satisfy the RPS Goals by 14.7 percent. This represents a significant cost to Virginia ratepayers for any environmental benefits that may be produced by Appalachian's participation in the RPS Program.

Appalachian filed its Response to the Staff Report and the Motion for Leave to File Supplement to the Staff Report on June 12, 2008. With regard to the Staff Motion to supplement the Staff Report, Appalachian states that the Company has no objection to the granting of Staff s motion, but objects to the Staff's manner of presenting the data provided by the Company in response to a Staff discovery request.[14] According to Appalachian, the Staff's use of the Company's interrogatory response in the Supplement is inaccurate because it fails to include the economic benefits of the Wind Plan. As Company witness Scott Weaver explains in his testimony, "[a]fter including the economic value associated with the RECs, the relative [cumulative present worth] analysis shows a benefit of $245 million or 0.36% in favor of the 'Wind Plan' over the same 22-year study period . . . . [W]ith the addition of a presumed cost of equivalent REC purchases . . . the addition of renewable wind resources has the potential to lower future plan costs."[15] Therefore, the Staff's use of the Company's response to its discovery request is said to be unsupportive of the Staff's allegation. According to Appalachian, "the very characterization of the incentive as a 'cost' to be borne by the Virginia ratepayers mischaracterizes a legislative decision that has already been made."[16]

The Company further argues in the response to the Staff Report that Staff's criticism of the prudence of the Company's participation in the RPS Program is misplaced, that the Company is not required to compare the costs of competitively purchased wind power to that of construction of wind generation units, and finally that deferral of the Company's application is contrary to the purposes of the RPS Program and will discourage participation.[17]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Application is granted.

Section 56-585.2 B of the Code directs that the "Commission shall approve such application if the applicant demonstrates that it has a reasonable expectation of achieving 12 percent of its base year electric energy sales from renewable energy sources during calendar year 2022, as provided in subsection D." Based on the information submitted by the Company in this case, which was not challenged by either the Attorney General or Staff, we find that the applicant has demonstrated that it has a reasonable expectation of achieving 12 percent of its base year electric energy sales from renewable energy sources during calendar year 2022.

Section 56-585.2 F of the Code states that a "participating utility shall be required to fulfill any remaining deficit needed to fulfill its RPS Goals from new renewable energy supplies at reasonable cost and in a prudent manner to be determined by the Commission at the time of approval of any application made pursuant to subsection B." Our finding of reasonableness and prudence under this subsection is limited to costs and sources specifically before the Commission in this case.[18] Approval herein does not encompass "[c]osts for presently unknown renewable projects or sources,"[19] as it is literally impossible to make findings of fact about information that has yet even to be submitted to this Commission.

Next, the RPS statute requires nuclear power to be excluded from the calculation of the applicable base year.[20] The Company's Application, however, does not exclude nuclear power from the base year and, as a result, "the RPS Goals (GWh) included in the Application are inaccurate and should

[13] Staff June 6, 2008 Supplement to Report at 1.

[14] Appalachian's June 12, 2008 Response at 2-3.

[15] *Id.* at 3 (citing Direct Testimony of Scott C. Weaver at 11 – 12).

[16] *Id*. at 3.

[17] *Id*. at 4-8.

[18] We note that in this proceeding both the Attorney General and the Staff agreed that the specifically identified costs and sources - that were presented by Appalachian to this Commission in this proceeding - meet the reasonableness and prudence standard of Subsection F.

[19] Attorney General's May 1, 2008 Comments at 13. As asserted by the Attorney General:

> Virginia Code § 56-585.2.F should not be read to require a determination of the reasonableness of costs not before the Commission. An interpretation that the reasonableness of *all* costs associated with Appalachian's plan for the *entire* RPS period must be decided as an upfront, one-time, blanket determination in this case would be contrary to other provisions of Virginia law and difficult, if not impossible, to implement. Such a blanket determination would be inconsistent with the prudence requirements that apply to each statutory mechanism under which recovery of RPS costs may be pursued.

Id. at 7 (emphasis in original) (footnote omitted). Similarly, Staff explains that "the reasonableness of [Appalachian's] actually incurred future costs should be addressed in future rate applications, such as fuel rate, base rate, and/or rate adjustment clause proceedings as applicable." Staff's May 29, 2008 Report at 8 (footnote omitted).

[20] The applicable base year level represents "the total electric energy sold to Virginia jurisdictional retail customers by a participating utility in calendar year 2007, *excluding* an amount equivalent to the average annual *nuclear generating plants* for the calendar years 2004 through 2006." Va. Code § 56-585.2 A (emphasis added).

be revised."[21] Excluding nuclear power from the base year lowers the Company's RPS Goals, reduces its renewable energy requirements, and lowers the costs borne by ratepayers. We approve a recalculated base year level that excludes nuclear power as requested by the Attorney General.[22]

Finally, the Attorney General notes that by the end of the RPS period in 2022, the Company projects a "banked" balance of 4,303,000 RECs, which will have significant value and will represent "a large accumulation of RECs not needed to meet the RPS Goals."[23] The Attorney General suggests that the Commission should determine, now, the prudence of accumulating these RECs.[24] The Company, however, asserts that "[i]t is neither reasonable nor prudent, nor in the best interests of the Company's customers, to commit in this Application to a plan regarding its future treatment of RECs that looks as far as fourteen years into the future," and that, "[i]n any case, the reasonableness of any future treatment can be determined only in the future."[25] We clarify that approval herein does not represent approval of any particular treatment of RECs. Rather, as discussed by the Company, the Commission will subsequently determine - in one or more future cases - the reasonableness of Appalachian's future treatment of RECs, along with the ratemaking implications resulting therefrom.

Finally, although we have found that an evidentiary hearing is not required herein, we note that our approval of the Application does not necessarily serve as precedent for any future applications under this statute.

Accordingly, IT IS ORDERED THAT:

(1) The Staff's Motion for Leave to File Supplement to Staff Report is hereby granted.

(2) Appalachian's Application seeking approval to participate in a renewable energy portfolio standard program, pursuant to § 56-585.2 B of the Code of Virginia is hereby granted as set forth above.

(3) There being nothing further to come before the Commission on this proceeding, this matter is dismissed and the papers herein placed in the Commission's files for ended causes.

[21] Attorney General's May 1, 2008 Comments at 5.

[22] *See id.* at Attachment 2.

[23] *Id.* at 8-10.

[24] *Id.* at 11.

[25] Appalachian's May 15, 2008 Response at 5 (footnote omitted).

CASE NO. PUE-2008-00004
FEBRUARY 26, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing interconnection standards for distributed electric generation

ORDER ESTABLISHING PROCEEDING

Pursuant to § 56-578 A of the Virginia Electric Utility Restructuring Act, Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia ("Restructuring Act"), all electric energy distributors have the obligation to connect any retail customer, including those using distributed generation, located within its service territory to the distributor's facilities used for delivery of retail electric energy, subject to State Corporation Commission ("Commission") rules and regulations and approved tariff provisions relating to connection of service.

In accordance with § 56-578 C of the Restructuring Act, the Commission shall establish interconnection standards, not inconsistent with nationally recognized standards acceptable to the Commission, to ensure transmission and distribution safety and reliability. In adopting the interconnection standards, the Commission shall seek to prevent barriers to new technology and shall not make compliance unduly burdensome and expensive.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that a proceeding should be established to consider interconnection standards for distributed generation for the Commonwealth in accordance with § 56-578 C of the Restructuring Act. The Staff of the Commission ("Staff") has developed proposed rules to meet the requirements of § 56-578 C of the Restructuring Act, Chapter 314 Regulations Governing Interconnection of Small Electrical Generators, which is attached hereto as Appendix A. We will direct that notice be given to the public[1] and that interested persons have an opportunity to comment on Staff's proposed rules (Appendix A) and other issues raised herein.

[1] The Staff has developed a list of persons that may be interested in this proceeding and is directed to provide copies of this Order by electronic transmission or, where necessary, by mail to the persons on this list. We also direct that a copy of this Order be forwarded to the Registrar of Regulations for publication in the Virginia Register.

We note that the Federal Energy Regulatory Commission ("FERC") has asserted jurisdiction over certain generator interconnections.[2] The extent of the FERC's authority and other Virginia statutes may bear on the degree to which the Commission develops interconnection standards for distributed generation facilities. Interested persons are asked to include in their comments a discussion of the Commission's jurisdiction and authority to develop interconnection standards for distributed generation as contemplated in Appendix A. Where submitting that the FERC Small Generator Interconnection Rules in general or a certain provision therein are preemptive of this Commission's rulemaking as proposed in Appendix A or any portion therein, interested persons must provide specific justification as to why such proposed standard need not be addressed in the Commission's rulemaking or provide a clear alternative for consideration.

Finally, we invite interested persons to comment on any specific issues not addressed by Staff in its proposed rules (Appendix A), which would require additional rules or consideration. Such comments may discuss matters beyond the point of actual interconnection of the generating facility with the utility's electric distribution system that may need to be addressed in this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUE-2008-00004.

(2) The Commission's Division of Information Resources shall forward a copy of this Order including Appendix A to the Registrar of Regulations for publication in the Virginia Register.

(3) Within five (5) business days of the filing of this Order with the Clerk of the Commission, the Staff shall transmit electronically or mail copies of this Order including Appendix A to interested persons identified by Staff. Staff shall file with the Clerk of the Commission a certificate of transmission or mailing and include a list of the names and addresses to whom the Order was transmitted or mailed.

(4) On or before May 19, 2008, interested persons may file an original and fifteen (15) copies of comments with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Comments shall refer to Case No. PUE-2008-00004 and address Staff's proposed rules (Appendix A) and the specific issues raised herein. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

(5) This matter shall remain open for further order of the Commission.

NOTE: A copy of Attachment A entitled "Regulations Governing Interconnection of Small Electrical Generators" 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.

[2] The FERC has adopted two sets of rules to standardize the terms and conditions governing interconnection with a utility's transmission system subject to FERC jurisdiction -— one for facilities generating more than 20 MW and one for those generating less. See Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, 68 FR 49845 (August 19, 2003), FERC Stats. & Regs ¶ 31,146 (2003), order on reh'g, Order No. 2003-A, 69 FR 15932 (March 26, 2004), FERC Stats. & Regs ¶ 31,160 (2004), order on reh'g, Order No. 2003-B, 70 FR 265 (January 4, 2005), FERC Stats. & Regs ¶ 31,171 (2005), order on reh'g, Order No. 2003-C, 70 FR 37661 (June 30, 2005), FERC Stats. & Regs ¶ 31,190 (2005); Standardization of Small Generator Interconnection Agreements and Procedures, Order No. 2006, 70 FR 34190 (June 13, 2005), FERC Stats. & Regs ¶ 31,180 (2005), order on clarification, Order No. 2006-A, 70 FR 71760 (November 30, 2005), FERC Stats. & Regs ¶ 31,196 (2005), Order on Clarification, Order No. 2006-B, 71 FR 42587 (July 27, 2006) ("FERC Small Generator Interconnection Standards"). In the FERC Small Generator Interconnection Standards, the FERC indicated that the standards would not apply to the local distribution facility used to deliver energy to an unbundled retail customer. Order No. 2006 at 4-5 and fn. 8.

CASE NO. PUE-2008-00004
NOVEMBER 26, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing interconnection standards for distributed electric generation

ORDER

On February 26, 2008, the State Corporation Commission ("Commission") issued an Order Establishing Proceeding in the above-captioned case to consider interconnection standards for distributed generation for the Commonwealth in accordance with § 56-578 A of the Virginia Electric Utility Restructuring Act, Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia ("Code"). The Staff of the Commission developed proposed rules to meet the requirement of § 56-578 C of the Restructuring Act, Chapter 314, Regulations Governing Interconnection of Small Electrical Generators, and the Commission directed that notice be given to the public and invited comments on Staff's proposed rules.

Following comments filed on Staff's proposed rules,[1] the Commission granted Staff leave to file a response to the comments filed.[2]

[1] The Commission granted extensions for comments to be filed on May 15, 2008, and August 28, 2008.

[2] Order issued August 28, 2008. The Staff was granted a filing extension to October 24, 2008, by Order Granting Extension to Staff issued September 24, 2008.

On October 27, 2008, the Staff of the Commission filed its Motion for Leave to File ("Motion") requesting that it be granted leave to file its Staff Report, also filed on October 27, 2008, one business day out of time. The Staff Report includes revised rules in response to the comments filed.

NOW THE COMMISSION, having considered Staff's Motion, is of the opinion and finds that it should be granted. We further find that notice of Staff's revised rules, attached hereto as Appendix A, should be given to the public and that interested persons should have an opportunity to comment on Staff's revised rules (Appendix A).

Accordingly, IT IS ORDERED THAT:

(1) Staff is hereby granted its Motion and the Staff Report filed on October 27, 2008, is hereby received into the record of this case.

(2) The Commission's Division of Information Resources shall forward a copy of this Order including Appendix A to the Registrar of Regulations for publication in the Virginia Register.

(3) On or before January 15, 2009, interested persons may file an original and fifteen (15) copies of comments with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Comments shall refer to Case No. PUE-2008-00004 and address Staff's revised rules (Appendix A).

(4) This matter shall remain open for further order of the Commission.

Commissioner Dimitri did not participate in this matter.

NOTE: A copy of Appendix A entitled "Regulations Governing Interconnection of Small Electrical Generators" 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. PUE-2008-00007
SEPTEMBER 30, 2008

APPLICATION OF
ATMOS ENERGY CORPORATION

For an expedited increase in rates

FINAL ORDER

On February 20, 2008, Atmos Energy Corporation ("Atmos" or the "Company") delivered an application for expedited rate relief, together with supporting testimony and exhibits, to the State Corporation Commission ("Commission"). On March 4 and 6, 2008, the Company filed additional information with the Commission necessary to complete its application. Its application which included financial and operating data for the twelve months ended September 30, 2007, was deemed complete on March 6, 2008.

Atmos' expedited rate application sought to increase the Company's rates by $868,504, which, according to the Company, represented an overall revenue increase of approximately 2% and an increase in base revenues of 11%. The Company's application represented that this increase would allow Atmos the opportunity to earn a 10% return on its common equity, the mid-point of the return on common equity authorized for Atmos in its last rate application, Case No. PUE-2003-00507.

Additionally, Atmos' expedited rate application advised that it was requesting the elimination of bands that are part of its Weather Normalization Adjustment ("WNA"). These bands within the WNA mechanism establish when charges or credits are imposed by the mechanism. The Company proposed to eliminate for the East Weather Zone of its Virginia operating territory the upper and lower band in its current WNA defined as 4.36% above and/or below the most recent 30-year average weather calculation. For the West Zone of its Virginia operating territory, Atmos proposed to eliminate the upper and lower band of its current WNA defined as 5.63% above and/or below the most recent 30-year average weather calculation.

In the Supplemental Direct Testimony of Patricia J. Childers filed on March 4, 2008, the Company maintained that elimination of the upper and lower bands for its WNA mechanism would allow Atmos' WNA to adjust to normal 30-year weather more effectively and would result in a more functional WNA adjustment that would equally benefit the Company and its customers. Specifically, as set forth in Proposed 16th Revised Sheet No. 28.5 filed with the Commission on March 4, 2008, Atmos proposed to make its revised WNA effective August 1, 2009, for the twelve-month period of May 1, 2008, through April 30, 2009, and for each twelve-month period thereafter.

On March 20, 2008, the Commission Staff filed its Interim Report in the captioned matter wherein the Staff concluded that, based on the application and supporting schedules, as well as the information available to the Staff when it filed its Interim Report, there was a reasonable probability that Atmos' requested increase of $868,504 would be justified following a full investigation and hearing. With regard to Atmos' request to revise its WNA, Staff commented in its Interim Report that computationally and structurally, Atmos' proposed WNA was similar to its existing WNA and that given the small increase in overall revenue requirement of 2%, together with the fact that Atmos was revising its WNA by removing an approved deadband for the WNA, the Staff would not object to the case proceeding as an expedited rate case under the particular circumstances of the case. Staff advised in its Interim Report that it planned to examine Atmos' return on equity in the proceeding.

On March 31, 2008, the Commission entered its Order for Notice and Hearing herein. In that Order the Commission docketed the application and permitted the Company to implement its revised tariffs, with the exception of the Company's revised WNA, on an interim basis, subject to refund with interest, for service rendered on and after April 5, 2008. With regard to Atmos' proposal to revise its WNA, the Commission directed that the Company's WNA, Proposed 16th Revised Sheet No. 28.5, could take effect on an interim basis, subject to refund with interest, on August 1, 2009, for the twelve-month

period of May 1, 2008, through April 30, 2009. The Commission's Order for Notice and Hearing appointed a Hearing Examiner to the case; set the case for hearing on September 16, 2008; established a procedural schedule for the filing of testimony by the Company, Staff, and respondents; and provided for the participation of public witnesses. The March 31, 2008 Order for Notice and Hearing prescribed the notice for the Company's application to be published throughout the Company's service territory within the Commonwealth of Virginia and provided for the service of that Order upon local officials in the cities, counties, and towns in Virginia in which the Company provides service.

On September 16, 2008, the matter was heard by Deborah V. Ellenberg, Chief Hearing Examiner. Counsel appearing included Richard D. Gary, Esquire, and Charlotte P. McAfee, Esquire, counsel for the Company, and Sherry H. Bridewell, counsel for the Commission Staff. No public witnesses appeared at the hearing.

During the September 16, 2008 hearing, proof of the Company's notice and service were received into the record as Exhibit 1. By agreement of counsel, the respective prefiled testimonies of the Company and Staff were identified and received into the record as exhibits in the case without cross-examination and without Company and Staff witnesses taking the stand. A Stipulation, identified as Exhibit 11, purporting to resolve all of the issues in the proceeding, was received into the evidence. The Company and Staff waived the right to file comments to the Chief Hearing Examiner's Report in the event that the Chief Hearing Examiner recommended that the Commission accept the Stipulation received into evidence in the proceeding.

On September 17, 2008, the Report of Deborah V. Ellenberg, Chief Hearing Examiner ("Examiner's Report") was issued. The Examiner's Report discussed the features of the Stipulation that was submitted by the Company and Staff and recommended its adoption.

Specifically, the Chief Hearing Examiner found:

(1) The Stipulation presents a full and reasonable resolution of all issues in this case and should be adopted;

(2) The use of a test year ending September 30, 2007;

(3) The Company's test period operating revenues, after all adjustments, were $45,400,084;

(4) The Company's test period operating revenue deductions, after all adjustments, were $43,342,738;

(5) The Company's test period net operating income, after all adjustments, was $2,025,498;

(6) The Company's test period income available for common equity, after all adjustments, was $910,831;

(7) The Company's adjusted test year rate base is $33,194,380;

(8) The Company's current rates produce a rate of return on common equity of 5.83% and a return on rate base, after all adjustments of 6.10%;

(9) A return of equity in the range of 9.5% to 10.5% is reasonable, and the midpoint of that range, 10%, should be used to design rates;

(10) Atmos requires additional gross annual revenues of $868,504, and the standard rates set forth in Attachment E to the Stipulation offer a reasonable opportunity to support that revenue requirement;

(11) The WNA set forth in the Stipulation is just and reasonable, and should be approved;

(12) The Company should file as permanent those rates designed to produce the additional revenues found reasonable herein and set forth in Attachment D to the Stipulation;

(13) The Company should be directed to conduct a study and file testimony detailing the results of its study as part of its next rate application indicating how it will maximize the use of direct charges and allocators; and

(14) The Company should be required to refund, with interest, to its small commercial customers, all revenues collected under its interim rates which became effective for service rendered on and after April 5, 2008, in excess of the stipulated rates found just and reasonable herein.

The Chief Hearing Examiner recommended that the Commission enter an Order that adopts the findings in her Report, grants the Company an increase in gross annual revenues of $868,504, and directs the prompt refund of all amounts collected under interim rates in excess of the stipulated rates found just and reasonable in her Report. The Chief Hearing Examiner noted that Atmos and Staff had waived the opportunity to file comments responsive to her Report.

NOW UPON consideration of the foregoing, the Commission is of the opinion and finds that the findings and recommendations of the Chief Hearing Examiner are supported by the record, are reasonable, and should be adopted; that Atmos should be granted an increase in additional gross annual revenues of $868,504; that such increase is reasonable and supported by the record in this case; and that the Stipulation that the Chief Hearing Examiner recommends should be accepted is hereby adopted and made a part of this Order by its attachment hereto.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the September 17, 2008 Examiner's Report are hereby adopted.

(2) The Stipulation identified as Exhibit 11 in the record below shall be incorporated into this Order by attachment hereto.

(3) In accordance with the Stipulation accepted herein, the rates and tariffs set out in Attachments D, E, and F to the Stipulation attached hereto shall be implemented for service rendered on and after April 5, 2008. Revised tariffs reflecting all of the rates and tariffs accepted herein shall be forthwith filed with the Commission's Division of Energy Regulation.

(4) The WNA tariff set out in Attachment C to the Stipulation appended to this Order shall become effective on August 1, 2009, for the twelve-month period of May 1, 2008, through April 30, 2009, and shall be applicable for each twelve-month period thereafter. A revised tariff, consistent with Attachment C to the Stipulation, shall be forthwith filed with the Commission's Division of Energy Regulation.

(5) In accordance with the Stipulation accepted herein, for future earnings tests, a 10% return on equity benchmark shall be utilized for determining the Company's overearnings, and such benchmark shall continue until the Commission authorizes a change in the return on equity range.

(6) In accordance with the Stipulation accepted herein, Atmos shall study the use of additional direct charges or allocations and shall submit testimony detailing the results of the study with the filing of its next rate application in which changes to rates are proposed.

(7) In accordance with Attachment B of the Stipulation, the depreciation rates for Shared Services shall be used until a new depreciation study is performed and accepted by the Commission. In this case and subsequent AIFs, Atmos shall allocate Shared Services assets depreciation to Virginia based on a net plant factor of 0.55% as of September 30, 2007, and updated annually, in accordance with pages 47-48 of Appendix A to Staff witness Taylor's testimony.

(8) Within ninety (90) days from the date of the entry of this Order, the Company shall commence the refund of the difference between the interim rates that took effect for service rendered on and after April 5, 2008, for Small Commercial Customers served under Rate Schedule 620 and those set forth in the Stipulation accepted herein and shall compute such refunds on a volumetric basis for each bill that used in whole or part the rates and charges that took effect on an interim basis for service rendered on and after April 5, 2008, together with interest as set out in Paragraph (9) below. Such refunds shall be billed as a credit to the account of each Small Commercial Customer and shall be shown as a separate line item on each customer's bill.

(9) Interest upon the ordered refunds shall be computed from the date payments of monthly bills were due to the date each refund is made at the average prime rate for each calendar quarter, compounded quarterly. The average prime rate for such calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's Selected Interest Rates (Statistical Release H.15) for the three months of the preceding calendar quarter.

(10) Refunds to former customers of Atmos shall be made by check, mailed to the last known address of such customers, when the refund amount exceeds $1.00. The Company may offset the credit or refund against any undisputed outstanding balance of the customer's bill. No setoff shall be permitted against any disputed portion of an outstanding balance.

(11) Atmos may retain refunds owed to former customers when the amount of such refund is $1.00 or less. The Company shall maintain a record of former customers for which the refund is $1.00 or less, and a refund shall be promptly made upon request by any of Atmos' former customers. For any refunds not paid or claimed, the Company shall comply with § 55-210.6:2 of the Code of Virginia.

(12) Atmos shall bear all costs incurred or interest paid in effecting the refund ordered herein and shall not recover said interest or expenses incurred to make refunds of the rates and charges accepted herein from Atmos' ratepayers.

(13) Within one hundred twenty (120) days from the entry of this Order, Atmos shall deliver to the Commission's Divisions of Public Utility Accounting and Energy Regulation a report showing that all refunds have been made pursuant to this Order and detailing the costs of the refund and the accounts charged.

(14) There being nothing further to be done herein, this case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended cases.

NOTE: A copy of Exhibit 11 entitled "Stipulation" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUE-2008-00008
MAY 1, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of amending regulations governing net energy metering

ORDER ESTABLISHING PROCEEDING

The Regulations Governing Net Energy Metering, 20 VAC 5-315-10 et seq. ("Net Energy Metering Rules"), adopted by the State Corporation Commission ("Commission") pursuant to § 56-594 of the Virginia Electric Utility Restructuring Act, Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia ("Restructuring Act"), establish the requirements for participation by an eligible customer-generator in net energy metering in the Commonwealth.

The Net Energy Metering Rules include conditions for interconnection and metering, billing, and contract requirements between net metering customers, electric distribution companies, and energy service providers.[1]

Chapters 877, 888, and 933 of the 2007 Acts of Assembly amended § 56-594 of the Code[2] to: (1) increase the allowable total aggregate generation capacity of net metering customers in each utility's Virginia service territory from 0.1% to 1% of the utility's adjusted Virginia peak-load forecast in the previous year; and (2) require each utility, upon written request of a net metering customer (*i.e.*, eligible customer-generator), to enter into a contract to purchase the generation that exceeds the customer's own usage for the 12-month net metering period at a rate approved by the Commission, unless the parties agree to a higher rate.[3] The current Net Energy Metering Rules thus must be revised to reflect the increase of allowable total aggregate generation capacity of net metering customers and to establish the framework for eligible customer-generators to contract with their electric distribution company for the sale of generation exceeding their usage.

In addition to changes to reflect statutory amendments described above, a technical correction to 20 VAC 5-315-50 is also needed.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that a proceeding should be established to amend the Net Energy Metering Rules to reflect the statutory increase of allowable total aggregate generation capacity of net metering customers and to establish the framework for eligible customer-generators to contract with their electric distribution company for sale of generation exceeding their usage and to make a technical correction to 20 VAC 5-315-50. To initiate this proceeding, the Commission Staff has prepared proposed rules ("Proposed Rules") which are appended to this Order. We will direct that notice of the Proposed Rules be given to the public and that interested persons be provided an opportunity to file written comments on, propose modifications or supplements to, or request a hearing on the Proposed Rules. We will further direct that each Virginia electric distribution company within the meaning of 20 VAC 5-315-20 serve a copy of this Order upon each of their respective net metering customers and file a certificate of service. Individuals should be specific in their comments, proposals, or supplements to the Proposed Rules and address only those issues pertaining to the amendment of § 56-594 of the Code of Virginia pursuant to Chapters 877, 888, and 933 of the 2007 Acts of Assembly and the proposed technical correction to 20 VAC 5-315-50. Issues outside the scope of implementing these amendments and the technical correction will not be open for consideration.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUE-2008-00008.

(2) The Commission's Division of Information Resources shall forward a copy of this Order Establishing Proceeding to the Registrar of Regulations for publication in the Virginia Register of Regulations.

(3) On or before May 30, 2008, the Commission's Division of Information Resources shall publish the following notice as classified advertising in newspapers of general circulation throughout the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF A PROCEEDING
TO AMEND REGULATIONS FOR NET ENERGY METERING
PURSUANT TO § 56-594 OF THE CODE OF VIRGINIA
CASE NO. PUE-2008-00008

The Regulations Governing Net Energy Metering, 20 VAC 5-315-10 *et seq.* ("Net Energy Metering Rules"), adopted by the State Corporation Commission ("Commission") pursuant to § 56-594 of the Virginia Electric Utility Restructuring Act, Chapter 23 (§ 56-576 *et seq.*) of Title 56 of the Code of Virginia ("Restructuring Act"), establish the requirements for participation by an eligible customer-generator in net energy metering in the Commonwealth. The Net Energy Metering Rules include conditions for interconnection and metering, billing, and contract requirements between net metering customers, electric distribution companies, and energy service providers.

Chapters 877, 888, and 933 of the 2007 Acts of Assembly amended § 56-594 of the Code of Virginia to: (1) increase the allowable total aggregate generation capacity of net metering customers in each utility's Virginia service territory from 0.1% to 1% of the utility's adjusted Virginia peak-load forecast in the previous year; and (2) require each utility, upon written request of a net metering customer (*i.e.*, eligible customer-generator), to enter into a contract to purchase the generation that exceeds the customer's own usage for the 12-month net metering period at a rate approved by the Commission, unless the parties agree to a higher rate. In addition to these statutory amendments, the Commission Staff is proposing a technical correction to 20 VAC 5-315-50 of the Net Energy Metering Rules.

The Commission has established a proceeding and published Staff's proposed amendments to the Net Energy Metering Rules to reflect the changes required by the revision of § 56-594 of the Code of Virginia

[1] On September 25, 2006, the Commission amended the Commission's Net Energy Metering Rules to: expand the definition of eligible customer-generator; expand the types of permissible fuels for the subject electrical generating facility; and require that the generator located on the customer's premises must also be connected to the customer's wiring on the customer's side of its interconnection with the distributor. These amendments reflect the statutory changes enacted by Chapter 470 of the 2006 Acts of Assembly, which amended § 56-594 of the Restructuring Act (Case No. PUE-2006-00073, Order Adopting Final Regulations).

[2] The 2007 amendments to § 56-594 divided former subsection D into present subsections D and E where the language of the 2007 amendments are found.

[3] The net metering contract is available to eligible customer-generators on a first-come, first-served basis in each electric distribution company's Virginia service area until the rated generating capacity owned and operated by eligible customer-generators in the state reaches one percent of each electric distribution company's adjusted Virginia peak-load forecast for the previous year (§ 56-594 E of the Code).

("Proposed Rules") and the technical correction to 20 VAC 5-315-50 of the Net Metering Rules. Interested persons are encouraged to obtain a copy of the Commission Order and the proposed amendments in this proceeding. Copies are available for public inspection at the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia 23219, Monday through Friday, 8:15 a.m. to 5:00 p.m., or may be downloaded from the Commission's website: http://www.scc.virginia.gov/case.

On or before June 26, 2008, any interested person may file an original and fifteen (15) copies of any written comments on or propose modifications or supplements to the Proposed Rules with 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 available at the Commission's website. Individuals should be specific in their comments, proposals, or supplements to the Proposed Rules and address only those issues pertaining to the amendment of Va. Code § 56-594 pursuant to Chapter 877, 888, and 933 of the 2007 Acts of Assembly and the technical correction proposed. Issues outside the scope of implementing this amendment and technical correction will not be open for consideration.

On or before June 26, 2008, any interested person may file an original and fifteen (15) copies of any requests for hearing with the Clerk of the Commission at the address set forth below. Any request for hearing shall state with specificity why the issues raised in the request for hearing cannot be adequately addressed in written comments. If sufficient request for hearing is not received, the Commission may enter an order based upon the papers filed. Persons expecting to participate as a respondent in any hearing that may be scheduled shall include with their request for hearing an original and fifteen (15) copies of a notice of participation in accordance with 5 VAC 5-20-80 of the Commission Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*

All filings in this proceeding shall be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. PUE-2008-00008.

STATE CORPORATION COMMISSION

(4) On or before May 21, 2008, each Virginia electric distribution company shall serve a copy of this Order upon each of their respective net metering customers and file a certificate of service no later than May 27, 2008, consistent with the findings above.

(5) On or before June 26, 2008, any interested person may comment on, propose modifications or supplements to, or request a hearing on the Proposed Rules by filing an original and fifteen (15) copies of such comments or requests with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Individuals should be specific in their comments, proposals, or supplements to the Proposed Rules and address only those issues pertaining to the amendment of § 56-594 of the Code of Virginia pursuant to Chapters 877, 888, and 933 of the 2007 Acts of Assembly and the technical correction to 20 VAC 5-315-50. Issues outside the scope of implementing this amendment and technical correction will not be open for consideration. Any request for hearing shall state with specificity why the issues raised in the request for hearing cannot be adequately addressed in written comments. If a sufficient request for hearing is not received, the Commission may consider the matter and enter an order based upon the papers filed herein. Interested parties shall refer in their comments or requests to Case No. PUE-2008-00008. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

(6) This matter is continued for further orders of the Commission.

CASE NO. PUE-2008-00008
AUGUST 7, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of amending regulations governing net energy metering

ORDER ADOPTING FINAL REGULATIONS

The Regulations Governing Net Energy Metering, 20 VAC 5-315-10 et seq. ("Net Energy Metering Rules"), adopted by the State Corporation Commission ("Commission") pursuant to § 56-594 of the Virginia Electric Utility Restructuring Act ("Restructuring 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. The Net Energy Metering Rules include conditions for interconnection and metering, billing, and contract requirements between net metering customers, electric distribution companies, and energy service providers.

On May 1, 2008, the Commission entered an Order Establishing Proceeding to amend the Net Metering Rules ("Order") to reflect statutory changes enacted by Chapters 877, 888, and 933 of the 2007 Acts of Assembly, which amended § 56-594 of the Code to: (1) increase the allowable total aggregate generation capacity of net metering customers in each utility's Virginia service territory from 0.1% to 1% of the utility's adjusted Virginia peak-load forecast in the previous year; and (2) require each utility, upon written request of a net metering customer (*i.e.*, eligible customer-generator), to enter into a contract to purchase the generation that exceeds the customer's own usage for the 12-month net metering period at a rate approved by the Commission, unless the parties agree to a higher rate.

The Commission appended to its Order proposed amendments to the current Net Energy Metering Rules ("Proposed Rules") prepared by the Commission Staff to reflect the increase of allowable total aggregate generation capacity of net metering customers and to establish the framework for

eligible customer-generators to contract with their electric distribution company for the sale of generation exceeding their usage. In addition, the Proposed Rules included a needed technical correction to 20 VAC 5-315-50.

Notice of the proceeding was published in the Virginia Register of Regulations on May 26, 2008, and in newspapers of general circulation throughout the Commonwealth.[1] Interested persons were directed to file any comments and requests for hearing on the Proposed Rules on or before June 26, 2008.

Appalachian Power Company ("APCo"); Virginia Electric and Power Company ("Virginia Power"); the Interstate Renewable Energy Council ("IREC"); and the Potomac Edison Company d/b/a Allegheny Power ("Allegheny") filed comments on or before the June 26, 2008 deadline. The Virginia Energy Purchasing Governmental Association ("VEPGA") filed a Notice of Participation as a Respondent prior to the deadline, but did not comment on the Proposed Rules. In addition, the MD-DC-VA Solar Energy Industries Association and Old Mill Power Company (collectively, "MDV-SEIA") and Virginia, Maryland & Delaware Association of Electric Cooperatives ("Cooperatives")[2] filed comments after the deadline and requested leave from the Commission to file such comments out of time. No requests for hearing on the Proposed Rules were filed.

The Commission will accept the late-filed comments.

NOW THE COMMISSION, upon consideration of the record and applicable statutes, is of the opinion and finds that the regulations attached hereto as Appendix A should be adopted as final rules. To the extent parties have requested changes to the Proposed Rules that go beyond the scope of such rules, we will not expand the scope of this proceeding to consider issues beyond those required to implement the amendments to § 56-594 of the Restructuring Act and the needed technical correction.

The Proposed Rules required electric distribution companies that are also the energy service provider to purchase excess generation from net metering customers at a rate equal to the system-wide PJM day-ahead annual, simple average Locational Marginal Price ("LMP"). In filed comments, most interested parties proposed alternative payment rate methodologies. APCo requested that the Commission use each utility's individual PJM day-ahead annual, simple average LMP rather than the PJM system-wide LMP. Allegheny proposed a payment rate equal to the all-hours rate provided in each electric distribution company's co-generation tariff, less any distribution and transmission charges provided in the retail rate schedule under which the customer receives electric service. The Cooperatives proposed a payment rate equal to the avoided cost of energy, including fuel, under its respective wholesale power purchase agreement with the utility. IREC requested that the Commission establish a rate equal to the full retail rate (including transmission and distribution) applicable to the net metering customer. Finally, MDV-SEIA proposed three alternative payment rate methodologies, including: (1) the value of distributed photovoltaic and distributed wind systems to that specific utility and its non-net metering ratepayers at current electricity prices; (2) the full retail rate (including transmission and distribution) applicable to the net metering customer; or (3) each electric distribution company's zonal PJM LMP.

With respect to investor-owned electric distribution companies, the Commission agrees with APCo and MDV-SEIA that a payment rate equal to each individual electric distribution company's PJM zonal LMP is preferable to the system-wide PJM LMP and more accurately reflects the market conditions in each zone and the avoidable energy cost of the investor-owned utilities. Therefore, the Proposed Rules will be amended to require the investor-owned electric distribution company that is also the energy service provider to purchase excess generation from net metering customers at a rate equal to the PJM zonal day-ahead annual, simple average LMP for the load zone within which the electric distribution company's Virginia retail service territory resides. For those investor-owned electric distribution companies not providing Virginia retail service within a PJM load zone, the Commission will continue to prescribe the PJM system-wide LMP, as described in the Proposed Rules.

The Commission also recognizes that Cooperatives do not buy power directly from, or sell power to, the PJM energy markets and agrees that a more appropriate Cooperative rate for purchasing excess generation from net metering customers is the avoidable energy cost based on each Cooperative's wholesale power purchase agreement. Accordingly, the Proposed Rules will be amended to require each Cooperative that is also the energy service provider to purchase excess generation from net metering customers at a rate equal to the simple average of such Cooperative's hourly avoidable cost of energy, including fuel, based on the energy and energy-related charges of its primary wholesale power supplier for the net metering period.

The Proposed Rules require an electric distribution company to make full payment to the net metering customer no later than thirty days following the end of each net metering period or publication of the applicable LMP. Virginia Power requested that the Proposed Rules be amended to allow utilities to make payment within sixty days following the end of the net metering period or publication of the applicable LMP. The Cooperatives requested that utilities be provided flexibility in contracting with net metering customers, including the applicable due date for payment. The Commission finds that the thirty day period in the Proposed Rules is appropriate and will not change this period in the final rules.

Several commenters requested that the Commission permit flexibility in the form of payment for excess generation provided by net metering customers. Virginia Power proposed that utilities be provided the option to credit customers' future bills rather than make payment for excess generation. The Cooperatives requested that distribution companies and net metering customers be permitted to contract for alternative payment arrangements, including credits for excess generation, rather than payment. MDV-SEIA proposed on-going and unlimited "roll-over" of excess generation from one net metering period to the next (rather than annual cash payments) until such time as the net metering customer requests a cash settlement, or until the generator ceases to be a net metering customer. The Commission will amend the Proposed Rules to allow the electric distribution company to offer the net metering customer the choice of an account credit in lieu of a direct payment.

Virginia Power requested that utilities be allowed to provide net metering customers an internet link to the applicable net metering tariff, rather than a hard copy of such tariff. The Commission agrees that an internet link may be preferable for some customers, and will allow the electric distribution company to provide a link in lieu of a hard copy upon request of the net metering customer.

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[1] See, Memorandum from Laura S. Martin and Affidavits of Publication, filed in this docket on June 2, 2008.

[2] The Association submitted its comments along with and on behalf of its Virginia members: 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, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative and Southside Electric Cooperative.

The Cooperatives requested that the Commission impose limits on a non-residential net metering customer's generation to ensure that net metering is used primarily to offset all or part of the net metering customer's consumption, and proposed that no limits be placed on the distribution company if it elects to take reasonable steps to regulate abuse of the net metering rules. The Commission will not address the Cooperatives' general concerns as part of this proceeding. In the event that a Cooperative believes a specific net metering customer has violated the requirements of the Restructuring Act or the Net Metering Rules and files a proper complaint with the Commission thereon, we will address such violations on a case-by-case basis. Likewise, the Commission declines to expand the scope of this proceeding to address time-of-use metering, as requested by MDV-SEIA.

The Cooperatives requested that the Commission clarify that a net metering customer may submit a single request for a power purchase agreement ("PPA") covering multiple net metering periods, rather than a separate request for each individual net metering period. The Commission clarifies that a single PPA request for multiple net metering periods is permissible under the rules as revised herein. IREC requested that the Commission clarify that the rules do not limit the aggregate generation capacity of distributed generation facilities that electric distribution companies are required to interconnect pursuant to Va. Code § 56-578 A. The Commission does not believe that any change to the Proposed Rules is required to address IREC's concerns. The Commission notes that the net metering rules specifically and carefully define Renewable Fuel Generator so as to avoid any conflict with interconnection requirements relative to the broader category of distributed generation in § 56-578 A.

Accordingly, IT IS ORDERED THAT:

(1) The Regulations Governing Net Energy Metering are hereby adopted as shown in Appendix A to this Order, effective as of August 25, 2008.

(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 October 3, 2008, all electric utilities in the Commonwealth subject to Chapter 10 (§ 56-232 et seq.) of Title 56 of the Code of Virginia shall file with the Commission's Division of Energy Regulation any revised tariff provisions necessary to implement the regulations as adopted herein.

(4) There being nothing further to come before the Commission, this case shall be removed from the docket and the papers filed herein be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Rules 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. PUE-2008-00009
MARCH 7, 2008

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For a general increase in rates

ORDER FOR NOTICE AND HEARING

On February 8, 2008, Virginia-American Water Company ("Virginia-American" or the "Company") filed an application with the State Corporation Commission ("Commission") for a general increase in rates. According to its application, Virginia-American has applied for a general increase in rates in accordance with Article 2 (§ 56-234 et seq.) of Title 56 of the Code of Virginia ("Code") and the provisions for rate increases set forth in the Commission's Rule 20 VAC 5-200-30 et seq. The Company seeks a rate increase that would produce additional annual jurisdictional revenues of $4,334,072, representing an overall revenue increase of approximately 12.2% on test year revenues. The increase in metered rates is divided between the Alexandria District - $2,592,272, the Hopewell District - $282,829, and the Prince William District - $1,458,971. The Company requests that its proposed revenue increase be allowed to go into effect, under a refund obligation, on July 8, 2008.

NOW THE COMMISSION, having considered the application with accompanying schedules, testimony, and exhibits, finds that this application for a general increase in rates should be docketed and that, as required by §§ 56-237 and 56-237.1 of the Code, notice of the application should be given. The Commission further finds that a public hearing on the lawfulness of the proposed revised rates and charges should be held. We will assign a Hearing Examiner to conduct the hearing and to file a report with the Commission. We will also direct the Commission Staff to investigate the application and present its findings at the hearing. The Commission will provide an opportunity for participation and representation of persons affected by the proposed changes in rates and charges.

Pursuant to §§ 56-237 and 56-240 of the Code, we will permit the Company to place its proposed rates into effect, subject to refund, on July 8, 2008. The proposed rates and charges shall take effect subject to the power of the Commission to fix and to substitute just and reasonable rates and to order the utility to make refunds or give credits. While § 56-240 of the Code does not expressly provide for interest on any refund ordered, we have interpreted this and other provisions of Title 56 of the Code to empower the Commission to require a utility to pay interest on any refund. Commonwealth Public Service Corp., Case No. PUE-1994-00076, 1994 Ann. Rep. 424.

Accordingly, IT IS ORDERED THAT:

(1) Virginia-American's application shall be docketed as Case No. PUE-2008-00009 and all associated papers shall be filed in that docket.

(2) As provided by §§ 56-237 and 56-240 of the Code, Virginia-American's proposed increase in rates and charges may take effect on July 8, 2008, subject to the Commission's power to fix and order substituted just and reasonable rates, charges, terms, and conditions, and to order refunds or credits.

(3) Within seven (7) days of the date of entry of this Order, the Company shall file with the Commission's Division of Energy Regulation appropriate replacement tariff sheets showing all proposed changes for all schedules and terms and conditions permitted to take effect as provided by Ordering Paragraph (2) above. The following caption shall appear at the foot of each sheet showing any change: "Effective July 8, 2008, subject to investigation and modification by the Virginia State Corporation Commission in Case No. PUE-2008-00009."

(4) A public hearing shall be held at 10:00 a.m. on Thursday, September 11, 2008, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive evidence on the application for a general increase in rates.

(5) As provided by § 12.1-31 of the Code and the Commission's Rules of Practice and Procedure ("Commission's Rules") 5 VAC 5-20-120, *Procedure before hearing examiners*, a Hearing Examiner shall be appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

(6) Virginia-American's application and accompanying materials may be viewed during regular business hours at the Commission's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. Interested persons may also access unofficial copies of the application through the Commission's Docket Search portal at http://www.scc.virginia.gov/case. A copy of the application and accompanying materials may also be obtained, at no cost, by making a request in writing to counsel for the Company, Richard D. Gary, Esquire, and Charlotte P. McAfee, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. The Company shall make a copy available on an electronic basis upon request.

(7) On or before March 28, 2008, Virginia-American may file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, an original and fifteen (15) copies of any additional testimony and exhibits by which it expects to establish its case.

(8) On or before April 28, 2008, any person who expects to participate as a respondent in this proceeding shall file with the Clerk at the address set out in Ordering Paragraph (7) an original and fifteen (15) copies of a notice of participation as a respondent, as required by the Commission's Rules, 5 VAC 5-20-80 B, *Participation as a respondent*, and shall serve a copy on counsel to Virginia-American, Richard D. Gary, Esquire, and Charlotte P. McAfee, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074, and on the Commission's Office of General Counsel, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197. The notice of participation shall be filed and served as required by the Commission's Rules, 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies and format*. Any organization, corporation, or government entity participating as a respondent must be represented by counsel as required by the Commission's Rules, 5 VAC 5-20-30, *Counsel*.

(9) Within five (5) business days of receipt of a notice of participation as a respondent, Virginia-American shall serve upon each respondent a copy of this Order, a copy of the application, and all materials filed with the Commission, unless these materials have already been provided to the respondent.

(10) On or before July 24, 2008, each respondent shall file with the Clerk of the Commission an original and fifteen (15) copies of the testimony and exhibits by which it expects to establish its case and shall serve a copy of the testimony and exhibits on counsel to Virginia-American and on all other parties. Respondents shall comply with the Commission's Rules, 5 VAC 5-20-140, *Filing and service*, 5 VAC 5-20-150, *Copies and format*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*.

(11) Interested persons may file written comments on the application with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Comments should refer to Case No. PUE-2008-00009 and should be filed by September 10, 2008. Those desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

(12) The Commission Staff shall investigate the application, and on or before August 14, 2008, shall file with the Clerk of the Commission the testimony and exhibits that it intends to present at the hearing and copies of any workpapers that support the recommendations made in its testimony. Copies of the testimony and exhibits shall be served on all parties.

(13) On or before August 28, 2008, Virginia-American may file with the Clerk of the Commission an original and fifteen (15) copies of all testimony and exhibits that it expects to offer in rebuttal to testimony and exhibits of the respondents and the Commission Staff and shall serve one (1) copy on all parties.

(14) The Commission's Rule 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: (i) answers and objections shall be served within twelve (12) days after receipt of interrogatories, counting weekends and holidays; (ii) motions on the validity of any objections raised shall be filed within four (4) business days of receipt of the objection; and (iii) answers, objections, and motions on the validity of objections shall be served by 3:00 p.m. on the date due, unless the Staff or party upon whom service must be made agrees in advance to other arrangements.

(15) On or before March 28, 2008, Virginia-American shall serve by first-class mail a copy of this Order on all officials previously served as required by the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings, 20 VAC 5-200-30 H.

(16) On or before March 28, 2008, Virginia-American shall make available for inspection copies of the application and this Order at the following offices:

Virginia-American Water Company
2223 Duke Street
Alexandria, Virginia
(Alexandria and Prince William Districts)

Virginia-American Water Company
900 Industrial Street
Hopewell, Virginia
(Hopewell District)

(17) Virginia-American shall publish as display advertising the following notice once a week for two (2) consecutive weeks in a newspaper of general circulation in its Alexandria District. Publication shall be completed by March 28, 2008.

NOTICE TO CUSTOMERS OF
VIRGINIA-AMERICAN WATER COMPANY
OF A GENERAL INCREASE IN RATES
FOR THE ALEXANDRIA DISTRICT
CASE NO. PUE-2008-00009

Virginia-American Water Company has filed with the Virginia State Corporation Commission ("Commission") an application for a general increase in rates. The application has been docketed as Case No. PUE-2008-00009. The Company is seeking additional annual jurisdictional revenues of $4,334,072. Of the total increase, $2,592,272 in additional annual revenues would be allocated to the Alexandria District. Additional annual revenues of $282,829 would be allocated to the Hopewell District and $1,458,971 to the Prince William District.

The proposed rates for the Alexandria District follow:

RATE:

	Gallons Per Month	Gallons Per Quarter	Rate Per 1,000 Gallons
For the first	2,000	6,000	(minimum charge)
For all over	2,000	6,000	$1.7184

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

Size of Meter	Minimum Charge Per Month	Minimum Charge Per Quarter
5/8 inch	$10.34	$31.02
3/4 inch	15.54	46.62
1 inch	25.87	77.61
1½ inch	51.72	155.16
2 inch	82.76	248.28
3 inch	152.24	465.72
4 inch	258.73	776.19
6 inch	517.48	1,552.44
8 inch	827.95	2,483.85

While the total revenue that may be approved by the Commission is limited to the amount produced by the Company's proposed rates, PLEASE TAKE NOTICE that the individual rates and charges approved may be either higher than or lower than those proposed by the Company.

The proposed rates and charges shall take effect for service rendered on and after July 8, 2008. The proposed rates and charges shall take effect subject to the power of the Commission to fix and to substitute just and reasonable rates and to order the utility to make refunds or give credits.

The application and related filings may be inspected in the Document Control Center, Office of the Clerk, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, between 8:15 a.m. and 5:00 p.m. on Commission business days. The application may also be inspected during regular business hours at Virginia-American Water Company, 2223 Duke Street, Alexandria, Virginia, and Virginia-American Water Company, 900 Industrial Street, Hopewell, Virginia. Interested persons may also access unofficial copies of the application through the Commission's Docket Search portal at http://www.scc.virginia.gov/case. A copy of the application and accompanying materials may also be obtained, at no cost, by making a request in writing to counsel for the Company, Richard D. Gary, Esquire, and Charlotte P. McAfee, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. The Company shall make a copy available on an electronic basis upon request.

The State Corporation Commission has ordered its Staff to investigate the application and has established procedures for affected persons to participate or be represented in the proceeding. A hearing will be held on the application beginning at 10:00 a.m. on Thursday, September 11, 2008, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street. Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing date at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD).

Interested persons may file written comments on the application with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Comments should refer to Case No. PUE-2008-00009 and should be filed by September 10, 2008. Those desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

Any interested person may participate as a public witness at the hearing on September 11, 2008. Interested persons should arrive at the Commission's Courtroom by 9:45 a.m. and tell the Commission's Bailiff that they wish to be a public witness.

On or before April 28, 2008, any person who expects to present evidence, to cross-examine witnesses, and to otherwise participate as a respondent in this proceeding, as provided by the State Corporation Commission Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-80 B, *Participation as a respondent*, shall file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, an original and fifteen (15) copies of a notice of participation as a respondent. Copies shall be served on counsel to Virginia-American, Richard D. Gary, Esquire, and Charlotte P. McAfee, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074, and on the Commission's Office of General Counsel, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23219-1197. The notice of participation shall be filed and served as required by the Rules of Practice, 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies and format*. As required by the Rules of Practice, 5 VAC 5-20-30, *Counsel*, any organization, corporation, or government entity participating as a respondent must be represented by counsel.

The unofficial text of the State Corporation Commission's orders in Case No. PUE-2008-00009 may be viewed at http://www.scc.virginia.gov/case. The Commission's Rules of Practice and Procedure and other information may be viewed at http://www.scc.virginia.gov.

VIRGINIA-AMERICAN WATER COMPANY

(18) Virginia-American shall publish as display advertising the following notice once a week for two (2) consecutive weeks in a newspaper of general circulation in its Hopewell District. Publication shall be completed by March 28, 2008.

NOTICE TO CUSTOMERS OF
VIRGINIA-AMERICAN WATER COMPANY
OF A GENERAL INCREASE IN RATES
FOR THE HOPEWELL DISTRICT
CASE NO. PUE-2008-00009

Virginia-American Water Company has filed with the Virginia State Corporation Commission ("Commission") an application for a general increase in rates. The application has been docketed as Case No. PUE-2008-00009. The Company is seeking additional annual jurisdictional revenues of $4,334,072. Of the total increase, $282,829 in additional annual revenues would be allocated to the Hopewell District. Additional annual revenues of $2,592,272 would be allocated to the Alexandria District and $1,458,971 to the Prince William District.

The proposed rates for the Hopewell District follow:

	Cubic Feet		Rate Per
	Month	Quarter	100 Cubic Feet
For the first	300	900	(minimum charge)
For the next	1,700	5,100	$3.5384
For the next	298,000	894,000	2.9660
For the next	700,000	2,100,000	1.8240
For the next	5,000,000	15,000,000	.7623
For all over	6,000,000	18,000,000	1.0327

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

	Minimum Charge	
Size of Meter	Per Month	Per Quarter
5/8 inch	$12.20	$36.60
3/4 inch	18.30	54.90
1 inch	30.40	91.20
1½ inch	60.90	182.70
2 inch	97.50	292.50
3 inch	182.50	547.50
4 inch	304.00	912.00
6 inch	609.00	1,827.00

8	inch	974.00	2,922.00
10	inch	1,319.00	3,957.00
12	inch	2,622.00	7,866.60

While the total revenue that may be approved by the Commission is limited to the amount produced by the Company's proposed rates, PLEASE TAKE NOTICE that the individual rates and charges approved may be either higher than or lower than those proposed by the Company.

The proposed rates and charges shall take effect for service rendered on and after July 8, 2008. The proposed rates and charges shall take effect subject to the power of the Commission to fix and to substitute just and reasonable rates and to order the utility to make refunds or give credits.

The application and related filings may be inspected in the Document Control Center, Office of the Clerk, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, between 8:15 a.m. and 5:00 p.m. on Commission business days. The application may also be inspected during regular business hours at Virginia-American Water Company, 2223 Duke Street, Alexandria, Virginia, and Virginia-American Water Company, 900 Industrial Street, Hopewell, Virginia. Interested persons may also access unofficial copies of the application through the Commission's Docket Search portal at http://www.scc.virginia.gov/case. A copy of the application and accompanying materials may also be obtained, at no cost, by making a request in writing to counsel for the Company, Richard D. Gary, Esquire, and Charlotte P. McAfee, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. The Company shall make a copy available on an electronic basis upon request.

The State Corporation Commission has ordered its Staff to investigate the application and has established procedures for affected persons to participate or be represented in the proceeding. A hearing will be held on the application beginning at 10:00 a.m. on Thursday, September 11, 2008, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street. Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing date at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD).

Interested persons may file written comments on the application with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Comments should refer to Case No. PUE-2008-00009 and should be filed by September 10, 2008. Those desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

Any interested person may participate as a public witness at the hearing on September 11, 2008. Interested persons should arrive at the Commission's Courtroom by 9:45 a.m. and tell the Commission's Bailiff that they wish to be a public witness.

On or before April 28, 2008, any person who expects to present evidence, to cross-examine witnesses, and to otherwise participate as a respondent in this proceeding, as provided by the State Corporation Commission Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-80 B, *Participation as a respondent*, shall file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, an original and fifteen (15) copies of a notice of participation as a respondent. Copies shall be served on counsel to Virginia-American, Richard D. Gary, Esquire, and Charlotte P. McAfee, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074, and on the Commission's Office of General Counsel, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23219-1197. The notice of participation shall be filed and served as required by the Rules of Practice, 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies and format*. As required by the Rules of Practice, 5 VAC 5-20-30, *Counsel*, any organization, corporation, or government entity participating as a respondent must be represented by counsel.

The unofficial text of the State Corporation Commission's orders in Case No. PUE-2008-00009 may be viewed at http://www.scc.virginia.gov/case. The Commission's Rules of Practice and Procedure and other information may be viewed at http://www.scc.virginia.gov.

VIRGINIA-AMERICAN WATER COMPANY

(19) Virginia-American shall publish as display advertising the following notice once a week for two (2) consecutive weeks in a newspaper of general circulation in its Prince William District. Publication shall be completed by March 28, 2008.

NOTICE TO CUSTOMERS OF
VIRGINIA-AMERICAN WATER COMPANY
OF A GENERAL INCREASE IN RATES
FOR THE PRINCE WILLIAM DISTRICT
CASE NO. PUE-2008-00009

Virginia-American Water Company has filed with the Virginia State Corporation Commission ("Commission") an application for a general increase in rates. The application has been docketed as Case No. PUE-2008-00009. The Company is seeking additional annual jurisdictional revenues of $4,334,072. Of the total increase, $1,458,971 in additional annual revenues would be allocated to the Prince William District.

Additional annual revenues of $2,592,272 would be allocated to the Alexandria District and $282,829 to the Hopewell District.

The proposed rates for the Prince William District follow:

	Gallons Per Month	Gallons Per Quarter	Rate Per 1,000 Gallons
For the first	2,000	6,000	(minimum charge)
For all over	2,000	6,000	$4.0152

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

Size of Meter	Minimum Charge Per Month	Minimum Charge Per Quarter
5/8 inch	$9.41	$28.23
3/4 inch	14.12	42.36
1 inch	23.53	70.59
1½ inch	47.05	141.15
2 inch	75.29	225.87
3 inch	141.15	423.45
4 inch	235.27	705.81
6 inch	470.52	1,411.56
8 inch	752.83	2,258.49

While the total revenue that may be approved by the Commission is limited to the amount produced by the Company's proposed rates, PLEASE TAKE NOTICE that the individual rates and charges approved may be either higher than or lower than those proposed by the Company.

The proposed rates and charges shall take effect for service rendered on and after July 8, 2008. The proposed rates and charges shall take effect subject to the power of the Commission to fix and to substitute just and reasonable rates and to order the utility to make refunds or give credits.

The application and related filings may be inspected in the Document Control Center, Office of the Clerk, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, between 8:15 a.m. and 5:00 p.m. on Commission business days. The application may also be inspected during regular business hours at Virginia-American Water Company, 2223 Duke Street, Alexandria, Virginia, and Virginia-American Water Company, 900 Industrial Street, Hopewell, Virginia. Interested persons may also access unofficial copies of the application through the Commission's Docket Search portal at http://www.scc.virginia.gov/case. A copy of the application and accompanying materials may also be obtained, at no cost, by making a request in writing to counsel for the Company, Richard D. Gary, Esquire, and Charlotte P. McAfee, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. The Company shall make a copy available on an electronic basis upon request.

The State Corporation Commission has ordered its Staff to investigate the application and has established procedures for affected persons to participate or be represented in the proceeding. A hearing will be held on the application beginning at 10:00 a.m. on Thursday, September 11, 2008, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street. Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing date at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD).

Interested persons may file written comments on the application with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Comments should refer to Case No. PUE-2008-00009 and should be filed by September 10, 2008. Those desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

Any interested person may participate as a public witness at the hearing on September 11, 2008. Interested persons should arrive at the Commission's Courtroom by 9:45 a.m. and tell the Commission's Bailiff that they wish to be a public witness.

On or before April 28, 2008, any person who expects to present evidence, to cross-examine witnesses, and to otherwise participate as a respondent in this proceeding, as provided by the State Corporation Commission Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-80 B, *Participation as a respondent*, shall file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, an original and fifteen (15) copies of a notice of participation as a respondent. Copies shall be served on counsel to Virginia-American, Richard D. Gary, Esquire, and Charlotte P. McAfee, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074, and on the Commission's Office of General Counsel, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23219-1197. The notice of participation shall be filed and served as required by the Rules of Practice, 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies*

and format. As required by the Rules of Practice, 5 VAC 5-20-30, *Counsel*, any organization, corporation, or government entity participating as a respondent must be represented by counsel.

The unofficial text of the State Corporation Commission's orders in Case No. PUE-2008-00009 may be viewed at http://www.scc.virginia.gov/case. The Commission's Rules of Practice and Procedure and other information may be viewed at http://www.scc.virginia.gov.

VIRGINIA-AMERICAN WATER COMPANY

(20) Virginia-American shall include once as a bill insert for customers in the Alexandria, Hopewell, and Prince William Districts the text of the public notice prescribed for each district in Ordering Paragraphs (17), (18), and (19). Including the bill insert shall commence as soon as practicable and shall continue until all customers have received the insert.

(21) On or before April 14, 2008, Virginia-American shall file with the Clerk proof of the posting, mailing, and publication required by Ordering Paragraphs (15), (16), (17), (18), (19), and (20).

CASE NO. PUE-2008-00009
OCTOBER 27, 2008

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For a general increase in rates

FINAL ORDER

On February 8, 2008, Virginia-American Water Company ("Virginia-American" or "Company") filed with the State Corporation Commission ("Commission") an application seeking a general increase in rates. Virginia-American requested that the Commission permit the proposed rates to be effective for water service rendered on or after July 8, 2008.

On March 7, 2008, the Commission issued an Order for Notice and Hearing directing Virginia-American to provide notice of its application; assigning the case to a Hearing Examiner; inviting comments on the application by interested persons; scheduling a public hearing on the application for September 11, 2008; and establishing a procedural schedule for the filing of testimony and exhibits by respondents and the Commission Staff.

Notices of participation were filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") and the Hopewell Committee for Fair Water Rates ("Hopewell Committee").

Prefiled testimony was submitted by the Hopewell Committee and Consumer Counsel on July 24, 2008. On August 14, 2008, the Staff filed testimony recommending that the total revenue requirement be reduced to $3,317,012, using the Staff's cost of capital of 8.192%, and limiting the Hopewell increase to the amount sought in the application. A public hearing was convened on September 11, 2008, during which the Staff and Parties announced that they had settled all issues and submitted a Stipulation for the Examiner to consider. The Stipulation provides that Virginia-American, the Hopewell Committee, Consumer Counsel, and the Staff agree that the Commission should adopt revenue requirements of $1,998,550 for the Company's Alexandria district, $250,000 for the Hopewell district, and $1,142,343 for the Prince William district. The Report of Michael D. Thomas, Hearing Examiner, was issued on September 19, 2008. The Hearing Examiner's Report reviewed the procedural history of the case and found the Stipulation to be acceptable. Therefore, the Hearing Examiner recommended that the Commission adopt the Stipulation submitted by the participants in this proceeding.

NOW THE COMMISSION, having considered the Hearing Examiner's Report, the record, pleadings, and applicable case law, is of the opinion and finds that the findings and recommendations in the Hearing Examiner's Report should be adopted and that the jointly executed Stipulation should be accepted as a fair and reasonable resolution of this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) The Company's application seeking a general increase in rates is granted in part, and denied in part, as set forth herein.

(2) The Findings and Recommendations in the Hearing Examiner's September 19, 2008 Report are adopted, and the Stipulation of the parties and Staff is hereby accepted.

(3) The Company shall submit to the Commission's Division of Energy Regulation, on or before November 14, 2008, revised tariff sheets designed to recover the revenue requirements approved above.

(4) The Company shall use the rates and charges prescribed in ordering paragraph (3) to recalculate all bills rendered, which were calculated using, in whole or in part, the rates and charges which took effect on July 8, 2008. Where application of the rates prescribed by the Order results in a reduced bill, the difference in all bills shall be refunded with interest on or before January 31, 2009, as directed in the ordering paragraphs below.

(5) The refunds with interest directed in ordering paragraph (4) for current customers may be made by a credit to the customers' accounts and shown on bills. The bills shall show the refund as a separate item or items. For former customers, refunds with interest which exceed $1.00 shall be made by check mailed to the last known address of such customers. The Company may setoff the credit or refund against any undisputed outstanding balance. No setoff shall be permitted against any disputed portion of an outstanding balance.

(6) The Company shall maintain a record of former customers due a refund of $1.00 or less and shall promptly make the refund by check upon request. For any refunds not paid or claimed, the Company shall comply with § 55-210.6:2 of the Code of Virginia.

(7) The refund amounts calculated as directed in ordering paragraph (4) shall bear interest at a rate for each calendar quarter, which shall be the arithmetic mean, to the nearest one-hundredth of one percent of the "Bank prime loan" values published in Federal Reserve Statistical Release H.15 (519), *Selected Interest Rates*, for the three months of the preceding calendar quarter. The interest shall be computed from the date payments were due as shown on bills to the date of the bill showing the credit to current customers or the date of the refund check mailed to former customers.

(8) On or before April 30, 2009, the Company shall submit to the Divisions of Public Utility Accounting and Energy Regulation a report showing that all refunds have been made pursuant to this Order and listing the expenses of refunding and the accounts charged.

(9) The Company shall not recover the interest paid or the expenses incurred in rates and charges subject to the Commission's jurisdiction.

(10) There being nothing further to come before the Commission, this matter is dismissed from the Commission's active docket and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUE-2008-00010
APRIL 22, 2008

PETITION OF
LAND'OR UTILITY COMPANY, INC.

For waiver of 2007 Annual Informational Filing

ORDER GRANTING WAIVER

On February 12, 2008, Land'Or Utility Company, Inc. ("Land'Or" or "Company") filed a Petition for Waiver of Annual Informational Filing ("Petition"). The Company asks that it be granted a waiver of the requirement to file its 2007 Annual Informational Filing ("AIF") pursuant to 20 VAC 5-200-30 A 11 of the Commission's Rules governing rate increase applications and annual informational filings.

In support of its request, Land'Or states that the Company filed a general rate case[1] with the Commission in calendar year 2006 based on a calendar year 2005 test year. That case remains pending, awaiting the Chief Hearing Examiner's Report on the parties' Stipulation in that proceeding. The application filed in Case No. PUE-2006-00128 requested a rate increase in two phases. The first phase is in effect subject to refund. Pursuant to the Stipulation, the Company is to file updates to data as of March 31, 2008, for Staff review in advance of the second phase of rate increases. The Company asserts that a 2007 AIF would be duplicative of information available to the Staff in the rate case. Upon the foregoing, the Company bases its request for waiver of the filing of a 2007 AIF or, in the alternative, for an extension of time until July 1, 2008, to make the filing.

NOW THE COMMISSION, upon consideration of the Petition, is of the opinion and finds that good cause exists to waive the requirement that the Company file an AIF for the test year ended December 31, 2006.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby docketed and assigned Case No. PUE-2008-00010.

(2) Land'Or's Petition for Waiver of Annual Informational Filing for 2007 is hereby granted.

(3) There appearing nothing further to be done in this matter, it is hereby dismissed.

[1] Case No. PUE-2006-00128.

CASE NO. PUE-2008-00011
MARCH 7, 2008

APPLICATION OF
COMMUNITY ELECTRIC COOPERATIVE

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On February 14, 2008, Community Electric Cooperative ("Community" or "Cooperative") filed an application with the Virginia State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia for authority to borrow up to $6,000,000 from CoBank, ACB ("CoBank"). Community has paid the requisite fee of $250.

The loan will be in the form of a bridge loan with CoBank and will have a term of 3-years. The interest rate on each drawdown will be determined at the time of draw and will be either fixed or variable. The Cooperative represents in its application that historically, financing for Community has been through long-term debt with the Rural Utilities Service ("RUS") and by the Cooperative Financing Cooperative ("CFC"). However, due to the lead

time involved in obtaining funding from RUS, Community now believes it is necessary to maintain a bridge loan as an option for temporary financing of construction and as needed for emergency repairs and maintenance of facilities.

THE COMMISSION, upon consideration of the application, and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

1) Community is authorized to incur debt obligations from CoBank in the form of a 3-year bridge loan, 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 CoBank, the Cooperative shall file with the Commission's Division of Economics & Finance a Report of Action which shall include the amount of the advance, the interest rate and the interest 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. PUE-2008-00012
MARCH 4, 2008

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 2008-2009 FUEL FACTOR PROCEEDING

On February 15, 2008, Kentucky Utilities Company d/b/a Old Dominion Power Company in Virginia ("ODP" or the "Company") filed with the State Corporation Commission (the "Commission") an application, along with testimony, exhibits, and a proposed tariff, intended to decrease its current fuel factor from 3.079¢ per kWh to 2.480¢ per kWh, effective April 3, 2008. The Company cites full recovery of previous under-recovered fuel expense that accrued in 2005-2006, and a projected decrease in fuel expense in support of its application for a decreased fuel factor.

NOW THE COMMISSION is of the opinion and finds that this matter should be docketed, that public notice and an opportunity for participation in this proceeding should be given, and that a hearing should be scheduled. Based on the timing of the procedural schedule established hereinbelow, we will allow the proposed fuel factor of 2.480¢ per kWh to be placed into effect, on an interim basis, effective with bills rendered on and after April 3, 2008.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE-2008-00012.

(2) A public hearing shall be convened on May 6, 2008, at 10:00 a.m., in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive comments from members of the public and to receive evidence related to the establishment of ODP's fuel factor. Any person desiring to make a statement at the public hearing concerning the application need only appear in the Commission's Second Floor Courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff.

(3) The Company shall put its proposed fuel factor of 2.480¢ per kWh into effect, on an interim basis, effective with bills rendered on and after April 3, 2008.

(4) The Company shall forthwith make copies of its application, prefiled testimony, and exhibits available for public inspection during regular business hours at all company offices in Virginia where customer bills may be paid. Interested persons may also review a copy of ODP's application in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday, excluding holidays. A copy of the Company's application also may be obtained by requesting a copy of the same from counsel for ODP, Kendrick R. Riggs, Esquire, Stoll Keenon Ogden PLLC, 2000 PNC Plaza, 500 West Jefferson Street, Louisville, Kentucky 40202-2828.

(5) On or before March 26, 2008, ODP shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout its service territory:

NOTICE TO THE PUBLIC OF
2008-2009 FUEL FACTOR PROCEEDING
FOR OLD DOMINION POWER COMPANY
CASE NO. PUE-2008-00012

On February 15, 2008, Kentucky Utilities Company d/b/a Old Dominion Power Company in Virginia ("ODP" or the "Company") filed with the State Corporation Commission (the "Commission") an application, along with testimony, exhibits, and a proposed tariff, intended to decrease its current fuel factor from 3.079¢ per kWh to 2.480¢ per kWh, effective April 3, 2008. The Company cites full recovery of previous

under-recovered fuel expense that accrued in 2005-2006, and a projected decrease in fuel expense in support of its application for a deceased fuel factor.

The Commission has scheduled a public hearing to commence at 10:00 a.m. on May 6, 2008, in the Commission's Second Floor Courtroom, Tyler Building, 1300 East Main Street, Richmond, Virginia, for the purpose of receiving comments from members of the public and evidence related to the establishment of ODP's fuel factor.

The Company's application, prefiled testimony, and exhibits are available for public inspection during regular business hours at all of the Company's offices in Virginia where customer bills may be paid. Interested persons may also review a copy of the application in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday, excluding holidays. A copy of the Company's application also may be obtained by requesting a copy of the same from counsel for ODP, Kendrick R. Riggs, Esquire, Stoll Keenon Ogden PLLC, 2000 PNC Plaza, 500 West Jefferson Street, Louisville, Kentucky 40202-2828. A copy of the Commission's Order in this proceeding may be obtained on the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

Any person desiring to make a statement at the public hearing concerning the application need only appear in the Commission's Second Floor Courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff.

On or before April 4, 2008, any interested person may participate as a respondent in this proceeding by filing an original and fifteen (15) copies of a notice of participation with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall simultaneously serve a copy of the notice of participation on counsel to the Company. Interested parties should obtain a copy of the Commission's Order for further details on participation as a respondent.

On or before April 11, 2008, each respondent may file with the Clerk at the address set forth above, an original and fifteen (15) copies of any testimony and exhibits by which it expects to establish its case and shall simultaneously serve copies of the testimony and exhibits on counsel to ODP and on all other respondents.

All filings with the Clerk of the Commission shall refer to Case No. PUE-2008-00012 and shall simultaneously be served on counsel for the Company at the address set forth above.

KENTUCKY UTILITIES COMPANY
D/B/A OLD DOMINION POWER COMPANY

(6) On or before March 26, 2008, ODP shall serve a copy of this Order on the chairman of the board of supervisors and county attorney of each county and upon the mayor or manager of every city and town (or upon equivalent officials in counties, towns, and cities having alternate forms of government) in which the Company provides service in Virginia. Service shall be made by first-class mail to the customary place of business or residence of the person served.

(7) At the commencement of the hearing scheduled herein, ODP shall provide proof of service and notice as required in this Order.

(8) On or before April 4, 2008, any interested person may participate as a respondent in this proceeding by filing an original and fifteen (15) copies of a notice of participation with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall simultaneously serve a copy of the notice of participation on counsel to the Company at the address set forth in Ordering Paragraph (4) above. Pursuant to Rule 5 VAC 5-20-80 of the Commission's Rules of Practice and Procedure, 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. Interested parties shall refer in all of their filed papers to Case No. PUE-2008-00012.

(9) Within three (3) business days of receipt of a notice of participation as a respondent, ODP shall serve upon each respondent a copy of this Order, a copy of the application, and all materials filed with the Commission, unless these materials have already been provided to the respondent.

(10) On or before April 11, 2008, each respondent may file with the Clerk at the address set forth in Ordering Paragraph (8) above, an original and fifteen (15) copies of any testimony and exhibits by which it expects to establish its case and shall simultaneously serve copies of the testimony and exhibits on counsel to ODP and on all other respondents.

(11) The Commission Staff shall investigate the reasonableness of ODP's estimated fuel expenses and proposed fuel factor. On or before April 22, 2008, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of the Staff's testimony and exhibits regarding the captioned application and shall promptly serve a copy on counsel to the Company and all respondents.

(12) On or before April 29, 2008, ODP shall file with the Clerk of the Commission an original and fifteen (15) copies of any rebuttal testimony that the Company expects to offer in rebuttal to the testimony and exhibits of the respondents and the Commission Staff and shall on the same day serve one (1) copy on Staff and all respondents.

(13) ODP and respondents shall respond to written interrogatories within seven (7) calendar days after receipt of the same. Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure.

CASE NO. PUE-2008-00013
MAY 28, 2008

JOINT APPLICATION OF
ALPHA WATER CORPORATION, AQUA UTILITY-VIRGINIA, INC., AQUA LAKE HOLIDAY UTILITIES, INC.,
LAND'OR UTILITY COMPANY, INC., CAROLINE UTILITIES, INC., AQUA/SL, INC., MAYFORE WATER COMPANY, INC.,
ELLERSON WELLS, INC., BLUE RIDGE UTILITY COMPANY, MOUNTAINVIEW WATER COMPANY, INC.,
JAMES RIVER SERVICE CORPORATION, EARLYSVILLE FOREST WATER COMPANY,
RAINBOW FOREST WATER CORPORATION, POWHATAN WATER WORKS, INC.,
HERITAGE HOMES OF VIRGINIA, INC., SYDNOR HYDRODYNAMICS, INC., SYDNOR WATER CORPORATION,
INDIAN RIVER WATER COMPANY, WATER DISTRIBUTORS, INC., RESTON/LAKE ANNE AIR CONDITIONING CORP.,
AQUA VIRGINIA, INC., AQUA UTILITIES, INC.,
and
AQUA AMERICA, INC.

For authority to enter into a Tax Allocation Agreement pursuant to the Affiliates Act, § 56-76 et seq. of the Code of Virginia

ORDER GRANTING AUTHORITY

On February 29, 2008, Alpha Water Corporation ("Alpha"), Aqua Utility-Virginia, Inc. ("Lake Shawnee"), Aqua Lake Holiday Utilities, Inc. ("Lake Holiday"), Land 'Or Utility Company, Inc. ("Land 'Or"), Caroline Utilities, Inc. ("Caroline"), Aqua/SL, Inc. ("Shawneeland"), Mayfore Water Company, Inc. ("Mayfore"), Ellerson Wells, Inc. ("Ellerson"), Blue Ridge Utility Company ("Blue Ridge"), Mountainview Water Company, Inc. (Mountainview"), James River Service Corporation ("James River"), Earlysville Forest Water Company ("Earlysville"), Rainbow Forest Water Corporation ("Rainbow Forest"), Powhatan Water Works, Inc. ("Powhatan"), Heritage Homes of Virginia, Inc. ("Heritage Homes"), Sydnor Hydrodynamics, Inc. ("Sydnor"), Sydnor Water Corporation ("Lake Wilderness"), Indian River Water Company ("Indian River"), Water Distributors, Inc. ("Water Distributors"), Reston/Lake Anne Air Conditioning Corp. ("RELAC"), Aqua Virginia, Inc. ("Lake Monticello"), Aqua Utilities, Inc. ("Aqua Utilities"), and Aqua America, Inc. ("Aqua America") (collectively "Applicants"), filed a joint application ("Application") with the State Corporation Commission ("Commission") requesting authority to enter into a Tax Allocation Agreement ("Tax Agreement") pursuant to § 56-76 et seq. of Chapter 4 of Title 56 ("Affiliates Act") of the Code of Virginia ("Code").

Alpha is a Virginia public service corporation that provides water service to approximately 1,309 customers in several subdivisions in the counties of Caroline, Charles City, Essex, Lancaster, New Kent, Northumberland, Richmond, and Westmoreland, Virginia.

Lake Holiday is a Virginia public service corporation that provides water and sewerage service to approximately 1,575 customers in the Lake Holiday Country Club area (a/k/a The Summit) in Frederick County, Virginia.

Shawneeland is a Virginia public service corporation that provides water service to approximately 100 customers in the Shawneeland subdivision in Frederick County, Virginia.

Lake Shawnee is a Virginia public service corporation that provides water service to approximately 113 customers in the Lake Shawnee subdivision in Powhatan County, Virginia.

Lake Monticello is a Virginia public service corporation that provides water and sewerage service to approximately 8,440 customers in the areas around Lake Monticello in Fluvanna County, Virginia.

Blue Ridge is a Virginia public service corporation that provides water service to approximately 216 customers in several subdivisions in Shenandoah County, Virginia.

Caroline is a Virginia public service corporation that provides water and sewerage service to approximately 302 customers in the Campbell's Creek subdivision in Caroline County, Virginia.

Earlysville is a Virginia public service corporation that provides water service to approximately 195 customers in the Earlysville Forest subdivision in Albemarle County, Virginia.

Ellerson is a non-certificated private company that provides water service to approximately 111 customers in Hanover County, Virginia.

Heritage Homes is a Virginia public service corporation that provides water service to approximately 162 customers in several subdivisions in the counties of Madison and Culpeper, Virginia.

Indian River is a Virginia public service corporation that provides water service to approximately 517 customers in the Indian River subdivision in the City of Chesapeake and Virginia Beach, Virginia.

James River is a Virginia public service corporation that provides water service to approximately 306 customers in the Manakin Farms subdivision in Goochland County, Virginia.

Land'Or is a Virginia public service corporation that provides water and sewerage service to approximately 2,496 customers in three subdivisions in Caroline County, Virginia.

Mayfore is a non-certificated private company that provides water service to approximately 77 customers in the Franklin Acres subdivision in Franklin County, Virginia.

Mountainview is a Virginia public service corporation that provides water service to approximately 669 customers in several subdivisions in Botetourt County, Virginia.

Powhatan is a Virginia public service corporation that provides water service to approximately 159 customers in Powhatan Courthouse area in Powhatan County, Virginia.

Rainbow Forest is a Virginia public service corporation that provides water service to approximately 637 customers in several subdivisions in Botetourt County, Virginia.

RELAC is a Virginia public service corporation that provides chilled water for air conditioning to approximately 337 customers in portions of Reston, Virginia.

Sydnor is a non-certificated private company that provides water service to approximately 6,439 customers in the counties of Powhatan, Hanover, King William, Northumberland, York, Middlesex, Mathews, Culpeper, Fluvanna, Lancaster, Spotsylvania, Goochland, Essex, Westmoreland, Cumberland, and Henrico, Virginia. In December 2007, Sydnor sold most of its Henrico water systems to the County of Henrico for approximately $1.5 million.[1]

Lake Wilderness is a Virginia public service corporation that provides water service to approximately 856 customers in the Lake Wilderness subdivision in Spotsylvania County, Virginia.

Water Distributors is a Virginia public service corporation that provides water service to approximately 841 customers in several subdivisions in the counties of Botetourt and Franklin, Virginia.

Aqua Utilities is the holding company for Alpha, Lake Holiday, Shawneeland, Lake Shawnee, Lake Monticello, Blue Ridge, Caroline, Earlysville, Ellerson, Heritage Homes, Indian River, James River, Land'Or, Mayfore, Mountainview, Powhatan, Rainbow Forest, RELAC, Sydnor, Lake Wilderness, and Water Distributors (collectively "VA Companies"). On an aggregate basis, the VA Companies serve approximately 26,000 customers and generate approximately $11 million in annual revenues. Aqua Utilities is a wholly owned subsidiary of Aqua America.

Aqua America, which is headquartered in Bryn Mawr, Pennsylvania, is a U.S.-based, publicly traded holding company, which owns water and wastewater utilities that serve approximately 2.8 million customers in 13 states, including Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, New York, Indiana, Florida, Virginia, Maine, Missouri, and South Carolina. Aqua America also provides related consulting, contract operations, and management services to clients. For the twelve months ending December 31, 2007, Aqua America's operating revenues totaled $602 million, and its net income totaled $95 million.

Pursuant to § 56-265.13:3 of Chapter 10.2:1 of Title 56 ("Small Water or Sewer Public Utility Act") of the Code, certificated water and/or sewer public utilities with gross annual revenues of $500,000 or more are required to obtain the prior approval of the Commission before they can enter into affiliate arrangements under the Affiliates Act. Certificated water and/or sewer companies with less than $500,000 in gross annual revenues are not required to obtain the Commission's prior approval before entering into affiliate arrangements. Of the 23 Aqua America companies listed above, Alpha, Lake Holiday, Lake Monticello and Land'Or (collectively "C4 Companies") meet both the certification and gross revenue standards. Therefore, the C4 Companies and their affiliates are considered affiliated interests under § 56-76 of the Code. As such, the C4 Companies must obtain prior approval from the Commission pursuant to the Affiliates Act for any agreement or arrangement between the C4 Companies and their affiliates for the provision of services, the exchange of property, rights, or things, or the purchase or sale of treasury bonds or stock.

In the Application, the Applicants request authority from the Commission to enter into and participate in a Tax Agreement dated February 25, 2008, whereby 89 Aqua affiliates including the Applicants (collectively "Aqua Tax Group") will file a consolidated federal income tax return and allocate consolidated federal income tax liabilities and benefits among the individual members ("Members") of the Aqua Tax Group.

The Aqua Tax Group files a consolidated federal income tax return in accordance with Title 26, Subtitle A, Chapter 6, Subchapter A, §§ 1501 et seq. and Subchapter B, § 1552 of the Internal Revenue Code ("IRC"), and in accordance with Title 26, Chapter 1, Subchapter A, Part 1, §§ 1.1502-0 et seq. and § 1.1552-1 of the Treasury Regulations in order to reduce Aqua America's total federal corporate income tax liability. Aqua America is not required to file a Virginia state income tax return. The 19 certificated VA Companies file Virginia gross receipts tax ("GRT") returns in accordance with §§ 58.1-2620 et seq. of the Code. Sydnor and Mayfore, the two non-certificated VA Companies, file Virginia income tax returns in accordance with §§ 58.1-300 et seq. of the Code.

The Tax Agreement provides that each Member will be allocated a portion of the Aqua Tax Group's consolidated federal tax liability less an allocated portion of its consolidated tax credits plus an allocated portion of recaptured tax credits plus an allocated portion of minimum taxes. The allocation procedures generally work as follows. The Tax Agreement allocates the Aqua Tax Group's consolidated federal tax liability by dividing each Member's separate taxable income by the combined incomes of Members with positive taxable income, and applying that factor to the consolidated tax liability. The Aqua Tax Group's consolidated tax savings are allocated by dividing each Member's utilized net operating loss ("NOL") by the total NOLs utilized by the Aqua Tax Group, and applying that factor to the consolidated tax savings. Tax credits, recaptured tax credits, and minimum taxes will generally be assigned to the Member that generated the tax preferences that gave rise to the tax item.

Other provisions of the Tax Agreement include the following. For each tax year, the Members will make cash payments to or receive cash payments from Aqua America in an amount equal to their share of the consolidated income tax liability or benefit as determined above. Aqua America will make a cash payment to each Member generating tax credits or NOLs in the tax year that the Aqua Tax Group uses such tax credits or NOLs. The Tax Agreement allows new Aqua America affiliates to become Members of the Aqua Tax Group. Also, the Tax Agreement remains in effect so long as the Aqua Tax Group files a consolidated federal income tax return unless terminated by the mutual agreement of the Members. Finally, the Tax Agreement states that it will be governed by the laws of the Commonwealth of Pennsylvania.

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[1] *Petition of Sydnor Hydrodynamics, Inc., For approval of a transfer of utility assets pursuant to Chapter 5 of Title 56 of the Code of Virginia, or for a declaratory order*, Case No. PUE-2007-00091 (Order Granting Approval, November 14, 2007), Doc. Con. No. 389485.

NOW THE COMMISSION, upon consideration of the Application and representations of the Applicants and having been advised by its Staff, is of the opinion and makes the following findings. The Tax Agreement adequately documents the procedures that the Members of the Aqua Tax Group, including the C4 Companies, utilize to compute, allocate and pay federal income taxes. The Applicants also represent that "in no case will any Member to the Tax Allocation Agreement be allocated and pay more of the consolidated [federal] income tax liability than the amount of tax it would owe and pay on a standalone, separate company basis."[2] Based on this information, we find that the Applicants' request to enter into the Tax Agreement is in the public interest and should be authorized.

We will subject our authorization to certain requirements, as outlined below, in order to clarify the limits of the authority granted in this case and to ensure the appropriate monitoring of the Tax Agreement. First, the authority granted herein will not have any ratemaking implications. In particular, our authorization will not guarantee the recovery of any costs directly or indirectly related to the Tax Agreement. Second, we will reserve the right to reflect ratemaking adjustments to the certificated VA Companies' income taxes in the course of any Commission review and analysis of the certificated VA Companies' cost of service in the future.

Third, we note that Alpha and Lake Holiday now exceed $500,000 in gross annual revenues, which makes both utilities subject to the prior approval requirements of the Affiliates Act. Therefore, we will direct Alpha and Lake Holiday to file for Affiliates Act approval of any outstanding, non-approved affiliate agreements within 60 days of the date of this Order. We will also require Alpha and Lake Holiday to each commence submitting an Annual Report of Affiliate Transactions ("ARAT") to the Director of Public Utility Accounting ("PUA Director") by no later than May 1 of each year, beginning May 1, 2009.

Finally, we will require each C4 Company to prepare an annual schedule, to be submitted with its ARAT, which provides a detailed reconciliation of any differences between its actual allocation of federal tax liabilities and what such liabilities would have been on a separate return basis. This measure will allow us to monitor the Applicants' representation that allocated federal tax liabilities for each Member of the Aqua Tax Group will never exceed its separate return tax, while assisting Staff in the preparation of income tax ratemaking adjustments to comply with § 56-235.2 of the Code, which requires the use of statutory federal and state income tax rates with no consolidated tax adjustments.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Alpha Water Corporation, Aqua Lake Holiday Utilities, Inc., Aqua/SL, Inc., Aqua Utility-Virginia, Inc., Aqua Virginia, Inc., Blue Ridge Utility Company, Caroline Utilities, Inc., Earlysville Forest Water Corporation, Ellerson Wells, Inc., Heritage Homes of Virginia, Inc., Indian River Water Company, James River Service Corporation, Land'Or Utility Company, Inc., Mayfore Water Company, Inc., Mountainview Water Company, Inc., Powhatan Water Works, Inc., Rainbow Forest Water Corporation, Reston / Lake Anne Air Conditioning Corp., Sydnor Hydrodynamics, Inc., Sydnor Water Corporation, Water Distributors, Inc., Aqua Utilities, Inc., and Aqua America, Inc., are hereby granted authority to enter into the Tax Agreement as described herein, consistent with the findings above.

2) The authority granted herein shall have no ratemaking implications. In particular, this authority does not guarantee the recovery of any costs directly or indirectly related to the Tax Agreement.

3) The Commission reserves the right to reflect ratemaking adjustments to the certificated VA Companies' income taxes in the course of the Commission's review and analysis of the certificated VA Companies' cost of service in the future.

4) Commission approval shall be required for any changes in the terms and conditions of the Tax Agreement.

5) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) The Commission reserves the 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) Alpha and Lake Holiday shall file for Affiliates Act approval of any outstanding, non-approved affiliate agreements within 60 days of the date of this Order. In addition, Alpha and Lake Holiday shall each commence submitting an ARAT to the Commission's PUA Director by no later than May 1 of each year, beginning May 1, 2009, with such date subject to administrative extension by the PUA Director. The information to be included in each utility's ARAT shall include the name of the affiliate, a description of each affiliate arrangement or agreement, the dates covered by such arrangement or agreement, and the total dollar amount for each service provided or transaction conducted. The ARATs shall include all agreements with affiliates regardless of the amount involved.

8) The C4 Companies shall include the transactions associated with the Tax Agreement authorized herein in their ARATs submitted to the PUA Director by May 1 of each year, subject to administrative extension by the PUA Director. Each C4 Company shall also prepare an annual schedule, to be submitted with its ARAT, which provides a detailed reconciliation of any differences between its actual allocation of federal income tax liabilities and what such liabilities would have been on a separate return basis.

9) In the event that any annual informational or rate case filings are not based on a calendar year, then the C4 Companies shall include the affiliate information contained in their ARATs in such filings.

10) There appearing nothing further to be done in this matter, it hereby is dismissed.

[2] Alpha Water Corporation, et al. May 5, 2008, response to Commission Staff data request (Set 2) dated April 29, 2008.

CASE NO. PUE-2008-00014
MAY 1, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION WHOLESALE, INC.

For approval and certification of electric generation and transmission facilities under §§ 56-580 D and 56-46.1 and the Utility Facilities Act, § 56-265.1 et seq. of the Code of Virginia and for approval of affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL OF AFFILIATE TRANSACTIONS

On March 11, 2008, Virginia Electric and Power Company ("Dominion Virginia Power" or "DVP") and Dominion Wholesale, Inc. ("Dominion Wholesale") (the "Applicants") filed an application with the State Corporation Commission ("Commission") for approval and certification of electric generation and transmission facilities under §§ 56-580 D and 56-46.1 and the Utility Facilities Act, § 56-265.1 et seq. of the Code of Virginia, and for approval of an affiliates arrangement under Chapter 4 of Title 56 of the Code of Virginia ("Code"). In the application, the Applicants request authority to construct and operate a 580 MW (nominal) natural gas- and oil-fired combined cycle electric generating facility in Buckingham County, Virginia (the "Generation Project"), as well as related transmission facilities necessary to interconnect the facility with DVP's transmission system. Such transmission system is centrally operated by PJM Interconnection, LLC ("PJM"), as part of the PJM Regional Transmission Organization (the "Transmission Interconnection Facilities," together with the Generation Project, the "Bear Garden Project" or "Project").

DVP represents that the Generation Project will enable it to provide customers with adequate and reliable service in a cost-effective manner. DVP further represents that load projections indicate a need for additional generation resources in 2011 to serve DVP's customers, and as represented by DVP, the proposed combined cycle facility is a cost-effective option for meeting this need. Dominion Virginia Power states that the Transmission Interconnection Facilities are required to connect the Generation Project to its transmission system. DVP requests authority to construct a new overhead single circuit 230 kV transmission line approximately 1.4 miles long from its existing Bremo 230 kV Switching Station to a proposed 230 kV switching substation to be located at the proposed Bear Garden Generating Station site.

In connection with the proposed Generation Project, Dominion Virginia Power and Dominion Wholesale propose to transfer a natural gas combustion turbine ("CT") generator and a steam turbine generator that Dominion Wholesale has in storage from Dominion Wholesale to Dominion Virginia Power at the lower of cost or market pricing.

Dominion Virginia Power is a Virginia public service corporation providing electric service to customers in its service territory in Virginia and North Carolina. Dominion Virginia Power is a wholly owned, direct subsidiary of Dominion Resources, Inc. ("Dominion"). Dominion is a "holding company," as defined in the Public Utility Holding Company Act of 2005 ("PUHCA 2005"), and is subject to regulation as such under PUHCA 2005 by the Federal Energy Regulatory Commission.

Dominion Wholesale is a general business corporation and is a wholly owned subsidiary of Dominion Energy, Inc., which is wholly owned by Dominion. Therefore, DVP and Dominion Wholesale are considered affiliated interests under § 56-76 of the Code.

The Applicants propose to transfer one natural gas combustion turbine generator and one steam turbine generator, along with certain auxiliary equipment, from Dominion Wholesale to DVP. The proposed price of the CT generator and the steam turbine generator is equal to Dominion Wholesale's original purchase price from GE of $58,258,461.[1] DVP would be responsible for shipping, including insurance. The warranties and service deliveries originally provided by the manufacturer of the units survive and will be assigned to DVP as part of the Turbine Transfer pursuant to a Partial Assignment, Assumption and Release Agreement between DVP and Dominion Wholesale (the "Assignment Agreement"). The Applicants request approval of the transfer of the CT generator and the steam turbine generator, including the Assignment Agreement and the Bill of Sale, subject to Commission approval of the proposed Generation Project.

The Applicants represent that DVP cannot acquire the needed CT generator and steam turbine generator internally, and if it had to order the new steam turbine generator from the manufacturer, there could be a significant delay in the construction schedule for the Project, because the lead time required for such equipment could be up to 36 months, depending on the current demand for such equipment. Therefore, the Applicants believe that the proposed purchase of the CT generator and steam turbine generator from Dominion Wholesale is in the public interest and should be approved.

NOW THE COMMISSION, upon consideration of the above-referenced application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds that DVP's proposed purchase of the natural gas combustion turbine generator unit and steam turbine generator unit from Dominion Wholesale at a total price of $58,258,461 is in the public interest and should be approved. Such approval should include the Assignment Agreement and Bill of Sale and should be subject to approval of the proposed Generation Project.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, Dominion Virginia Power is hereby granted approval to purchase the natural gas combustion turbine generator unit and the steam turbine generator unit from Dominion Wholesale at a total purchase price of $58,258,461, as described herein.

(2) Such approval shall include the Assignment Agreement and the Bill of Sale as described herein and shall be subject to the Commission's approval of the proposed Generation Project.

(3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code.

[1] The Dominion Wholesale natural gas CT unit was purchased for $35,727,349, and the steam turbine unit was purchased for $22,531,112, for a total of $58,258,461 as the purchase price for the two units.

(4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

(5) Dominion Virginia Power shall include the transaction approved herein in its Annual Report of Affiliate Transactions submitted to the Director of Public Utility Accounting of the Commission.

(6) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Dominion Virginia Power shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

(7) The Applicants shall file a report of the action taken pursuant to the approval granted herein within thirty (30) days of the Turbine Transfer taking place, which deadline may be extended administratively by the Commission's Director of Public Utility Accounting. Such report shall include the date the transfer took place, the actual sales price, the actual accounting entries reflecting the transaction, and documentation that the actual sales price was at the lower of cost or market at the time of purchase.

(8) This matter shall be continued pending further order of the Commission.

CASE NO. PUE-2008-00015
MARCH 21, 2008

JOINT APPLICATION OF
BARC ELECTRIC COOPERATIVE
and
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER

For revision of certificates under the Utility Facilities Act

ORDER FOR REVISION OF CERTIFICATES

On February 25, 2008, BARC Electric Cooperative ("BARC") and Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power") submitted to the Division of Energy Regulation of the State Corporation Commission letters, along with copies of detailed maps, requesting a revision to Certificate E-N35 for each company to change the boundary lines between their service territories.

BARC and Dominion Virginia Power have reached an agreement for the adjustment of the electric utility service territory boundary line between them as it relates to one property in Rockbridge County owned by Mr. and Mrs. John Waller. BARC has tried unsuccessfully to obtain the necessary easements for the line extension to the Waller's property.

BARC and Dominion Virginia Power have determined that it is in the best interest of the affected property owner to be served by Dominion Virginia Power, whose facilities are in close proximity to this area. The applicants therefore request the Commission to approve the changes and to revise the service territory boundary lines.

NOW THE COMMISSION, having considered the request, is of the opinion and finds that it is in the public interest to amend Certificate E-N35 for BARC and Dominion Virginia Power. We are advised that the property owners affected by the proposed revisions have notice thereof, and are in agreement with the revision of boundary lines.

ACCORDINGLY, IT IS ORDERED that:

(1) Certificate E-N35 for BARC is hereby amended as delineated on Map N35.

(2) Certificate E-N35 for Dominion Virginia Power is hereby amended as delineated on Map N35.

(3) The amended certificates and maps shall be sent to BARC and Dominion Virginia Power by the Division of Energy Regulation forthwith.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUE-2008-00016
MARCH 21, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to issue securities under Chapter 3 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On March 3, 2008, Appalachian Power Company ("APCO" or "Applicant"), filed an application with the State Corporation Commission ("Commission") requesting authority to issue securities under Chapter 3 of Title 56 of the Code of Virginia ("Code"). Applicant requests authority to

assume certain obligations and to enter into various agreements to support the issuance of up to $212,775,000 of Refinancing Tax Exempt Bonds ("Refunding Bonds") and up to $200,000,000 of tax-exempt Solid Waste Disposal Facility Bonds ("SWDF Bonds") (collectively Tax Exempt Bonds). Applicant paid the requisite fee of $250.

APCO states that the purpose of the Refunding Bonds is to refund five separate series of previously authorized and outstanding solid waste disposal facility bonds ("Original Bonds") issued by the West Virginia Economic Development Authority (the "Authority"), Putnam County, West Virginia, and Russell County Virginia (collectively, "Issuing Authorities"). The Original Bonds were issued in auction rate mode, which provides a short-term interest rate on the debt securities that are re-auctioned and re-priced, usually at 7-, 28-, or 35-day intervals. Bond insurance was acquired at the time of issuance to facilitate a liquid market of buyers for the periodic re-issuance and re-pricing of the Original Bonds at the time of auction. However, the liquidity of this market vanished after the sub-prime mortgage crisis which impaired the credit quality of the underlying bond insurers and severely reduced the number of interested buyers of the Original Bonds at the time of re-auction. This has led to higher interest rates on the Original Bonds pursuant to failed auction provisions in the associated bond loan agreements.

Authority was granted for the Original Bonds to be convertible to fixed or variable rate interest mode. However, the need to refund the Original Bonds is due to the fact that the underlying bond insurance on them is non-cancelable. Therefore, the negative impaired credit implications of the underlying insurers would adversely impact the Original Bonds in whatever interest rate mode they exist. The Original Bonds are redeemable at par. The Company's request to refund the Original Bonds would extinguish the associated credit impaired bond insurance and remove any detrimental interest rate implications for the Refunding Bonds. The Refunding Bonds would be issued in the same amounts, by the same Issuing Authorities with proceeds used for the same purposes as authorized for the Original Bonds.

Applicant states that its request for authority to issue up to $200,000,000 SWDF Bonds through December 31, 2009, is to preserve its access to low cost and limited tax-exempt financing for eligible portions of pollution control projects at its Mountaineer and Amos generating stations. Applicant intends to file with the Authority for a carry forward ("Carry Forward') of up to $200,000,000 from the West Virginia state ceiling for private activity bonds. If the Carry Forward is granted, Applicant states that is has authority by Commission Order dated December 7, 2008, in Case No. PUE-2007-00093, to issue up to $200 million of bonds to finance pollution control projects through December 31, 2008. However, Applicant states that it may not be able to utilize that existing authority for the amount of tax-exempt financing desired due to the limited duration of that existing authority and the overall financing cap set out by the Commission's Order in Case No. PUE-2007-00093. Therefore, Applicant is requesting identical authority to issue up to $200,000,000 of SWDF Bonds through December 31, 2009, subject to the same terms and conditions as the Refunding Bonds.

Proceeds from the Tax Exempt Bonds would be loaned by the Issuing Authorities to APCO, pursuant to one or more installment agreements of sale or loan agreements (collectively, "Loan Agreement') between the Issuing Authorities and APCO, to provide financing for portions of Applicant's environmental and pollution control facilities at the various sites for which the Tax Exempt Bonds are designated.

Under the terms of any Loan Agreement, Applicant would assume the obligation to pay the principal, interest, and any premium on the Tax Exempt Bonds. In. addition, Applicant may enter into one or more guarantee agreements, bond insurance agreements, and other similar arrangements assigned to the Trustee to guarantee repayment of any part of the related obligations under one or more series of Tax Exempt Bonds.

To obtain the most advantageous financing based on market conditions at the time of issuance, Applicant requests broad authority to negotiate terms and conditions of the Tax Exempt Bond obligations to be assumed by APCO. The Tax Exempt Bonds will be sold in one or more underwritten public offerings, negotiated sales, or private placement transactions. The Tax Exempt Bonds may be issued as fixed rate or variable rate debt. However, no Tax Exempt Bonds will be issued with a fixed rate in excess of 8.0% or with an initial variable rate in excess of 8.0%. The stated maturity on any Tax Exempt Bonds will not exceed forty (40) years. Any discount from the initial offering price of Tax Exempt Bonds will not exceed 5% of the principal amount. Applicant estimates that issuance costs for the Tax Exempt Bonds will be approximately $4,188,560.

If a variable rate option is chosen, the Tax Exempt Bonds may include provisions to convert to other interest rate modes, including a fixed rate of interest. In addition, the Tax Exempt Bonds may include a tender purchase provision that would require Applicant to enter into one or more remarketing agreements ("Remarketing Agreement") with one or more remarketing agents. To provide immediate funding to pay for bonds tendered for purchase under its Remarketing Agreement, Applicant may need to enter into one or more liquidity or credit facilities ("Credit Facility") with one or more banks or other financial institutions ("Bank"). Applicant may also be required to execute and deliver to the Bank a note evidencing APCO's payment obligations under the Credit Facility.

In lieu of or in addition to the Credit Facility, Applicant may utilize one or more alternative credit facilities ("Alternative Facility") to provide additional or alternative means of credit support for variable rate Tax Exempt Bonds. A Credit Facility or Alternative Facility may be in the form of a letter of credit, revolving credit agreement, bond purchase agreement, or other similar arrangement through one or more Banks.

Finally, Applicant requests authority to enter into one or more interest rate hedging arrangements ("Hedge Agreements") from time to time through December 31, 2009. The purpose of the Hedge Agreements would be to protect against future interest rate movements when the Tax Exempt Bonds are issued. The Hedge Agreements may be in the form of treasury lock agreements, forward-starting interest rate swaps, treasury put options or interest rate collar agreements. The aggregate principal amount of all Hedge Agreements will not exceed the corresponding amount of Tax Exempt Bonds, up to $412,775,000.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to assume the types of obligations and enter into the various types of agreements requested in its application for the purpose of supporting the issuance and guaranteeing the repayment of up to $212,775,000 of Refunding Bonds and up to $200,000,000 of SWDF Bonds issued by the Issuing Authorities on behalf of APCO in the manner and for the purposes as set forth in its application, through the period ending December 31, 2009.

2) Applicant shall submit a Preliminary Report of Action within ten (10) days after the issuance of any securities pursuant to Ordering Paragraph (1), to include the type of security, the issuance date, the amount issued, the interest rate, the maturity date, and a brief explanation of reasons for the term of maturity chosen.

3) Within sixty (60) days after the end of each calendar quarter in which any of the Tax Exempt Bonds are issued or supporting arrangements are entered into pursuant to Ordering Paragraph (1), Applicant shall file with the Commission a detailed Report of Action with respect to all Tax Exempt Bonds issued during the calendar quarter to include:

(a) The issuance date, type of security, amount issued, interest rate along with any spread, index, and repricing period for a variable rate, date of maturity, issuance expenses realized to date, net proceeds to Applicant;

(b) A summary of the specific terms and conditions of each supporting arrangement related to the Tax Exempt Bonds such as any Credit Facility, Alternative Facility, and Hedging Agreement;

(c) A copy of each Loan Agreement pertaining to all Tax Exempt Bond proceeds received to date, which may be omitted from subsequent reports after initial submission; and

(d) The cumulative principal amount of Tax Exempt Bonds issued to date and the amount remaining to be issued.

4) Applicant shall file a final Report of Action on or before March 31, 2010, to include all information required in Ordering Paragraph (3) along with a balance sheet that reflects the capital structure following the obligations assumed for the Tax Exempt Bonds issued. Applicant's final Report of Action shall further provide a detailed account of all the actual expenses and fees paid to date associated with the Tax Exempt Bonds with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the application.

5) Approval of the application shall have no implications for ratemaking purposes.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUE-2008-00017
APRIL 14, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
MICHAEL FARRIS,
Complainant
v.
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER,
Respondent

ORDER OF DISMISSAL

On March 3, 2008, Michael Farris ("Complainant") filed the above-captioned Complaint against Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power"), Respondent, with the State Corporation Commission ("Commission"). Dominion Virginia Power was granted two extensions of time to answer the Complaint while the parties reported that negotiations were ongoing to resolve some or all of the issues raised in the Complaint.[1]

On April 8, 2008, the parties filed a Joint Motion to Dismiss the Complaint. The parties seek dismissal with prejudice of all allegations of inadequate service and all other claims for relief set forth in the Complaint Alleging Failure to Provide Adequate Service, filed in this case on March 3, 2008. The parties move for dismissal without prejudice of any claims related to the remediation plan by Dominion Virginia Power that affect service to or at the Complainant's premises, including, but not limited to tree-trimming activities and infrastructure enhancements. The remediation plan was not filed in this case.

NOW THE COMMISSION, upon consideration of the Joint Motion to Dismiss the Complaint, is of the opinion and finds that it should be granted in all respects.

Accordingly, IT IS ORDERED THAT:

(1) The Complaint is hereby dismissed with prejudice with respect to all allegations of inadequate service and all other claims contained in the Complaint.

(2) The dismissal of the Complaint ordered in the preceding ordering paragraph shall be without prejudice to any claims that may relate to the remediation plan by Dominion Virginia Power that affect service to or at Complainant's premises, including, but not limited to tree-trimming activities and infrastructure enhancements.

(3) There being nothing further to come before the Commission, this case shall be removed from the docket and the papers filed herein be placed in the file for ended causes.

[1] Order Granting Extension, issued March 20, 2008; Order Granting Extension, issued April 4, 2008.

CASE NO. PUE-2008-00019
MARCH 19, 2008

PETITION OF
OLD DOMINION ELECTRIC COOPERATIVE

For an exemption from the rules governing the use of bidding programs to purchase electricity from other power suppliers, in order to make a purchase outside the bidding program

ORDER GRANTING EXEMPTION

On March 5, 2008, Old Dominion Electric Cooperative ("ODEC") petitioned the State Corporation Commission ("Commission") to grant an exemption from the Commission's Rules Governing the Use of Bidding Programs to Purchase Electricity from Other Power Suppliers (20 VAC 5-301-10 *et seq.*) ("Bidding Rules") to permit ODEC to make a power purchase outside the Bidding Rules. ODEC explains that an existing contract it has with Constellation Energy is set to expire on June 1, 2008, and it proposes to contract with Appalachian Power Company ("Apco") for replacement of the capacity and energy supplied under the expiring contract. The petition discloses that ODEC has informed the Commission Staff of the proposed new contract and that Staff does not object to the requested exemption.

NOW THE COMMISSION, being adequately advised, is of the opinion and finds that the requested exemption should, under the circumstances depicted in the petition, be GRANTED. The Bidding Rules as previously implemented and interpreted by the Commission may be waived as necessary to permit a utility to enter into a purchase of "extraordinary advantage" to it. The Commission is convinced that such circumstances are present in the instant application. Accordingly, IT IS HEREBY ORDERED that:

(1) ODEC shall be granted an exemption from application of the Bidding Rules to permit it to execute the contract with Apco described in the petition.

(2) This matter is dismissed.

CASE NO. PUE-2008-00020
MAY 7, 2008

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For a limited exemption from the filing and prior approval requirements of Chapter 4 of Title 56 of the Code of Virginia or, in the alternative, for approval of an amendment to an EDI Trading Partner Agreement

ORDER DENYING EXEMPTION AND GRANTING APPROVAL

On March 12, 2008, Columbia Gas of Virginia, Inc. ("CGV" or "Applicant), filed an application ("Application") with the State Corporation Commission ("Commission") requesting a limited exemption ("Exemption") pursuant to § 56-77 (B) of the Code of Virginia ("Code") from the filing and prior approval requirements of Chapter 4 of Title 56 ("Affiliated Interests Act") of the Code or, in the alternative, for approval of an amendment ("Amendment") dated January 31, 2008, to an EDI Trading Partner Agreement ("EDI Agreement") between CGV and Columbia Gas Transmission Corporation ("Columbia Transmission"), Columbia Gulf Transmission Company ("Columbia Gulf"), and Crossroads Pipeline Company ("Crossroads").

CGV is a Virginia public service corporation and natural gas distribution company serving approximately 240,000 residential, commercial, and industrial customers located in Northern, Central, Southeast and Southwest Virginia as well as the Shenandoah Valley of Virginia. CGV is a wholly owned subsidiary of the Columbia Energy Group, which is a wholly owned subsidiary of NiSource, Inc. ("NiSource").

Columbia Transmission is an interstate natural gas pipeline company that transports an average of three billion cubic feet ("BCF") of natural gas per day through a 12,000-mile pipeline network utilizing 103 compressor stations and serving hundreds of communities in 15 states. Columbia Transmission also operates 36 storage fields in four states with nearly 600 BCF in total capacity. Columbia Transmission's services and operations, including its rates and charges, are regulated by the Federal Energy Regulatory Commission ("FERC"). Columbia Transmission is a wholly owned subsidiary of the Columbia Energy Group, which is a wholly owned subsidiary of NiSource.

Columbia Gulf is an interstate natural gas pipeline company that transports natural gas produced in the Gulf Coast approximately 3,400 miles via 11 compressor stations through Louisiana, Mississippi and Tennessee to Kentucky. Columbia Gulf's services and operations, including its rates and charges, are regulated by the FERC. Columbia Gulf is a wholly owned subsidiary of the Columbia Energy Group.

Crossroads, an Indiana corporation, is an interstate natural gas pipeline company that operates an interstate pipeline that begins near Chicago, Illinois, and extends approximately 200 miles to Cygnus, Ohio. Crossroads' services and operations, including its rates and charges, are also regulated by the FERC. Crossroads is a wholly owned subsidiary of NiSource.

Nisource is a publicly traded energy holding company whose subsidiaries provide natural gas, electricity and other products and services to approximately 3.7 million customers located within a corridor that runs from the Gulf Coast through the Midwest to New England. NiSource, which has a current market capitalization of approximately $4.9 billion, reported gross revenues of $7.94 billion and net income of $321 million for the fiscal year ending December 31, 2007.

Since NiSource is the ultimate parent of CGV, Columbia Transmission, Columbia Gulf, and Crossroads (collectively "EDI Parties"), the companies are considered affiliated interests under § 56-76 of the Code. As such, CGV must obtain prior approval from the Commission pursuant to the

Affiliated Interests Act for any agreement or arrangement between the EDI Parties for the provision of services, the exchange of property, rights, or things, or the purchase or sale of treasury bonds or stock.

Electronic Data Interchange

Electronic Data Interchange ("EDI") is a subset of electronic commerce. Electronic commerce encompasses all aspects of electronic business exchanges, including person-to-person interactions, money transfers, data sharing and exchange, and website merchant systems. The FERC defines EDI as "a highly structured or formatted method of conducting computer-to-computer communication."[1] Simply stated, EDI is the exchange of business data between computers using a standardized business format.

In the natural gas industry, local distribution companies and other shippers and interstate pipelines employ a public Internet-based EDI system with a common electronic file format to exchange information concerning their business transactions. The EDI Parties exchange data on both a real time and batch process basis. Time-sensitive transactions such as nominations and confirmations occur in real time. Capacity release, scheduled quantity, imbalance, invoicing, and payment transactions are handled using a batch process, which can take place immediately or take up to an hour to complete.

The FERC mandates the use of EDI. In Order 587-G, the FERC stated that "[natural gas] pipelines must permit shippers to conduct many of the important business transactions in the industry, such as nominations, flowing gas, invoicing, and capacity release, using datasets in ASC X12 EDI format . . . ."[2] The ASC X12 format is officially coordinated by the American National Standards Institute. Implementation guides for using EDI were initially defined by Gas*Flow in 1994. Gas*Flow was merged into the Gas Industry Standards Board in 1995. The implementation guides are now maintained by the North American Energy Standards Board ("NAESB"). The use of EDI continues to be updated and mandated by the FERC through additions to Order 587.

Prior EDI Agreements

In July 1996, the Commission initially granted approval to CGV for three EDI agreements in Case No. PUE-1995-00025.[3] In November 2004, CGV obtained Commission approval to replace the three prior EDI agreements with the current EDI Agreement in Case No. PUE-2004-00107 ("2004 Case").[4]

In the 2004 Case, CGV represented that the current EDI Agreement allows the EDI Parties to facilitate natural gas transportation and sales transactions conducted under existing written agreements through the exchange of electronic data across a public Internet system. The EDI Agreement allows the EDI Parties to use data already existing in their computer applications to build nominations and other gas industry transactions. Information from a service provider, such as scheduling, allocation, and invoicing, can be mapped to a data file format that is common to all of the EDI Parties. The common format avoids the need to transfer data from a paper document to an application format input file at each trading partner site, and it eliminates the need to map the differences between the various application data formats used by each and every trading partner. The transmission of the EDI information through the public Internet system also simplifies trading partner communications by limiting access to a single connection, which eliminates the complexity of using different connection methods for different trading partners.

The current EDI Agreement provides for the exchange of four types of information: (a) documents, also known as transaction set data ("TSD"), (b) functional acknowledgements, (c) error notices, and (d) time-stamp receipt records. Exhibit 1 to the current EDI Agreement lists six types of TSD: (i) measurement information, (ii) measurement volume audit, (iii) scheduled quantity, (iv) nominations, (v) nomination quick response, and (vi) shipper imbalance. The EDI Parties use the information for gas supply metering, scheduling, and confirmations.

Amendment

As shown in the Revision to Exhibit 1 found in Exhibit 4 to the Application, the proposed Amendment to the EDI Agreement makes certain minor technical corrections to the previously listed types of TSD and adds five new types of TSD: (i) upload of request for download, (ii) response to upload of request, (iii) offer download, (iv) award download, and (v) note/special instruction. According to CGV, the new types of TSD are related to capacity release and were developed as part of the NAESB Capacity Release Standards Manual. The new types of TSD include a request for capacity release information, an acknowledgement of the request, capacity release offer and award information, and additional notes describing special terms and conditions of the capacity release.

CGV represents that the proposed Amendment is being driven by Columbia Transmission's and Columbia Gulf s conversions to a new business software system. The effective date of the system conversion, which was originally scheduled for May 1, 2008, has now been deferred to May 15, 2008. Once the conversion takes place, CGV will no longer be able to perform an electronic download of its capacity release information, thereby necessitating manual entry that will increase the potential for errors. CGV represents that Columbia Transmission, Columbia Gulf, and Crossroads have executed or are in the process of executing amended EDI Agreements with all of their affiliated and unaffiliated trading partners.

Exemption

CGV requests an Exemption from the filing and prior approval requirements of the Affiliates Interests Act for the EDI Agreement and any amendments thereto. CGV represents that the EDI Agreement is a means by which CGV administers previously approved transportation and storage-related

[1] FERC Order 587-G, Docket No. RM96-1-007, FERC Stat. and Reg. ¶ 31,062 at 30,681 (Footnote omitted).

[2] Id. at 30,681 (Footnote omitted).

[3] *Application of Commonwealth Gas Services, Inc., For approval of agreements with affiliates*, Case No. PUA-1995-00025, 1996 S.C.C. Ann. Rep. 118 (Order Granting Approval, July 18, 1996).

[4] *Application of Columbia Gas of Virginia, Inc., For approval of an Electronic Data Interchange Trading Partner Agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2004-00107, 2004 S.C.C. Ann. Rep. 519 (Order Granting Approval, Nov. 30, 2004).

agreements with gas pipeline affiliates and that approval of the EDI Agreement Internet protocol is arguably inherent in such approvals. Furthermore, CGV represents that the EDI Agreement does not provide for any payments among the parties and does not provide for the exchange of any services, rights or things other than conformance to the Internet protocol. Hence, CGV asserts that the EDI Agreement does not meet the standard for being subject to the filing and prior approval requirements of the Affiliated Interests Act and, therefore, should receive an Exemption.

NOW THE COMMISSION, upon consideration of the Application and representations of the Applicant and having been advised by its Staff, is of the opinion and makes the following findings. First, we find that CGV's request for the Exemption regarding the EDI Agreement should be denied. We agree that the EDI Agreement is an appropriate means for administering CGV's approved gas transportation and storage agreements. We further agree that approval of such communications is inherent in our approval of CGV's gas supply, transportation and storage agreements. However, we disagree with CGV's assertion that the filing and prior approval requirements of the Affiliated Interests Act should not apply to the EDI Agreement.

Section 56-77 of the Code states in part that ". . . No contract or arrangement for the . . . exchange of any property, right or thing . . . made or entered into between a public service company and any affiliated interest shall be valid or effective unless and until it shall have been filed with and approved by the Commission." The EDI Agreement clearly provides for the exchange of a singular thing of value - information. Through the EDI Agreement, CGV receives and provides information on its gas supply, transportation and storage contracts with three affiliated interstate gas pipeline companies. The EDI information has real value to CGV and the other EDI Parties in facilitating the efficient, effective and profitable operation of their respective businesses. The EDI information is sufficiently important to the EDI Parties that certain parts of the EDI protocol are kept confidential. To say that the EDI Agreement does not meet the standard for being subject to the Affiliated Interests Act statute and does not require formal Commission review and approval is incorrect.

Further, we have typically employed Affiliated Interests Act exemptions for routine, recurring transactions that have an immaterial effect on the utility but are of such a nature that filing for prior approval may not be practicable. In this instance, the EDI Agreement has been changed three times over approximately 13 years. CGV acknowledges that such amendments are not performed on any type of scheduled basis, and that it is reasonable to expect such changes to occur less frequently than once a year.

Finally, in two prior cases, Case Nos. PUA-1995-00025 and PUE-2004-00107, we have ruled that the EDI Agreement is subject to the Affiliated Interests Act. The record in this case does not support reversing these rulings. Therefore, we will deny the request for an Exemption regarding the EDI Agreement.

Nonetheless, we find that a more streamlined process for handling changes to the EDI Agreement is appropriate. Since the current EDI Agreement has already been approved, we find that the proposed Amendment and any future amendments of a similar nature are in the public interest and should be approved subject to certain requirements described below.

First, we will limit our approval of the proposed Amendment and any future amendments to the EDI Agreement to EDI information whose nature and purpose is solely and directly related to CGV's underlying approved gas supply, transportation and storage contracts and does not adversely affect CGV's customers. Any EDI information that does not relate to such underlying approved contracts, or that is exchanged with a NiSource affiliate other than an EDI Party or authorized user (see below), will require separate Commission approval.

CGV represents that Energy Supply Services ("ESS"), a department of NiSource Corporate Services Company ("NCSC"), utilizes the EDI information in providing gas supply services to CGV pursuant to the corporate services agreement approved in Case No. PUE-2004-00072.[5] To ensure that our restriction of EDI information access does not affect ESS' provision of services to CGV, we will authorize NCSC to utilize the EDI information for the purpose of providing the services described in the approved corporate services agreement with CGV.

The EDI Agreement contains a clause allowing the EDI Parties to make use of third party providers of data communications services ("third party providers"), which could result in an arrangement with a NiSource affiliate that could escape Commission review. However, Ordering Paragraph (3) of Case No. PUE-2004-00107 requires separate Commission approval for any EDI-related arrangements between CGV and affiliated third party providers. We expect the Applicant to comply with that directive.

In addition, we find that any change to the EDI Agreement that results in monetary transactions between CGV and Columbia Transmission, Columbia Gulf, Crossroads or NCSC will require separate Commission approval. Finally, for monitoring purposes we will direct CGV to attach to its Annual Report of Affiliate Transactions ("ARAT") a copy of amendments to the EDI Agreement as they occur.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Columbia Gas of Virginia, Inc.'s request for an Exemption from the filing and prior approval requirements of the Affiliated Interests Act regarding the EDI Trading Partner Agreement and any amendments thereto is hereby denied.

2) Pursuant to § 56-77 of the Code, CGV is granted approval for the proposed Amendment and any future amendments to the EDI Agreement, subject to the findings and requirements set out above.

3) The amendments to the EDI Agreement approved herein are limited to EDI information whose nature and purpose is solely and directly related to CGV's underlying gas supply, transportation and storage contracts approved by the Commission. Any EDI information that does not relate to the underlying approved contracts, or that is exchanged with a NiSource affiliate other than an EDI Party or authorized user, shall require separate Commission approval. NCSC is specifically authorized to utilize the EDI information for the purpose of providing the services described in the approved corporate services agreement with CGV.

4) Separate Commission approval shall be required for any EDI-related arrangements between CGV and affiliated third party providers.

[5] *See Application of Columbia Gas of Virginia, Inc., For approval of a service agreement with NiSource Corporate Services Company*, Case No. PUE-2004-00072,2004 S.C.C. Ann. Rep. 477 (Order Granting Approval, Sept. 30, 2004); 2004 S.C.C. Ann. Rep. 480 (Order on Reconsideration, Dec. 1, 2004).

5) Separate Commission approval shall be required for any change in the EDI Agreement that results in monetary transactions between CGV and Columbia Transmission, Columbia Gulf, Crossroads or NCSC.

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 herein, whether or not such affiliate is regulated by this Commission.

8) CGV shall include the transactions associated with the EDI Agreement and the amendments approved herein in its ARAT submitted to the Commission's Director of the Division of Public Utility Accounting ("PUA Director") on or before May 1 of each year, which deadline may be extended administratively by the PUA Director. CGV shall attach to the ARAT a copy of future amendments to the EDI Agreement as they occur.

9) If CGV's Annual Informational or General Rate Case Filings are not based on a calendar year, then CGV shall include the affiliate information contained in the ARAT in such filings.

10) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUE-2008-00021
MARCH 31, 2008

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.* and Request for Interim Authority

ORDER GRANTING INTERIM AUTHORITY

On March 21, 2008, Atmos Energy Corporation ("Atmos") and Atmos Energy Marketing, LLC ("AEM") (collectively "Applicants") filed a joint application ("Application") with the State Corporation Commission ("Commission") requesting authority to enter into a Gas Supply and Asset Management Agreement ("Agreement") pursuant to the Affiliates Act, Va. Code § 56-76 *et seq.*, and also requested approval of interim authority to commence performance immediately under the Agreement pending a final order on the Application from the Commission.

The Applicants represent that the request for interim authority is caused by a timing issue. The Commission directed Atmos in a prior case[1] to utilize a more competitive Request for Proposal ("RFP") bidding process when the Agreement was next renewed. Therefore, Atmos issued 62 RFPs and received 4 competitive bids, which according to Atmos required extensive evaluation. The Applicants were only able to file the Application ten days before the Commission's approval of the prior Agreement expires on March 31, 2008.

NOW THE COMMISSION, upon consideration of the Application, is of the opinion and finds that the request for interim authority to commence performance immediately under the Agreement pending final order on the Application should be granted. The Commission further finds that such interim approval shall not affect determinations made concerning Applicants' filing of its purchased gas adjustment rider tariffs.

Accordingly, IT IS ORDERED THAT:

(1) Applicants are hereby granted interim authority to commence performance immediately under the Agreement pending further order of the Commission.

(2) The interim authority granted in the preceding ordering paragraph shall not affect determinations made concerning Applicants' filing of its purchased gas adjustment rider tariffs.

(3) This case is continued for further order of the Commission.

[1] *Joint Application of Atmos Energy Corporation and Atmos Energy Marketing, LLC, 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 (Order Granting Authority, July 5, 2005), 2005 S.C.C. Ann. Rep. 389).

CASE NO. PUE-2008-00021
JUNE 17, 2008

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. and Request for Interim Authority

ORDER GRANTING AUTHORITY

On March 21, 2008, Atmos Energy Corporation ("Atmos") and Atmos Energy Marketing, LLC ("AEM") (collectively "Applicants"), filed a joint application ("Application") with the State Corporation Commission ("Commission") requesting authority to enter into a Gas Supply and Asset Management Agreement ("Agreement") pursuant to § 56-76 et seq. ("Affiliated Interests Act") of the Code of Virginia ("Code"), and also requested interim authority to commence performance immediately under the Agreement pending a final order on the Application from the Commission.

Atmos,[1] which is headquartered in Dallas, Texas, is one of the largest natural gas distribution companies in the United States. Atmos distributes and transports natural gas through sales and transportation arrangements to approximately 3.2 million residential, commercial, public authority and industrial customers through seven regulated business divisions that provide service in 12 states, including Colorado, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Tennessee, Texas and Virginia. In Virginia, Atmos provides natural gas distribution service to approximately 21,700 customers located in Abingdon, Blacksburg, Bristol, Marion, Pulaski, Radford and Wytheville and their environs.

Through non-regulated affiliates, Atmos provides natural gas management and marketing services to municipalities, other local gas distribution companies and industrial customers in 22 states and natural gas transportation and storage services to its regulated divisions and to third parties. For the year ending December 31, 2007, Atmos reported total revenues of $5.9 billion and net income of $161 million, while its current market capitalization is $2.3 billion.

AEM, which is headquartered in Houston, Texas, provides a variety of natural gas management services to municipalities, natural gas utility systems and industrial natural gas consumers located in the southeastern and midwestern United States and to Atmos' Colorado-Kansas, Kentucky/Mid-States and Louisiana regulated divisions. AEM's services consist primarily of furnishing natural gas supplies at fixed and market-based prices, contract negotiation and administration, load forecasting, gas storage acquisition and management, transportation, peaking sales and balancing, capacity utilization strategies and gas price hedging through the use of derivative instruments. AEM is a wholly owned subsidiary of Atmos Energy Holdings, Inc., which is a wholly owned subsidiary of Atmos. AEM was formerly known as Woodward Marketing, LLC ("Woodward"). In October 2003, Woodward merged with Trans Louisiana Gas Company and was renamed AEM.

Atmos and AEM are considered affiliated interests under § 56-76 of the Code. As such, Atmos is required to obtain prior approval from the Commission pursuant to the Affiliated Interests Act for any agreement or arrangement between the companies for the provision of services, the exchange of property, rights, or things, or the purchase or sale of treasury bonds or stock.

Case Background

From 1997 through 2004, AEM provided most of Atmos' gas supply services via a bundled arrangement approved by the Commission.[2] However, after the 2001 Enron bankruptcy caused the collapse of the energy trading market, Atmos decided to unbundle its gas supply services. In 2004 Atmos created a new affiliate, Atmos Energy Services, LLC ("AES"), to provide Atmos with certain energy administrative services, excluding commodity procurement and asset management. Accordingly, the Commission directed Atmos in its Order authorizing the AES services[3] to seek approval of a revised gas supply agreement if it wanted AEM to continue to provide commodity procurement and asset management services. In 2005 Atmos obtained Commission authority ("2005 Order")[4] for a Gas Exchange and Optimization Services Agreement ("GEOS Agreement") under which AEM agreed to provide Atmos with gas exchange and asset management services. However, the GEOS Agreement did not include gas commodity procurement services. Atmos chose instead to obtain its gas commodity supply separately from non-affiliated third party suppliers. Consistent with the directives of the 2005 Order, the GEOS Agreement had a three-year term ending March 31, 2008, with no renewal, extension or rollover provisions.

On March 21, 2008, the Applicants filed the current Application requesting authority for the GSAM Agreement to succeed the GEOS Agreement. The proposed GSAM Agreement calls for AEM to provide Atmos with bundled gas procurement and asset management services ("Bundled Services").

Atmos represents that the decision to rebundle its gas procurement and asset management services attempts to address two concerns. First, the 2005 Order cited several flaws with Atmos's unbundled Request for Proposal ("RFP") process, one of which was the lack of prospective bidders. Atmos

[1] Atmos is not a holding company. Atmos itself holds the certificate of public convenience and necessity to provide natural gas distribution service to customers in southwestern Virginia.

[2] *Application of United Cities Gas Company, For approval of transactions with an affiliate, Woodward Marketing, L. L. C.*, Case No. PUA-1996-00025, 1997 S.C.C. Ann. Rep. 144 (Order Granting Approval, May 27, 1997).

[3] *Joint Application of Atmos Energy Corporation and Atmos Energy Services, LLC, For authority to enter into a services agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2004-00016, 2004 S.C.C. Ann. Rep. 436 (Order Granting Authority, April 28, 2004).

[4] *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. Rep. 389 (Order Granting Authority, July 5, 2005).

decided that offering an RFP with Bundled Services would help to increase the bidding pool because asset managers today generally assign much more value to bundled gas supply/asset management arrangements. To increase interest in the RFP, Atmos also advertised in Platt's Gas Daily and extended the open period for accepting bids to 30 days. Second, Atmos decided to restructure its RFP in response to a pending rulemaking by the Federal Energy Regulatory Commission ("FERC") in Docket No. RM08-1[5] in which the FERC promotes the bundling of commodity supplies with management of capacity assets by local distribution companies as being in the public interest.

According to Atmos, the changes to the RFP process proved successful. The RFP was sent to 62 counterparties and Atmos received four bids for the contract. After an extended bid evaluation, AEM was awarded the bid on March 17, 2008.

Atmos represents that, due to the extended bid evaluation, it was not able to file the Application with the Commission until March 21, 2008. Since both the GEOS Agreement with AEM and Atmos' unbundled gas supply agreements with non-affiliated third party suppliers were scheduled to expire on March 31, 2008, Atmos requested interim authority from the Commission to enter into the proposed GSAM Agreement pending a final order in this case.

On March 31, 2008, the Commission issued an Order ("Interim Order")[6] granting Atmos the interim authority requested. The Interim Order, however, states that the interim authority granted will not affect any "determinations made concerning Applicants' filing of its purchased gas adjustment rider tariffs."

GSAM Agreement

Under the proposed GSAM Agreement, AEM will provide city-gate delivered firm service at index-based prices to Atmos for its full gas requirements over the next three years, extending from April 1, 2008, through March 31, 2011. AEM will employ various exchange and storage practices to facilitate firm deliveries to Atmos from downstream storage or where Atmos lacks sufficient firm pipeline capacity. AEM will also provide to Atmos certain gas supply management services ("Functional Services") and manage and optimize Atmos' pipeline and storage assets. In return, Atmos will receive an upfront, guaranteed annual payment ("Payment"). The Applicants represent that AEM will bear any risk associated with commodity pricing differentials, imbalance penalties or fees that result from AEM's management of Atmos' assets, any change in underlying pipeline demand rates that affect fixed-rate pricing for exchange services, and any financial losses stemming from AEM's asset optimization practices.

Atmos represents that it does not have the internal resources or the access to energy markets necessary to manage its capacity and storage assets effectively to maximize their value. In addition, Atmos represents that while it has the ability to purchase commodity gas supply for itself, it believes that obtaining bundled commodity procurement and asset management services from a professional asset manager offers substantive benefits in the form of a higher asset management fee, more stable commodity prices for Atmos' full requirements on a firm basis, and certain functional services that Atmos does not have to perform itself Atmos represents that AEM, which was awarded the proposed GSAM Agreement after making the best bid in an open and competitive bidding process, has the expertise in gas supply, planning, procurement and administration that will allow it to meet all of Atmos' gas supply and asset management needs.

NOW THE COMMISSION, upon consideration of the Application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds that the proposed GSAM Agreement is in the public interest and should be authorized subject to certain requirements outlined below that we find necessary to clarify the limits of our authorization and to protect the public interest.

First, we are concerned that Atmos filed the current Application only 10 days before the expiration of its prior gas supply and asset management contracts. That does not leave adequate time to conduct a proper review. We further note that the GSAM Agreement has no extension or renewal provision. Since we direct that the authority granted in this case will extend through March 31, 2011, the expiration date of the GSAM Agreement, we remind Atmos that any future agreements with AEM will require further authorization, and we will direct Atmos to take any and all actions necessary to ensure that future Affiliated Interests Act applications are filed in a more timely manner.

Second, we are pleased with the positive response to the RFP for the proposed GSAM Agreement. We believe this is a direct consequence of our directives to Atmos in the 2005 Order to take aggressive action to expand its list of RFP bidders, to provide the Commission's Energy Regulation Staff ("ER Staff") with a copy of the RFP prior to its issuance, and to provide ER Staff with a summary of the RFP's results upon completion of the RFP process. Therefore, we will reiterate these 2005 Order directives in this case.

Third, we are mindful that events out of the Applicants' control could require unexpected changes in commodity pricing practices. In order to keep us fully apprised of such events, we will require Atmos to notify the Commission's Director of the Division of Public Utility Accounting ("PUA Director") of any changes in commodity pricing practices pursuant to the GSAM Agreement prior to their implementation.

Fourth, we note that the 2005 Order contained specific directives related to Atmos' payments for pipeline substitution services and for storage fill services. The directives were designed to protect Atmos from paying more for these services than what it would incur if Atmos were to procure its own gas or manage its own storage. We believe that these directives remain necessary to safeguard the interests of ratepayers. Therefore, we will reiterate these 2005 Order directives in this case.

Finally, we are concerned with a provision in the GSAM Agreement that allows for changes in Atmos' guaranteed Payment in response to incremental changes in the transportation and storage capacity assets under AEM's management. We do not wish to involve ourselves in Atmos' decisions to add or dispose of transportation and storage capacity. However, the guaranteed Payment is a key feature of AEM's winning bid, which is legitimized by the RFP's competitive bidding process. Allowing a subsequent change to the Payment without Commission oversight could impair the perceived legitimacy of the bidding process.

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[5] *Promotion of a More Efficient Capacity Release Market*, 121 FERC ¶ 61,170 (Nov. 15, 2007).

[6] *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. and Request for Interim Authority*, Case No. PUE-2008-00013, Doc. Con. No. 394931 (Order Granting Interim Authority, March 31, 2008).

Therefore, we find that, 30 days prior to any changes in the guaranteed Payment, we will require Atmos to submit a report to the PUA Director, which will describe the change in the Payment and the reasons for it. The Commission Staff will then advise us as to whether any action is necessary pursuant to our continuing supervisory authority under § 56-80 of the Code to protect the public interest.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Atmos Energy Corporation and Atmos Energy Marketing, LLC, are granted authority to enter into the gas supply and asset management agreement as described herein, consistent with the findings above.

2) The authority granted herein shall extend through March 31, 2011, the expiration date of the GSAM Agreement. Any future agreements with AEM shall require further authorization. Atmos shall take any and all actions necessary to ensure that future Affiliated Interests Act applications are filed in a more timely manner.

3) For any future gas supply and/or asset management RFPs, Atmos shall continue to take aggressive action to expand its list of RFP bidders. Prior to issuance, Atmos shall submit a copy of the RFP to the Staff of the Commission's Division of Energy Regulation. Within 60 days after the completion of the RFP process, Atmos shall submit a summary of the RFP results, including a list of the parties invited to bid, the parties that actually bid, the winning bidder and bid amount, and the reason(s) for the winner's selection, to the Staff of the Commission's Division of Energy Regulation.

4) Prior to the implementation of any changes in commodity pricing practices pursuant to the GSAM Agreement, Atmos shall notify the PUA Director of such changes.

5) Atmos' payments for pipeline substitution services shall be limited to the amount of gas cost charges that Atmos would incur if it were to procure gas for itself.

6) Atmos' payments for storage fill services shall be limited to the amount of storage charges that Atmos would incur if it were to manage its own storage.

7) Thirty (30) days prior to any changes in the guaranteed Payment, Atmos shall submit a report to the PUA Director, which will describe the change in the Payment and the reasons for it. The Commission Staff shall then advise the Commission as to whether any action is necessary pursuant to its continuing supervisory authority under § 56-80 of the Code to protect the public interest.

8) Commission approval shall be required for any changes in the terms and conditions of the GSAM Agreement, including any successors or assigns.

9) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

10) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by the Commission.

11) Atmos shall include all transactions associated with the GSAM Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the PUA Director on or before May 1 of each year, which deadline may be extended administratively by the PUA Director.

12) If Atmos' Annual Informational or Rate Case Filings are not based on a calendar year, then Atmos shall include the affiliate information contained in its ARAT in such filings.

13) The authority granted herein supersedes the authority granted in Case No. PUE-2005-00003, and granted in our Order Granting Interim Authority entered March 31, 2008, in this case.

14) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUE-2008-00022
MAY 27, 2008

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY
and
ANGD LLC

For authority to issue securities under Chapters 3 and 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On April 2, 2008, Appalachian Natural Gas Distribution Company ("Appalachian" or the "Company"), filed an application with the State Corporation Commission ("Commission") requesting authority to issue securities to its parent company affiliate, ANGD LLC, ("ANGD") (collectively, "Applicants") under Chapters 3 and 4 of Title 56 of the Code of Virginia ("Code"). Applicant paid the requisite fee of $250.

ANGD is the parent holding company of Appalachian and its sister affiliate, Bluefield Gas Company ("Bluefield"), a West Virginia natural gas public utility. In Case No. PUE-2007-00012, Appalachian was granted authority by Commission Order dated August 21, 2007, to purchase the Bluefield, Virginia utility assets of Roanoke Gas Company, formerly operating as Commonwealth Public Service Corporation. During the same period, ANGD sought

and received authority from the Public Service Commission of West Virginia to acquire all of the issued and outstanding common stock of Bluefield, which operated as a wholly owned and legally separate subsidiary of Roanoke's parent company, RGC Resources ("RGC") (the separate authorities hereafter referenced collectively as the "Acquisition").[1] Bluefield's facilities, however, were physically interconnected and operated in conjunction with the Bluefield, Virginia assets of Roanoke. To finance these combined transactions and provide working capital to support their continued operation, ANGD secured external financing in the form of a $6,800,000 bank loan from Branch Banking and Trust Company ("BB&T") ("BB&T Note"), a $1,300,000 Promissory from Roanoke ("Roanoke Note"), and a $4,400,000 Line of Credit Agreement with BB&T ("BB&T LOC").

Applicants now request authority for Appalachian to enter into a $2,151,230 Inter-company Promissory Note ("First Note"), a $388,233 Inter-company Promissory Note ("Second Note") and an Inter-company Revolving Credit Note ("Third Note") for up to $4,400,000 (collectively, "Notes") with ANGD, which are intended to document and reflect ANGD's external financing arrangements previously described. As shown in the exhibits attached to the application, the terms and conditions for the First Note are the same as those for the BB&T Note, with each scheduled to mature on October 31, 2012. The stated interest rates on the BB&T Note and First Note are based on the London Interbank Offered Rate (LIBOR) plus 2.25%, adjusted monthly. However, the effective interest rate on each of these borrowings will be fixed at 6.98% throughout the duration of the loans, to reflect an interest rate swap agreement with BB&T. Applicants also state that $300,000 of the first note will be used to refinance Appalachian's initial bank debt, which will provide an interest payment obligation on that debt lower than the initial rate set at prime.

The Roanoke Note and the Second Note also share the same terms and conditions, with each scheduled to mature on October 31, 2012. Negotiated as part of the Acquisition, the Roanoke Note was intended to approximate preferred equity and it is subordinate to the BB&T note. Consequently, it bears a higher fixed interest rate of 10.0%, which will apply to the Second Note. The interest on these loans is payable quarterly with principle payments due annually.

The Third Note contains the same terms and conditions as the BB&T LOC, which is scheduled to mature on October 31, 2008, but may be extended for four successive one-year terms with mutual consent from the borrower and lender. The interest rate on the BB&T LOC and Third note will be the prime rate defined in the BB&T loan agreement minus 0.5%, adjusted monthly. The BB&T LOC was arranged to initially provide ANGD funds for the Acquisition and it is intended to prospectively finance the working capital needs of Appalachian and Bluefield in the future. ANGD may borrow up to the maximum aggregate limit of $4,400,000 outstanding at any one time under the BB&T LOC. ANGD intends to subsequently loan all or a portion of the amounts borrowed under the BB&T LOC to either Appalachian or Bluefield. However, the aggregate outstanding borrowings of Appalachian and Bluefield will not exceed ANGD's outstanding borrowings under the BB&T LOC.

In addition, Applicants request authority for ANGD to provide $119,496 of additional equity investment in Appalachian in the form of paid-in-capital. This equity investment is intended to reflect a proportional share of the additional equity investment ANGD received to secure the total debt financing arrangements from BB&T and Roanoke previously described.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Appalachian is hereby authorized to enter into intercompany promissory notes with ANGD to borrow the First Note and Second Note in the manner and for the purposes as set forth in its application.

2) Appalachian is further authorized to enter into the Third Note with ANGD up to the aggregate maximum amount of $4,400,000 at any one time, in the manner and for the purposes as set forth in its application through the period ending October 31, 2012.

3) Within sixty (60) days after the end of each October 31st annual term of the Third Note entered into pursuant to Ordering Paragraph (2), Applicant shall file with the Commission a detailed Report of Action with respect to all borrowings to include:

(a) The average monthly balance and interest rate of borrowings by ANGD under the BB&T LOC and the subsequent average monthly balance and interest rate of such funds borrowed by Appalachian and Bluefield during the annual term of the loans;

(b) The maximum amount of revolving credit borrowings outstanding at any one time during each month by ANGD, under the BB&T LOC, along with the monthly aggregate maximum of inter-company revolving credit borrowings by Appalachian and Bluefield during the annual term of the loans.

4) Applicant shall file a final Report of Action on or before December 31, 2012, to include the information specified in Ordering Paragraph (3) for the last eligible borrowing term, along with a balance sheet that reflects the capital structure at the end of the last eligible borrowing term.

5) The authority granted herein shall not extend to any other prospective intercompany borrowings or revolving credit notes, which shall require the separate and prior approval of this Commission.

6) Approval of the application shall have no implications for ratemaking purposes.

7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

[1] *Bluefield Gas Company and ANGD LLC, Joint Petition for consent and approval of the purchase of the common stock of Bluefield Gas Company by ANGD LLC, Case No. 07-201-G-PC*, Public Service Commission of West Virginia Order dated August 8, 2007.

CASE NO. PUE-2008-00024
JULY 14, 2008

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION NUCLEAR NORTH ANNA, LLC

For approval of a Plan of Merger pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER

On April 14, 2008, Virginia Electric and Power Company ("DVP") and Dominion Nuclear North Anna, LLC ("DNNA") (the "Petitioners"), filed a petition with the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code") for approval of a Plan of Merger Merging Dominion Nuclear North Anna, LLC (a Virginia limited liability company), into Virginia Electric and Power Company (a Virginia public service corporation) ("Plan of Merger") between DVP and DNNA, and associated costs.

DVP is a Virginia public service corporation providing electric service to customers in its service territory in Virginia and North Carolina. DVP is a wholly owned, direct subsidiary of Dominion Resources, Inc. ("DRI"). DVP owns and operates, among other things, nuclear generation facilities at its North Anna Power Station in Mineral, Virginia ("North Anna"). DRI is a "holding company" as defined in the Public Utility Holding Company Act of 2005 ("PUHCA 2005") and, as of February 8, 2006, is subject to regulation as such under PUHCA 2005 by the Federal Energy Regulation Commission.

DNNA is a limited liability company organized under the laws of the Commonwealth of Virginia. DNNA is a direct wholly owned subsidiary of Dominion Nuclear Projects, Inc., which, in turn, is a wholly owned subsidiary of Dominion Energy, Inc. ("Dominion Energy"), which is a wholly owned subsidiary of DRI. In September 2003, DNNA filed an application with the Nuclear Regulatory Commission ("NRC") for an Early Site Permit ("ESP"). The decision was made for DNNA to apply for the ESP to maximize flexibility for subsequent decision making regarding whether an application to construct a new nuclear generating facility would actually be filed, and by what entity.

In Case No. PUE-2006-00035, the Commission issued an Order dated June 9, 2006, granting approval for DVP and DNNA to enter into an Access to Information and Property Agreement ("Agreement") to grant rights to DNNA to obtain access to DVP's property to conduct investigations and to obtain and use all information collected or generated by DNNA and to perform work that might lead to a Combined Construction Permit and Operating License ("COL"). Such rights would not be modified without the approval of the Commission and would survive the termination of the Agreement. The Agreement is in connection with a preliminary review of the possibility of constructing and operating a new nuclear generation facility at North Anna in the vicinity of the cancelled North Anna units (the "Site"). The Site is owned by DVP and Old Dominion Electric Cooperative ("ODEC") and operated by DVP. The Agreement became effective upon its approval by the Commission and continued in force and effect until December 31, 2007. In Case No. PUE-2007-00114, DVP and DNNA received Commission approval for an extension of the Agreement through December 31, 2008.

Dominion Energy was the recipient of a Department of Energy ("DOE") Cooperative Agreement ("Cooperative Agreement II") originally dated September 24, 2002. The Cooperative Agreement II was created so the DOE could test the NRC's ESP rules. Under the Cooperative Agreement II, the DOE provided up to 50% of the funding to cover the costs of obtaining an ESP with the remaining 50% coming from DNNA. DNNA's portion of the costs for the work it performed has been funded by loans from its parent companies. DNNA completed all major activities related to the ESP, and the NRC issued the ESP on November 20, 2007. On April 24, 2008, DNNA, DVP, and ODEC filed an Application for Order and Conforming Amendments for Transfer of North Anna Early Site Permit with the NRC. As of the date of this Order, no order has been issued by the NRC.

Several years after initiation of the ESP demonstration project, as a next step to further development of new nuclear plants, the DOE sought to test sections of the NRC regulations allowing for issuance of a COL. DNNA was the recipient of another Cooperative Agreement ("Cooperative Agreement IV") originally dated April 4, 2005. Under the Cooperative Agreement IV, the DOE provides funding of up to 50% of the cost for the COL process. In its Order approving the Agreement, the Commission ordered that a COL shall not be filed with the NRC prior to the Commission determining the entity that will apply for the COL. The Commission granted approval in its Order dated September 18, 2007, in Case No. PUE-2006-00035 for DVP to proceed as the applicant for the COL, and on November 27, 2007, DVP and ODEC filed a COL application with the NRC.

DVP and DNNA indicate that no final decision has been made as to whether to construct a nuclear generating facility, however, the assessment of the feasibility of another nuclear unit at the Site is continuing. Therefore, preliminary activities within the scope of the Agreement are ongoing.

Pursuant to the Plan of Merger entered into by the Petitioners, DNNA will merge with and into DVP, and DNNA will cease to exist as a distinct, indirect, wholly owned subsidiary of DRI. DVP will succeed to and possess all of the rights, privileges, powers, immunities and franchises, public and private, of DNNA, and will be subject to all restrictions, liabilities, obligations, disabilities, and duties of DNNA. All of DNNA's tangible and intangible assets and liabilities will vest in DVP, including the financial debts that DNNA owes to its parent companies for its costs incurred to obtain the ESP, which will be transferred to DVP and ODEC pending NRC approval, and for its costs incurred to start the process of preparing the application for the COL. Upon completion of the proposed merger, DVP and ODEC will have the full ownership, use, and benefit of the ESP and COL as well as the cost sharing benefits of the Cooperative Agreements with the DOE.

The Petitioners state that using DNNA as the applicant for the ESP has maximized the flexibility for subsequent decision making. They further state that there has been an increase in the interest and pursuit of nuclear power by DVP, as well as changes in the Virginia regulatory framework for electric public utilities and that these changes have led DNNA and DVP to the conclusion that a merger is the most beneficial action that can be taken at present.

The Petitioners represent that the Plan of Merger is in the public interest as it helps further the development of a potential base load electric generation resource. Additionally, the Petitioners represent that the proposed merger creates a favorable risk exposure balance for DVP since DNNA has minimized risks throughout the ESP and COL processes by entering into the DOE cooperative agreements, thereby limiting costs. The Petitioners believe that DVP's risk is further minimized, because it is receiving an ESP that has already been approved and issued by the NRC and, thus, DVP will not incur costs related to the uncertainty surrounding the regulatory process.

As indicated by the Petitioners, it is expected that a merger between DVP and DNNA would be advantageous at this point. Primarily, it will provide DVP with access, as successor to DNNA, to funding provided under the Cooperative Agreement IV for the COL. DNNA's costs incurred to obtain the ESP were defrayed through the Cooperative Agreement II. DNNA's portion, and that which DVP is assuming, is approximately half the total cost of the ESP. DNNA has incurred costs to obtain the ESP of approximately $12.9 million, however, DNNA's costs without Cooperative Agreement II would have been approximately $24-25 million. Additionally, DNNA has incurred costs that have been recorded as an intangible asset of approximately $21.9 million, as of March 31, 2008, in preparatory work for the COL application. Without the Cooperative Agreement IV, DNNA would have paid approximately $42 million. DVP will become the successor in interest to DNNA under Cooperative Agreement IV and will be eligible for continued cost sharing by the DOE, thereby further defraying future costs for the COL.

NOW THE COMMISSION, upon consideration of the petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the proposed merger between DNNA and DVP is in the public interest and should, therefore, be approved. However, our approval should be subject to the NRC's approval of the transfer of the ESP from DNNA to DVP. We further find that all accounting records, including all invoices and journal entries should be transferred from DNNA to DVP to support all costs incurred by DNNA. We also find that any recovery of such costs incurred by DVP should be addressed at a future time when recovery of such costs is requested by DVP.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Petitioners are hereby granted approval of the Plan of Merger between Dominion Nuclear North Anna, LLC, and Virginia Electric and Power Company and DVP's payment of costs DNNA has incurred for the ESP and COL application to date and for the costs DNNA will continue to incur in furtherance of the COL application until such time as the merger is completed, as described herein, conditioned upon approval of the transfer of the ESP from DNNA to DVP.

(2) The Petitioners shall file with the Commission proof of approval by the NRC of the ESP transfer from DNNA to DVP within 10 days of such approval.

(3) Should approval of the ESP transfer not be granted by the NRC, the Petitioners shall promptly file proof of denial with the Commission.

(4) DNNA shall transfer to DVP all accounting records, including invoices and journal entries, to support all costs incurred by DNNA.

(5) The approval granted herein shall not include recovery of any costs transferred from DNNA to DVP in connection with the merger of DNNA into DVP. Recovery of such costs shall be addressed at such time that DVP requests such recovery.

(6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code.

(7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

(8) The Petitioners shall file a report of the action taken pursuant to the approval granted herein within thirty (30) days of consummation of the transaction, subject to administrative extension by the Commission's Director of Public Utility Accounting. Such report shall include the date the transaction took place and the amount of costs paid by DVP that were incurred by DNNA for the ESP and COL application.

(9) Virginia Electric and Power Company shall include the transaction approved herein in its Annual Report of Affiliate Transactions submitted to the Director of Public Utility Accounting of the Commission.

(10) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Virginia Electric and Power shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

(11) This matter shall be continued until the requirements of ordering paragraphs (2), (3), and (8) have been met, subject to the continuing review and directive of the Commission.

CASE NO. PUE-2008-00025
APRIL 22, 2008

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

Request for Extension of its Annual Informational Filing

ORDER

On April 16, 2008, Kentucky Utilities Company d/b/a Old Dominion Power Company ("Old Dominion" or "Company") filed a Petition for Extension of Annual Informational Filing ("AIF"), required to be submitted annually pursuant to 20 VAC 5-200-30 A.9. The Company has requested that it be permitted to file its AIF ninety (90) days after its current due date of April 30, 2008. Old Dominion has only recently received the Report of the Commission Staff filed in its most recent AIF for calendar year 2006 and requests additional time to review and analyze Staff's findings. The Commission Staff has advised that it has no objection to the request.

NOW THE COMMISSION, being sufficiently advised, is of the opinion and finds that the motion should be GRANTED. Old Dominion shall make its Annual Informational Filing for calendar year 2007 on or before July 30, 2008.

CASE NO. PUE-2008-00026
MAY 9, 2008

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For authority to incur additional short-term indebtedness under a line of credit

ORDER GRANTING AUTHORITY

On April 17, 2008, Mecklenburg Electric Cooperative ("Mecklenburg" or "Applicant") filed an application with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code") for authority to borrow up to $18,200,000 in short-term funds through two lines of credit.[1] Applicant has paid the requisite fee of $250.

Applicant represents that the short-term borrowing is needed to provide bridge financing for Mecklenburg's ongoing construction work plan while it waits permanent financing from the Rural Utilities Service ("RUS"). Applicant states that it is in the final stages of completion of its current work plan covering the period 2007-2010, and will be submitting it to RUS for approval in the near future. Applicant expects to file a new application with the Commission for long-term debt later in 2008 after receiving RUS approval of the new work plan.

Applicant anticipates executing a $9,000,000 line of credit with the National Bank for Cooperatives ("CoBank"). The CoBank line of credit will be unsecured and will be renewable annually. CoBank will determine the interest rate from time to time, and Mecklenburg can choose either a fixed or variable rate of interest.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

1) Applicant is hereby authorized to enter into financial transactions to execute an additional line of credit and is authorized to borrow up to $19,200,000 in short-term debt all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

2) Should Applicant seek to modify any terms or conditions or seek to increase the limit amounts of either line of credit approved herein, Applicant shall submit an application with the Commission at least 25 days prior to the effective date of the proposed change.

3) There appearing nothing further to be done in this matter, it is hereby dismissed.

[1] The amount of short-term debt authority requiring Commission approval is defined in § 56-65.1 of the Code of Virginia as 12% of total capitalization. In Case PUE-2006-00105, Mecklenburg requested Commission approval for a short-term line of credit agreement, to borrow up to $9,200,000, which represented less than 10% of total capitalization. The Commission dismissed that application concluding that Commission authorization was unnecessary. The instant application requests approval of an additional $9,000,000 of short-term debt authority, and when combined with the existing $9,200,000 line of credit, would represent, in aggregate, over 16% of total capitalization, as defined by § 56-65.1 of the Code of Virginia.

CASE NO. PUE-2008-00027
MAY 6, 2008

REQUEST OF
VIRGINIA ELECTRIC AND POWER COMPANY

To participate in pilot project, and for approval of underground transmission line construction, under §2.A of HB 1319

ORDER APPROVING REQUEST

On April 21 and 23, 2008, Virginia Electric and Power Company ("Virginia Power" or "Company") filed with the State Corporation Commission ("Commission") a "request[] to participate in a pilot project for the construction of underground 230 kV transmission facilities for a portion of the transmission line previously approved by the [Commission] in Case No. PUE-2005-00018, and for approval to construct such underground transmission facilities, including associated termini stations [('Request')]."[1]

Virginia Power states that "[d]uring its 2008 Session, the Virginia General Assembly passed, and Governor Kaine signed into law on April 2, 2008, House Bill 1319, which establishes a pilot program for the placement of new transmission lines of 230 kV or less underground, either in whole or in part ('HB 1319')," and that "HB 1319 includes an 'emergency clause' that makes it immediately effective as of April 2, 2008."[2] The Company further asserts that the following language in HB 1319 identifies the Commission's prior approval of an overhead Pleasant View-Hamilton transmission line (Case No. PUE-2005-00018) "as a qualifying project for the pilot program:"

[1] Request at 1.

[2] *Id.* at 2-3. House Bill 1319, as signed by the Governor, is now designated as Chapter 799 of the 2008 Virginia Acts of Assembly.

> 'a transmission line of 230 kilovolts or less that has received a certificate of public convenience and necessity from the [Commission] prior to the effective date of this act that approved construction of an electrical transmission line in a right of way located upon land owned by a regional park authority used by the general public for park and recreation purposes. . . .
>
> * * *
>
> The Commission shall approve the underground construction of one contiguous segment of the transmission line that is approximately 1.8 miles in length that was previously approved for construction upon or immediately adjacent to the right of way of the regional park authority, provided that the underground construction shall be located within the boundaries of such existing right of way upon the land owned by the regional park authority, excluding any substation or transition locations which may be required as a part thereof. The Commission shall make a finding establishing the termini of the underground portion of the line. The remainder of the construction for the previously approved transmission line shall be aboveground pursuant to the terms of the certificate of public convenience and necessity.'[3]

Virginia Power's Request further sets forth, among other things: (1) the approximately 1.7 mile portion of the line that it proposes to construct underground within Company-owned right-of-way along the W&OD Trail;[4] (2) the two terminal stations that would be constructed for this purpose; and (3) a $25.6 million cost estimate (in 2007 dollars) for this underground pilot program.

On April 29, 2008, the Commission's Staff filed a memorandum of completeness, which states that the Request is complete as of April 23, 2008, that it complies with the technical requirements established by HB 1319, and that it contains information sufficient to enable the Commission to make the finding required in HB 1319.

On April 29, 2008, a Request to Intervene to Request to Participate in Pilot Project, and for Approval of Underground Transmission Line Construction, Under §2.A of HB 1319 ("Request to Intervene") was filed by "the owners of all legal interests, other than deeds of trust liens, of several parcels of land immediately to the north of the proposed underground line, including owners of the parcel proposed as the northern terminal station site"[5] ("Interveners"). The Interveners ask that the Commission:

> a. authorize [Virginia Power] to accept at no cost to [Virginia Power] or the ratepayers of the Commonwealth, the grant of an easement for an *underground* transmission line, consistent with [the changes in the Request to Intervene]; and
>
> b. approve [Virginia Power's] request to participate in the proposed pilot project, subject to the extension of the underground transmission line and relocation, to the north, of the proposed terminal site, as set forth [in the Request to Intervene]; and
>
> c. grant such other and further relief, as it deems just and proper.[6]

NOW THE COMMISSION, upon consideration of this matter, approves the Company's Request.

House Bill 1319 mandates specific action by the Commission in response to a request that satisfies the requirements thereof. To wit, HB 1319 includes the following directives (emphasis added):

- Notwithstanding any other law to the contrary, as a part of the pilot program established pursuant to this act, the [Commission] *shall approve* as a qualifying project a transmission line of 230 kilovolts or less that has received a certificate of public convenience and necessity from the [Commission] prior to the effective date of this act that approved construction of an electrical transmission line in a right of way located upon land owned by a regional park authority used by the general public for park and recreation purposes. . . .
- 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 section.
- The Commission *shall not* require the submission of additional technical and cost analyses as a condition of its approval. . . .
- The Commission *shall approve* the underground construction of one contiguous segment of the transmission line that is approximately 1.8 miles in length that was previously approved for construction upon or immediately adjacent to the right of way of the regional park authority, provided that the underground construction shall be located within the boundaries of such existing right of way upon the land owned by the regional park authority, excluding any substation or transition locations which may be required as a part thereof.
- The Commission *shall make* a finding establishing the termini of the underground portion of the line.

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[3] *Id.* (quoting HB 1319).

[4] The W&OD Trail is owned by a regional park authority used by the general public for park and recreation purposes.

[5] Request to Intervene at 1.

[6] *Id.* at 5 (emphasis in original).

- 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 approval for constructing the above-described portion of the previously approved electrical transmission line as a double circuit underground shall not impair or delay the implementation of the certificate of public convenience and necessity and *no further notice, testimony, or hearings shall be required in connection with such approval*.

As a result of the specific language of the act, we must determine only whether the Request complies with HB 1319 and, if it does, we must approve the Request. House Bill 1319 further directs that the Commission: (1) shall not require the submission of additional technical and cost analyses as a condition of such approval; and (2) shall not be required to perform any further analysis as to the impacts of this route. In addition, HB 1319 prohibits the Commission from requiring any further public notice, testimony, or hearings in connection with approving the Request.

In order to grant the Interveners' Request to Intervene, the Commission must, at a minimum, (1) perform further analysis as to the impacts of this route, and (2) establish a hearing to consider the evidence supporting the request submitted by the Interveners. As set forth above, however, HB 1319 prohibits the Commission from taking these actions. Rather, if the Request complies with HB 1319, we must approve it within 30 days.

Given the plain language of the act, the law governing this case bars this Commission from developing any evidentiary record upon which this Commission could base a decision to locate the underground route anywhere other than where (1) permitted by HB 1319, and (2) proposed by the Company in a request pursuant thereto. The 30-day period in which the law requires this Commission to act on Virginia Power's Request further serves to proscribe any action by this Commission other than to approve or to disapprove the Request, as filed.

We find that the Request, which includes establishing the termini of the underground portion of the Pleasant View-Hamilton transmission line (Case No. PUE-2005-00018), complies with the requirements established by HB 1319.

Finally, we note that this Order Approving Request is without prejudice in that it permits, but does not obligate, the Company to construct the underground portion of this line as set forth in its Request. That is, Virginia Power is free to file a subsequent request, if it chooses, again under HB 1319, changing its intended route for the underground portion of the line; and if such request complies with HB 1319, we must approve it within 30 days.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Virginia Power's Request, under HB 1319, to participate in a pilot project for the construction of underground 230 kV transmission facilities for a portion of the transmission line previously approved by the Commission in Case No. PUE-2005-00018, and for approval to construct such underground transmission facilities including associated termini stations, is approved.

(2) The Interveners' Request to Intervene to Request to Participate in Pilot Project, and for Approval of Underground Transmission Line Construction, Under §2.A of HB 1319, is denied.

(3) This matter is dismissed.

CASE NO. PUE-2008-00029
AUGUST 8, 2008

PETITION OF
LONG HOLLOW WATER DEVELOPMENT CO.

For a declaratory order or approval of a transfer of utility assets pursuant to Chapter 5 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On May 22, 2008, Long Hollow Water Development Co. ("Long Hollow" or "Petitioner") completed a petition with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code") for a declaratory order or for approval of a transfer of utility assets.

Long Hollow is a non-profit corporation organized and existing under the laws of the Commonwealth of Virginia. Long Hollow currently owns a water system located in Rockbridge County, Virginia, which serves approximately 232 customers.

The Rockbridge County Public Service Authority ("PSA") is a body politic and corporate that was created by the Rockbridge County Board of Supervisors in 1966 to manage water and sewer services for county residents.

Long Hollow and the PSA have entered into a Water System Asset Transfer Agreement Between Rockbridge County Public Service Authority and Long Hollow Water Development Company ("Agreement") whereby Long Hollow will transfer certain assets constituting a water system serving customers in Rockbridge County ("Assets") to the PSA. The Assets will be transferred to the PSA at no cost. After such transfer, Long Hollow will be dissolved and will no longer exist. Long Hollow requests an order declaring that the proposed transfer of Assets does not require Commission approval or, alternatively, approval to dispose of the Assets. Under the Agreement, Long Hollow is responsible for service to customers until the transfer is completed, after which the PSA will become the service provider.

For Long Hollow, the purpose of the proposed transfer is to allow Long Hollow to, dispose of an aging water system that is in need of upgrades to provide adequate service that meets Virginia Department of Health ("VDH") regulations. In addition, portions of the system are within an area of proposed Virginia Department of Transportation ("VDOT") road and drainage improvements. The Petitioner states that, if Long Hollow owns the

infrastructure at the time of those improvements, Long Hollow must pay all associated costs to relocate the water infrastructure while publicly-owned infrastructure can be relocated at a lower cost. Prior to December 30, 2005, operation of the water system had been performed by part-time personnel, upon which, Long Hollow and the PSA entered into a Management and Operation Agreement for Long Hollow Water System ("Operation Agreement"). The PSA is currently operating and managing the water system pursuant to the Operation Agreement. The Petitioner states that Long Hollow does not have the resources to continue to operate and maintain the aging system.

For the PSA, the purpose of the proposed transfer is to obtain a water system at no cost that it can upgrade at reduced costs in order to provide better water services to county residents. As stated above, the PSA has been operating the water system for over two and a half years under the Operation Agreement. VDOT intends to advertise for the road work along the Long Hollow water system on July 10, 2012. If the PSA owns the system at that time, it will be able to work with VDOT to provide upgrades during the project to the betterment of the water system. Ownership by the PSA will bring more significant and dedicated resources and expertise to the operation and management of this system.

The Petitioner represents that the customers of Long Hollow will benefit from the proposed transfer because the water system will be owned by a governmental entity that will be able to continue to finance necessary additions and to provide continued reliable service at reasonable rates.

NOW THE COMMISSION, upon consideration of the petition and representations of the Petitioner and having been advised by its Staff, is of the opinion and finds that the proposed transfer constitutes a transfer of utility assets as defined in § 56-89 of the Code and, therefore, requires Commission approval before such transfer is to take place. Further, the Commission finds that the proposed transfer will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Although the Petitioner did not request to cancel its certificate of public convenience and necessity ("CPCN"), Long Hollow's CPCN should be cancelled upon receiving a Report of Action ("Report") indicating that the proposed transfer has been completed.

Accordingly, IT IS ORDERED THAT:

(1) The Petitioner's request for a declaratory order finding that the proposed transfer of utility assets does not require Commission approval, pursuant to § 56-89 of the Code, is hereby denied.

(2) Pursuant to §§ 56-89 and 56-90 of the Code, the Petitioner is hereby granted approval of the transfer of utility assets, as described herein.

(3) Within ninety (90) days of completing the transfer, the Petitioner shall file a Report with the Commission. Such Report shall include the date of the transfer and the actual transfer price.

(4) Certificate W-198 shall be cancelled upon the filing of the Report of Action ordered above.

(5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUE-2008-00030
MAY 12, 2008

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For Approval to Issue Debt Securities

ORDER GRANTING AUTHORITY

On April 25, 2008, Virginia-American Water Company ("Applicant" or the "Company"), filed an application with the Virginia State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia. In its application, the Company requests authority to issue promissory notes ("Notes") to an affiliate, American Water Capital Corporation ("AWCC"), from time to time through December 31, 2008.[1] Applicant paid the requisite fee of $250.

In its application, the Company requests authority to issue to AWCC up to $5,000,000 in Notes. The terms of the Notes' interest rates, timing of payments, maturity dates, and other such issues will mirror the terms set forth in the securities to be issued by AWCC. The proceeds will be used for one or more of the following purposes: the repayment of all or a portion of the Company's outstanding short-term debt; the repayment at maturity of outstanding long-term debt; the call of debt previously issued to AWCC as outlined in the divestiture filing Case No. PUE-2006-00057; the purchase, acquisition and/or construction of additional properties and facilities as well as improvements to the Company's existing utility plant; and for general corporate purposes.

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, the application should be approved, subject to provisions of the affiliates' Financial Services Agreement, entered March 31, 2008, in Case No. PUE-2007-00116.

IT IS ORDERED THAT:

(1) Applicant is hereby authorized to issue and sell up to $5,000,000 in promissory notes to AWCC, under the terms and conditions and for the purposes set forth in the application. All ordering provisions of the Order Granting Authority issued March 31, 2008, in Case No. PUE-2007-00116 shall remain in effect.

[1] Pursuant to the Commission's Order Granting Authority, dated Match 31, 2008, in Case No. PUE-2007-00116, Virginia American Water Company's existing affiliate agreement is set to expire December 31, 2009.

(2) Applicant shall file a preliminary Report of Action within ten (10) days after the issuance of any security pursuant to this Order to include the type of security, the issuance date, the amount of the issue, the interest rate or yield, the maturity date, and any securities retired with the proceeds.

(3) On or before March 1, 2009, Applicant shall file a Final Report of Action to include details concerning all financing activities completed pursuant to this authority. Such report shall include a summary of the information required in the preceding ordering paragraph, in addition to a breakeven analysis showing that the retiring of any debt prior to maturity was cost beneficial to the Company, and a comparison of the interest rate on the debt issued to the affiliate against the interest rate available to the Company from non-affiliated sources.

(4) The authority granted herein shall have no implications for ratemaking purposes.

(5) This matter shall be continued, subject to the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUE-2008-00031
MAY 5, 2008

JOINT APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE
AND
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER

For revision of certificates under the Utility Facilities Act

ORDER FOR REVISION OF CERTIFICATES

On March 17, 2008, Northern Neck Electric Cooperative ("NNEC") and Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power") submitted to the Division of Energy Regulation of the State Corporation Commission ("Commission") letters, along with copies of detailed maps, requesting a revision to Certificate E-K55 for NNEC and Dominion Virginia Power to change their respective boundary lines between their service territories. These documents were filed in the above-captioned case on April 30, 2008.

NNEC and Dominion Virginia Power have reached an agreement for the adjustment of the electric utility service territory boundary line between them as it relates to one property in Westmoreland County owned by Mr. James W. Dodd. Mr. Dodd's property is in Dominion Virginia Power's territory, and Dominion Virginia Power has tried unsuccessfully to obtain the necessary easements for the line extension to serve Mr. Dodd's property.

NNEC and Dominion Virginia Power have determined that it is in the best interest of the affected property owner to be served by NNEC whose facilities are in close proximity to Mr. Dodd's property. Mr. Dodd has purchased adjoining land to allow NNEC an easement to serve his property. The joint applicants, therefore, request the Commission to approve the changes and to revise their respective service territory boundary lines accordingly.

NOW THE COMMISSION, having considered the joint application, is of the opinion and finds that it is in the public interest to amend Certificate E-K55 for NNEC and Dominion Virginia Power, as requested. We are advised that the property owner affected by the proposed revisions has notice thereof and is in agreement with the requested revision of boundary lines.

Accordingly, IT IS ORDERED THAT:

(1) Certificate E-K55 for NNEC is hereby amended as delineated on Map K55.

(2) Certificate E-K55 for Dominion Virginia Power is hereby amended as delineated on Map K55.

(3) The amended certificates and maps shall be sent to NNEC and Dominion Virginia Power by the Division of Energy Regulation forthwith.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUE-2008-00033
MAY 8, 2008

APPLICATION OF
THE POTOMAC EDISON COMPANY D/B/A ALLEGHENY POWER

For an increase in its electric rates pursuant to Va. Code §§ 56-249.6 and 56-582 and, alternatively, request to modify Memorandum of Understanding and Order in Case No. PUE-2000-00280

ORDER FOR NOTICE AND HEARING

On April 30, 2008, the Potomac Edison Company d/b/a/ Allegheny Power ("Allegheny," "AP" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") in which it seeks to increase its Virginia retail electric rates. Specifically, the Application seeks the Commission's approval of the Company's proposed "Levelized Purchased Power Factor" ("Factor") for the period July 1, 2008 through June 30, 2009.

The Application proposes three alternative methods for calculating the Company's Factor. Under one method producing a factor of $0.02351 per kWh, the Company's recovery of purchased power costs during the period July 1, 2008 through December 31, 2008 would be based upon the methodology approved by the Commission in Case No. PUE-2007-00085; recovery for the period January 1, 2009 through June 30, 2009 would reflect the Company's actual projected purchased power costs during that six month period. According to the Application, this Factor, if approved, would result in an annual increase of $73 million for the rate effective period, including the true-up for the period December 20, 2007 through June 30, 2008.[1]

The second method proposed by the Company would produce a Factor of $0.02911 per kWh. That method would utilize (i) for the period July 1, 2008 through December 31, 2008, a calculation method proposed by the Company in Case No. PUE-2007-00085 but not adopted by the Commission, and (ii) for the period January 1, 2009 through June 30, 2009, the Company's actual projected purchased power costs for that six month period. The Company states in its Application that this Factor, if approved, would result in an annual increase of $90.3 million for the rate effective period.[2]

Finally, the Company has proposed for the Commission's consideration, a third Factor of $0.04285 per kWh that would, according to the Application, allow the Company to recover fully its actual projected purchased power costs during the period July 1, 2008 through June 20, 2009. According to the Company, this Factor, if approved, would result in an annual increase of $132.9 million for the rate effective period.[3] The Company also states in its Application that it "would also welcome (and hereby requests) an appropriate phase-in of the increase in rates (one that defers the rate impact on customers but still makes the Company whole over time) if the Commission determines that one is necessary in order for it to be able to grant meaningful rate relief in this proceeding."[4]

The Company states, however, that full purchased power cost recovery from July 1, 2008 onward is "both necessary and appropriate." The Company further requests that the Commission "exercise any and all authority it has to approve the largest possible recovery that the Commission determines to be justified."[5] Additionally, the Company asserts its intent "that this Application leave no stone unturned and no avenue of possible relief foresworn, and the Company prays the Commission to accept and rule on the Application in that same spirit."[6]

To that end, Allegheny's Application sets out several "avenues of possible relief" to underpin its request for full recovery of its purchased power costs beginning July 1, 2008. The Company variously asserts that (i) a Factor that does not recover the Company's actual costs incurred to serve its customers is not just and reasonable, and that the Commission's legislative ratemaking authority must be exercised in a just and reasonable manner; (ii) the Memorandum of Understanding ("MOU") governing the Company's recovery of its fuel costs, including costs of purchased power, since this Commission's approval thereof on July 11, 2000[7] "by its explicit terms" is no longer applicable to the Company following December 31, 2008, when capped rates and default service end; (iii) if the MOU has continued applicability through the end of 2008 and potentially thereafter, the Commission should (a) exercise its "legislative discretion" to provide the Company "full recovery of purchased power costs" beginning on July 1, 2008 pursuant to § 56-249.6 of the Code, or (b) amend the MOU and its underlying 2000 Order to allow for the Company's full recovery of its purchased power costs beginning on July 1, 2008; and (iv) the Commission could recognize that the Company is experiencing a "financial emergency" and grant it immediate rate relief under § 56-245 or § 56-582 B (iii) of the Code.[8] The Company also invokes the federal filed rate doctrine, asserts that the Commission's June 2007[9] and December 2007[10] Orders "now have resulted in an unconstitutional taking of the Company's assets," and declares that the plain language of the Fifth Enactment Clause of Senate Bill 1416 (enacted by the 2007 Virginia General Assembly) does not prohibit the Commission from allowing the Company's full recovery of its purchased power costs. Finally, the Company requests that, to the extent applicable, the Commission waive its bidding rules, 20 VAC 5-301-20.[11]

In sum, the Company has requested on the basis of alternative calculation methodologies that it be permitted to increase its Factor to $0.02351, $0.02911, or $0.04285 per kWh for all sales in Virginia beginning July 1, 2008 with such increase to remain in effect through June 30, 2009, and for such additional or alternative relief as may be appropriate.

NOW THE COMMISSION, upon consideration of the Application, dockets this proceeding, requires public notice, establishes a procedural schedule for this case, and schedules a public hearing. In addition, we will permit the Company to place an interim Factor into effect on July 1, 2008,

[1] Application at 9.

[2] *Id.* at 10.

[3] *Id.* Testimony supporting the Application states that on March 17, 2008, the Company awarded 24 bids for full requirements service. Twelve bids were for the period June 1, 2008 through December 31, 2008, and twelve bids were for the term January 1, 2009 through May 31, 2009.

[4] *Id.* at 11.

[5] *Id.* at 11.

[6] *Id.*

[7] *Application of The Potomac Edison Co. d/b/a/ Allegheny Power,* Order Approving Phase I Transfers, Case No. PUE-2000-00280, 2000 SCC Ann. Rept. 530 (July 11, 2000).

[8] Section 56-245 of the Code authorizes the Commission to provide temporary rate relief to a public utility upon the showing of an emergency; the relief is limited to nine months with a possible three-month extension if so ordered by the Commission. Section 56-582 B (iii) authorizes the Commission to adjust an incumbent electric utility's capped rates upon a showing of "any financial distress of the utility beyond its control."

[9] *Application of the Potomac Edison Company, d/b/a/ Allegheny Power,* Case No. PUE-2007-00026, Order Denying Application (June 28, 2007).

[10] *Application of the Potomac Edison Company, d/b/a/ Allegheny Power,* Case No. PUE-2007-00085, Final Order (December 20, 2007).

[11] The Company also discusses, in a footnote, purchased power costs for the period July 1, 2007 to June 30, 2008. Application at 2 n.1. To be clear, however, the Application and this proceeding are limited to AP's requested Factor for the twelve months beginning July 1, 2008.

corresponding, in part, to the methodology approved by this Commission in Case No. PUE-2007-00085. The interim Factor, subject to refund, shall be $0.02351 per kWh for bills rendered on and after July 1, 2008.

Further, the Commission notes that the resolution of at least one key legal issue—one of first impression—may affect both the conduct and the outcome of this proceeding. The Company asserts "financial distress" as a basis for adjusting its capped rates and permitting the full recovery of its purchased power costs beginning July 1, 2008. Until the Company's filing in this docket, § 56-582 B (iii) had not been invoked by any Virginia electric utility as a basis for adjusting its capped rates, and § 56-245 has been invoked very infrequently. Moreover, the statute contains no definition of the term "financial distress" nor does it explain how the Commission is to evaluate and consider such a claim. We will ask the Company, respondents and Staff to address in legal memoranda how the Commission should review this request for relief pursuant to § 56-245 or § 56-582 B (iii) of the Code. The parties and Staff may also address in these briefs any other legal issues raised by the Application that could affect the conduct and outcome of this case. We will also hold oral argument on these legal issues after the briefs have been filed.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) The Company's Application is docketed as Case No. PUE-2008-00033.

(2) A public hearing shall be convened on October 21, 2008 at 10:00 a.m. in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive comments from members of the public and to receive evidence on the Application. Any person not participating as a respondent may give oral testimony concerning the Application as a public witness at the hearing. Public witnesses desiring to make statements at the public hearing concerning this Application need only appear in the Commission's second floor courtroom in the Tyler Building at the address set forth above prior to 10:00 a.m. on the day of the hearing and sign up to speak.

(3) The Company shall forthwith make copies of its Application, prefiled testimony, and exhibits available for public inspection during regular business hours at all Company offices in Virginia where customer bills may be paid. Interested persons may also review copies of AP's Application in the Commission's Document Control Center, located in the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia between the hours of 8:15 a.m. and 5:00 p.m. Monday through Friday. Interested persons may also access unofficial copies of the Application through the Commission's Docket Search portal at http://www.scc.virginia.gov/case. A copy of the Company's Application may also be obtained by requesting a copy of the same from counsel for AP: Richard D. Gary, Esquire, Hunton & Williams, LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23218-4074. AP shall make copies available on an electronic basis upon request.

(4) On or before May 30, 2008, the Company shall cause a copy of the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout its service territory:

NOTICE TO THE PUBLIC OF APPLICATION BY
THE POTOMAC EDISON COMPANY (ALLEGHENY POWER)
FOR INCREASES IN ITS ELECTRIC RATES PURSUANT
TO VIRGINIA CODE SECTIONS 56-249.6 AND 56-582 AND,
ALTERNATIVELY, REQUEST TO MODIFY MEMORANDUM
OF UNDERSTANDING AND ORDER
IN CASE NO. PUE-2000-00280
CASE NO. PUE-2008-00033

On April 30, 2008, The Potomac Edison Company d/b/a Allegheny Power ("AP," "Allegheny" or "Company") filed, pursuant to the provisions of §§ 56-249.6 and 56-582 of the Code of Virginia ("Code"), an application with the State Corporation Commission ("Commission") seeking to make changes to its capped rates for electric service to its retail customers in Virginia. This is Case No. PUE-2008-00033.

AP requests in this application that it be permitted to charge a fuel and purchased power adjustment factor effective on and after July 1, 2008. According to the Company, the revised rates will result in a cumulative annual increase in charges to its Virginia retail customers of ranging from approximately $73 million to $133 million, depending on the method for calculating the increase approved by the Commission. AP states that such an increase is allowed and supported by Virginia Code §§ 56-582 and 56-249.6 and, if necessary, a modification of a prior memorandum of understanding, or on the basis of several other legal theories AP has offered for the Commission's consideration. Complete details of the Company's proposal are available in the application, which may be obtained as set out below.

The Commission has set the application for public hearing, beginning at 10:00 a.m., on October 21, 2008, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. Any person not participating as a respondent may give testimony concerning the application as a public witness by appearing at the hearing and signing up to speak.

Persons desiring to participate as respondents shall file an original and fifteen (15) copies of a notice of intent to participate as a respondent on or before June 12, 2008, with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No. PUE-2008-00033. At the same time, one copy of such notice shall be served on counsel for AP, Richard D. Gary, Esquire, Hunton & Williams, LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23218-4074.

On or before October 14, 2008, interested persons wishing to comment on the Company's Application may file written comments concerning the Application with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No. PUE-2008-00033 in any such comments. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

The Commission has issued an Order for Notice and Hearing ("Order") concerning the Company's application. The Order establishes dates for persons interested in participating as respondents to file notices of participation, for the filing of testimony by respondents and the Commission Staff, and procedures for discovery. The Order further establishes a briefing schedule for the Commission's consideration of key legal issues affecting the conduct and outcome of this case. Persons desiring to participate as respondents should obtain a copy of the Order from the Commission's web address: http://www.scc.virginia.gov/case and follow the instructions set out therein.

Official copies of the application are available for public inspection at AP's business offices in the Commonwealth, and, during regular business hours, at the Commission's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, or may be obtained at no charge by written request to counsel for AP at the address listed above. Unofficial copies of the application may be reviewed at the Commission's website at the web address listed above.

THE POTOMAC EDISON COMPANY

(5) On or before May 30, 2008, the Company shall serve a copy of this Order on the Chairman of the Board of Supervisors and county attorney of each county and upon the mayor or manager (or equivalent official) of every city and town in which the Company provides service. Service shall be made by first-class mail or express delivery to the customary place of business or residence of the person served.

(6) On or before June 12, 2008, any person desiring to participate as a respondent shall file with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, an original and fifteen (15) copies of a notice of participation as a respondent. Such persons shall simultaneously serve one copy of such notice on the counsel to the Company: Richard D. Gary, Esquire, Hunton & Williams, LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23218-4074. Pursuant to 5 VAC 5-20-80 B of the Commission's Rules of Practice and Procedure, 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.

(7) 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, a copy of the Application, and all materials filed with the Commission, unless these materials have already been provided to the respondent.

(8) On or before June 5, 2008, the Company may supplement its Application with additional legal argument in a memorandum addressing how the Commission should consider its assertion of "financial distress" and its request for relief pursuant to § 56-245 or § 56-582 B (iii) of the Code.

(9) On or before June 12, 2008, the Staff shall, and each respondent may, file with the Commission legal memoranda responding to the legal issues raised in the Application and supplemental brief filed by the Company, addressing how the Commission should consider Allegheny's assertion of "financial distress" and its request for relief pursuant to § 56-245 or § 56-582 B (iii) of the Code, as well as any other legal issues raised by the Application that could affect the conduct and outcome of this case.

(10) On or before June 19, 2008, the Company may file with the Commission a reply memorandum concerning such issues.

(11) The Commission will receive oral argument on the legal issues raised by the Application and the memoranda filed by the Company, Staff and any respondents on July 3, 2008 at 10:00 a.m. in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

(12) On or before September 5, 2008, each respondent may file with the Clerk of the Commission, an original and fifteen (15) copies of any testimony and exhibits it expects to offer at the hearing and shall serve copies of the testimony and exhibits on counsel to AP and on all other respondents.

(13) On or before October 14, 2008, interested persons wishing to comment on the Company's Application may file written comments concerning the Application with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No .PUE-2008-00033 in any such comments. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

(14) The Commission Staff shall investigate the reasonableness of the Company's Application herein. On or before September 16, 2008, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of the Staff's testimony and exhibits concerning the Application, and shall promptly serve a copy on counsel to the Company and all respondents.

(15) On or before October 7, 2008, Allegheny shall file with the Clerk of the Commission an original and fifteen (15) copies of any rebuttal testimony that the Company expects to offer in rebuttal to the testimony and exhibits of the respondents and the Commission Staff, and shall on the same day serve one copy on Staff and all respondents.

(16) At the commencement of the evidentiary hearing scheduled herein, the Company shall provide proof of service and notice as required in this Order.

(17) The Company and respondents shall respond to written interrogatories within seven (7) calendar days after receipt of the same. Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure.

(18) Pursuant to § 12.1-31 of the Code of Virginia and 5 VAC 5-20-120 of the Commission's Rules of Practice and Procedure, the Commission assigns a Hearing Examiner to rule on any discovery matters that may arise in this proceeding.

(19) The Company may recover an interim Levelized Purchase Power Factor, subject to refund, of $0.02351 per kWh effective with bills rendered on and after July 1, 2008.

(20) This matter is continued for further orders of the Commission.

CASE NO. PUE-2008-00033
MAY 20, 2008

APPLICATION OF
THE POTOMAC EDISON COMPANY D/B/A ALLEGHENY POWER

For an increase in its electric rates pursuant to Va. Code §§ 56-249.6 and 56-582 and, alternatively, request to modify Memorandum of Understanding and Order in Case No. PUE-2000-00280

CORRECTING ORDER

In the Order for Notice and Hearing entered herein on May 15, 2008, there is reference at the top of such Order to the date "May 8, 2008." The correct date for the Order, however, should be "May 15, 2008."

IT IS THEREFORE ORDERED THAT:

(1) The reference to the date at the top of the Order shall be corrected to read "May 15, 2008."

(2) All other provisions of the Order for Notice and Hearing entered May 15, 2008, shall remain in full force and effect.

CASE NO. PUE-2008-00033
JULY 3, 2008

APPLICATION OF
THE POTOMAC EDISON COMPANY D/B/A ALLEGHENY POWER

For an increase in its electric rates pursuant to Va. Code §§ 56-249.6 and 56-582 and, alternatively, request to modify Memorandum of Understanding and Order in Case No. PUE-2000-00280

CLARIFYING ORDER

On May 15, 2008, the State Corporation Commission ("Commission") entered an Order for Notice and Hearing ("Order") in this matter. Among other things, the Order permitted The Potomac Edison Company (the "Company") to "place an interim Factor into effect on July 1, 2008, corresponding, in part, to the methodology approved by this Commission in Case No. PUE-2007-00085. The interim Factor, subject to refund, shall be $0.02351 per kWh for bills rendered on and after July 1, 2008." In its application, the Company requested the Commission to approve a Factor for the period of service from July 1, 2008, to June 30, 2009. The May 15 Order is, however, silent as to whether such interim Factor applies only to bills rendered after July 1, 2008 or to all service rendered after July 1, 2008. The intent of the Order was to establish the interim rate increase consistent with the Company's request to raise rates on an interim basis effective for service on and after July 1, 2008.

Accordingly, IT IS ORDERED THAT:

(1) The Order for Notice and Hearing, dated May 15, 2008, be amended to provide that the interim Factor, subject to refund, shall be $0.02351 per kWh for service rendered on and after July 1, 2008, as such service is reflected on bills rendered on and after that date.

(2) All other provisions of the Order for Notice and Hearing entered May 15, 2008, shall remain in full force and effect.

CASE NO. PUE-2008-00033
JULY 18, 2008

APPLICATION OF
THE POTOMAC EDISON COMPANY D/B/A ALLEGHENY POWER

For an increase in its electric rates pursuant to Va. Code §§ 56-249.6 and 56-582 and, alternatively, request to modify Memorandum of Understanding and Order in Case No. PUE-2000-00280

ORDER

On April 30, 2008, The Potomac Edison Company d/b/a/ Allegheny Power ("Allegheny," "AP," "Potomac Edison," or "Company") filed an application with the State Corporation Commission ("Commission") in which it seeks to increase its Virginia retail electric rates ("Application"). Specifically, the Application seeks the Commission's approval of the Company's proposed Levelized Purchased Power Factor ("Factor") for the period July 1, 2008, through June 30, 2009.

The Application proposed three alternative methods for calculating the Company's Factor. Under one method producing a Factor of $0.02351 per kWh, the Company's recovery of purchased power costs during the period July 1, 2008, through December 31, 2008 ("2008 Period") would be based upon the methodology approved by the Commission in Case No. PUE-2007-00085; recovery for the period January 1, 2009, through June 30, 2009 ("2009 Period") would reflect the Company's actual projected purchased power costs during that six-month period. According to the Application, this

Factor, if approved, would result in an annual increase of $73 million for the rate effective period, including the true-up for the period December 20, 2007, through June 30, 2008.[1]

The second method proposed by the Company would produce a Factor of $0.02911 per kWh. That method would utilize (i) for the 2008 Period, a calculation method proposed by the Company in Case No. PUE-2007-00085 but not adopted by the Commission, and (ii) for the 2009 Period, the Company's actual projected purchased power costs for that six-month period. This Factor, if approved, would result in an annual increase of $90.3 million for the rate effective period.[2]

Finally, the Company proposed a third Factor of $0.04285 per kWh that would, according to the Application, allow the Company to recover fully its actual projected purchased power costs during both the 2008 and 2009 Periods. This Factor, if approved, would result in an annual increase of $132.9 million for the rate effective period.[3] The Company further stated in its Application that it "would also welcome (and hereby requests) an appropriate phase-in of the increase in rates (one that defers the rate impact on customers but still makes the Company whole over time) if the Commission determines that one is necessary in order for it to be able to grant meaningful rate relief in this proceeding."[4]

The Company asserts that full purchased power cost recovery from July 1, 2008, onward is "both necessary and appropriate."[5] The Company requests that the Commission "exercise any and all authority it has to approve the largest possible recovery that the Commission determines to be justified."[6] In addition, the Company states its intent "that this Application leave no stone unturned and no avenue of possible relief foresworn, and the Company prays the Commission to accept and rule on the Application in that same spirit."[7]

To that end, the Application sets out several "avenues of possible relief" in support of Allegheny's request for full recovery of its purchased power costs beginning July 1, 2008. The Company asserts that: (i) a Factor that does not recover the Company's actual costs incurred to serve its customers is not just and reasonable, and that the Commission's legislative ratemaking authority must be exercised in a just and reasonable manner; (ii) the Memorandum of Understanding ("MOU") governing the Company's recovery of its fuel costs, including costs of purchased power, "by its explicit terms" is no longer applicable to the Company following December 31, 2008, when capped rates and default service end; (iii) if the MOU has continued applicability through the end of 2008 and potentially thereafter, the Commission should (a) exercise its "legislative discretion" to provide the Company "full recovery of purchased power costs" beginning on July 1, 2008, pursuant to Va. Code § 56-249.6, or (b) amend the MOU and its underlying 2000 Order[8] to allow for the Company's full recovery of its purchased power costs beginning on July 1, 2008; and (iv) the Commission could recognize that the Company is experiencing a financial emergency and financial distress, and grant it immediate rate relief under Va. Code §§ 56-245 or 56-582 B (iii) of the Code.[9] The Company also invokes the federal filed rate doctrine, asserts that the Commission's June 2007[10] and December 2007[11] Orders "now have resulted in an unconstitutional taking of the Company's assets," and declares that the plain language of the Fifth Enactment Clause of Senate Bill 1416 (enacted by the 2007 Virginia General Assembly) does not prohibit the Commission from allowing the Company's full recovery of its purchased power costs. Finally, the Company requests that, to the extent applicable, the Commission waive its bidding rules, 20 VAC 5-301-20.[12]

On May 15, 2008, the Commission issued an Order for Notice and Hearing that, among other things: (1) established a procedural schedule for this case; (2) scheduled a public hearing for October 21, 2008, to receive comments from members of the public and evidence on the Application; (3) required the Company to provide notice of its Application; (4) directed the filing of legal memoranda and scheduled oral argument thereon for July 3, 2008;[13] and (5) permitted the Company to recover an interim Factor, subject to refund, of $0.02351 per kWh effective for service rendered on and after July 1, 2008, which represents an annual rate increase of approximately $73 million.

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[1] Application at 9.

[2] *Id.* at 10.

[3] *Id.*

[4] *Id.* at 11.

[5] *Id.*

[6] *Id.* at 11.

[7] *Id.*

[8] *Application of The Potomac Edison Co. d/b/a/ Allegheny Power,* Order Approving Phase I Transfers, Case No. PUE-2000-00280, 2000 SCC Ann. Rept. 530 (July 11, 2000) ("*July 11, 2000 Order*").

[9] Application at 11-13.

[10] *Application of The Potomac Edison Co. d/b/a Allegheny Power,* Order Denying Application, Case No. PUE-2007-00026, 2007 SCC Ann. Rept. 416 (June 28, 2007) ("*June 2007 Order*").

[11] *Application of The Potomac Edison Co. d/b/a Allegheny Power*, Final Order, Case No. PUE-2007-00085, 2007 SCC Ann. Rept. 490 (Dec. 20, 2007) ("*December 2007 Order*").

[12] The Company also discusses, in a footnote, purchased power costs for the period July 1, 2007, through June 30, 2008. Application at 2 n.1. However, as noted in our May 15, 2008 Order for Notice and Hearing, the Application and this proceeding are limited to Allegheny's requested Factor for the twelve months beginning July 1, 2008.

[13] On June 13, 2008, in response to a motion filed by Allegheny, the Commission issued an Order giving Allegheny additional time to file its responsive legal memorandum.

On May 20, 2008, the Commission's Staff ("Staff") filed a Motion for Summary Order Prohibiting Payment of Dividend. On June 10, 2008, Allegheny filed a response thereto, and on June 23, 2008, Staff filed a reply.

The following parties filed notices of participation on or before June 12, 2008: Fifteen (15) local businesses working in coordination with the Frederick County Industrial Development Authority ("Consumers");[14] System Local No. 102, Utility Workers Union of America, AFL-CIO; and the Office of the Attorney General's Division of Consumer Counsel ("Attorney General"). The following filed legal memoranda as directed by the Commission's orders in this proceeding: Allegheny; Consumers; Attorney General; and Staff.

The Commission held oral argument as scheduled on July 3, 2008, at which the following were represented by counsel: Allegheny; Consumers; Attorney General; and Staff.

NOW THE COMMISSION, upon consideration hereof, is of the opinion and finds as follows.

Memorandum of Understanding

In 2000, AP sought Commission approval of AP's plan to divest its generating units to an affiliate. The Company was not required by any Virginia law to divest its generation. Rather, Va. Code § 56-590 *prohibits* the Commission from requiring an electric utility, such as AP, to divest itself of any generation. The decision to divest was a decision made by the Company, and that decision created a number of risks for ratepayers. To induce the Commission to approve divestiture, AP proffered – and urged the Commission to adopt – the MOU. In the MOU, AP addressed the risks to ratepayers by, *inter alia*, agreeing to absorb the risk that retail fuel rates may be lower than AP's purchased power costs.[15] The Commission approved AP's proposed divestiture subject to the requirements of the MOU.[16]

Paragraph (2) of the MOU states as follows:

> Allegheny Power will not file an application to increase its base rates prior to January 1, 2001. Except for the fuel cost adjustments provided for in the July 18, 2000 Stipulation No. 2 filed in this proceeding, Allegheny Power agrees to forego any other fuel cost adjustments during the capped rate period. Exceptions to capped rates and the legislatively mandated rate freeze will continue as specified in the [Virginia Electric Utility Restructuring Act, Va. Code §§ 56-576 *et seq.*, ('Act' or 'Restructuring Act')] or as in the Act may be changed or modified. Revisions to rates due to permitted exceptions under the legislation will be based only on the incremental costs of those exceptions. Additional services currently not included in the rate cap level could be established under a separate proceeding.[17]

Paragraph (4) of the MOU states as follows:

> Allegheny Power will contract for generation sufficient to meet its default service obligations at rates set in accordance with the current Act or as the Act may be changed or modified until the Company's obligation to provide default service terminates. For ratemaking purposes, including any request to increase frozen rates due to financial distress, Virginia default service load will first be deemed to be served from a finite portion of the GENCO's[18] generation facilities, in an amount up to 367 MW, which equals the Virginia load now reflected in the allocation of AP's generation costs to Virginia retail customers. During the rate cap period, pricing of the 367 MW will be based on the Virginia unbundled frozen generation rate. After the rate cap period, pricing of the 367 MW will be based on the then current generation costs of the portion of the existing system dedicated to serve retail Virginia load.[19]

In approving Allegheny's requested divestiture under the terms of the MOU, the Commission explained that AP's rates would be established as follows:

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[14] The Consumers, collectively and individually, are as follows: Berryville Graphics, Inc.; Dupont; H.P. Hood, Inc.; Monoflo International, Inc.; New World Pasta; O'Sullivan Films, Inc.; Pactiv; Quebecor World; R.R. Donnelley; Rubbermaid Commercial Products; Southeastern Container Corporation; The Shockey Companies, Inc.; Toray Plastics (America), Inc.; Trex Company; and Valley Health Systems.

[15] The Commission's *June 2007 Order* noted that in testifying to the MOU in 2000, Allegheny further explained this risk as follows:

> '[T]he Company . . . bears all risks concerning future fuel price fluctuations through 2007 and beyond if the Company continues to have default service obligations. . . . [I]f the Company is required to provide default service load after 2007, it agrees to do so at an updated embedded cost generation rate throughout the undefined default service period. The Company's agreement to provide generation service through the undefined default service period is a significant operating risk.'

See June 2007 Order at 422 (quoting Rebuttal Testimony of Steve L. Klick at 3, 6, Case No. PUE-2000-00280 (July 17, 2000)).

[16] *See July 11, 2000 Order; Application of The Potomac Edison Co. d/b/a Allegheny Power*, Order Approving Elimination of Fuel Factor and Establishing Capped Rates, Case No. PUE-2000-00280, 2000 SCC Ann. Rept. 532 (July 26, 2000).

[17] MOU at 1.

[18] GENCO is the affiliate of AP to which the Company proposed to transfer its generation assets.

[19] *Id.* (footnote added).

> The Commission is further of the opinion and finds that the representations and undertakings set forth in the MOU, as supplemented, provide satisfactory assurance that the public interest will be protected and that the 'incumbent electric utility's generation assets or their equivalent' will remain available for electric service during the default service period. The Company has agreed during the capped rate period to price generation at its frozen unbundled generation rate. For the period in which it is obligated to provide default service following the expiration of the capped rate period, generation service rates will be based on the Company's then-current generation cost of the portion of that generating system that it makes use of to meet its default service load. Should GENCO divest itself of any of the units, the Company agrees that on-going generation rates will reflect costs from those units at the time of their divestiture, escalated if necessary to reflect current costs.[20]

2004 Amendments to the Restructuring Act

In 2004, the General Assembly amended § 56-582 of the Act and extended the capped rate period to December 31, 2010.[21] In addition, when the General Assembly extended capped rates in 2004, it further modified § 56-582 in part as follows:

> The Commission may adjust such capped rates in connection with the following: (i) utilities' recovery of fuel and purchased power costs pursuant to § 56-249.6, and, if applicable, in accordance with the terms of any Commission order approving the divestiture of generation assets pursuant to § 56-590. . . .
> . . .
> Any adjustments pursuant to § 56-249.6 and clause (i) of this subsection by an incumbent electric utility that transferred all of its generation assets to an affiliate with the approval of the Commission pursuant to § 56-590 prior to January 1, 2002, shall be effective only on and after July 1, 2007.[22]

The MOU, in turn, expressly allows for certain rate adjustments pursuant to subsequent modifications of the Act:

- Paragraph (2) of the MOU provides that AP will benefit from exceptions to capped rates "as specified in the [Act] *or as in the Act may be changed or modified*."[23]
- Paragraph (4) of the MOU provides that AP will continue to meet its default service obligations "at rates set in accordance with the current Act or as the Act may be changed or modified."[24]
- Paragraph (4) of the MOU also has specific ratemaking provisions tied to "367 MW, which equals the Virginia load now reflected in the allocation of AP's generation costs to Virginia retail customers."[25]

The Commission has previously held that under the 2004 amendments to the Act, "Allegheny may seek recovery, in accordance with the MOU, of purchased power cost adjustments effective on and after July 1, 2007."[26] The Commission further held that under the terms of the Act and the MOU, AP can recover purchased power costs in accordance with the ratemaking provisions of Paragraph (4) of the MOU:

> The 2004 amendments represent a change or modification to the Act recognized by, and 'in accordance with,' the MOU. Accordingly, we must next determine the *amount* of purchased power costs that AP may recover 'in accordance with' the ratemaking provisions in Paragraph (4) of the MOU.[27]

The Commission then applied the ratemaking provisions of the MOU, approved a rate increase in accordance therewith, and explained that such approval "implements the provisions of the MOU (i) permitting rate changes pursuant to subsequent modifications of the Act, and (ii) establishing ratemaking provisions for load above 367 MW in accordance with Paragraph (4) of the MOU."[28]

2007 Amendments to the Restructuring Act

In 2007, the General Assembly further amended the Act and brought to a close Virginia's legislative initiative to make retail electric generation supply competitive in the Commonwealth. In doing so, the 2007 amendments, among other things, addressed both "capped rates" and "default service."

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[20] *July 11, 2000 Order* at 532.

[21] *See, e.g.,* Application at 3.

[22] Va. Code § 56-582 B. Allegheny is the *only* electric utility in the Commonwealth "that transferred all of its generation assets to an affiliate with the approval of the Commission pursuant to § 56-590 prior to January 1, 2002."

[23] MOU at 1 (emphasis added).

[24] *Id.* (emphasis added).

[25] *Id.*

[26] *December 2007 Order* at 493.

[27] *Id.* (emphasis in original).

[28] *Id.* at 494.

First, those amendments shorten the capped rate period: "The capped rates established pursuant to this section shall expire on December 31, 2008. . . ."[29] Second, the 2007 amendments also terminate default service on December 31, 2008: "Availability of *default service* shall expire upon the expiration or termination of capped rates."[30]

The statutory termination of default service directly impacts the MOU. Specifically, and as noted above, Paragraph (4) of the MOU explicitly states that "Allegheny Power will contract for generation sufficient to meet its *default service* obligations at rates set in accordance with the current Act or as the Act may be changed or modified until the Company's obligation to provide *default service* terminates" (emphasis added).

Under the 2007 amendments to the Act, the Company's obligation to provide default service statutorily terminates on December 31, 2008. As a matter of law, both "capped rates" and "default service" as used in the MOU have been abolished by statute, and are null, void and no longer in effect, after December 31, 2008. Accordingly, the MOU's continuing ratemaking provisions – which expressly apply to default service – expire on December 31, 2008 along with the expiration of default service.

In addition, we note that Enactment Clause 5 to the 2007 amendments states as follows:

> That nothing in this act shall be deemed to modify or impair the terms, unless otherwise modified by an order of the State Corporation Commission, of any order of the State Corporation Commission approving the divestiture of generation assets that was entered pursuant to § 56-590 of the Code of Virginia.[31]

This enactment clause does not alter or prohibit our findings herein. As the Commission has explained in two prior cases involving Allegheny, this enactment clause continues explicitly to preserve the MOU.[32] Thus, the enactment clause preserves the MOU, as written, for as long as it would have effect *by its own terms*. The enactment clause did not create new rights or obligations, nor did it change the definition of the terms in the MOU referencing those in the Act, nor did it shorten or lengthen any time frames set forth elsewhere in the 2007 amendments to the Act – such as the expiration dates for capped rates and default service – that are incorporated into the MOU. This enactment clause, rather, preserved the Commission's order approving divestiture (which encompassed the MOU); it in no manner altered the express provisions included therein.

Finally in this regard, we cannot accept the legal position put forth by Staff and the Attorney General suggesting that the Commission can simply re-define the term "default service" in the MOU to mean the Company's continuing obligation to serve after "default service" statutorily terminates.[33] This would modify the MOU and extend indefinitely the MOU's ratemaking provisions, when such provisions now end on December 31, 2008, under their own terms. The MOU was voluntarily proffered and agreed to by Allegheny and was ordered by the Commission as a requirement for approving AP's requested divestiture in 2000. For this Commission to re-define the material terms of the MOU as Staff and the Attorney General request, without Allegheny's concurrence, would obviously terminate the voluntary character of the MOU.

Therefore, in sum, we find that as a matter of law the MOU's ratemaking provisions expire on December 31, 2008.

Current Proceeding

In its Application, Allegheny asks for a Factor for service rendered from July 1, 2008, through June 30, 2009.[34] As discussed above, based on the MOU and the 2004 and 2007 amendments to the Act: (1) for service during the 2008 Period, the Factor is calculated pursuant to Paragraph (4) of the MOU using the methodology set forth in our *December 2007 Order*;[35] and (2) for service during the 2009 Period, the MOU is no longer applicable. These findings affect the issues remaining in the case – but are only the beginning of the analysis that is required of the Commission in this proceeding. Specifically, in response to the Application filed by Allegheny, the Commission must receive evidence and further legal argument to set the Factor for the 2008 and 2009 Periods. For the 2008 Period, and in response to AP's assertions, the Commission must determine whether the Factor should reflect a rate *higher* than that calculated pursuant to the methodology approved in the *December 2007 Order*. For the 2009 Period, the Commission must determine whether the Factor should reflect a rate *lower* than AP's projected wholesale purchased power costs.

For example, to support full recovery of its projected wholesale purchased power costs, the Company asserts that: (i) the "Commission acts to set rates in its legislative capacity . . . and must do so in a just and reasonable manner;" (ii) a "Factor that does not reflect the actual costs incurred to serve [its] Virginia customers is not just and reasonable and is not consistent with the provisions of Va. Code § 56-249.6;" (iii) "the Commission may (and should) exercise its legislative discretion under Va. Code § 56-582 B to adjust Potomac Edison's capped rates to allow for full recovery of purchased power costs beginning as of July 1, 2008 pursuant to Va. Code § 56-249.6;" (iv) "the Commission may (and should) amend the MOU and its underlying 2000 Order to allow for full recovery of purchased power costs pursuant to Va. Code § 56-249.6 if it deems that to be necessary to allow for a full recovery of purchased power costs beginning as of July 1, 2008;" (v) the Commission should exercise its legislative discretion and permit rate relief under Va. Code §§ 56-245 (*i.e.*, emergency) and 56-582 B (iii) (*i.e.*, financial distress) "to maintain the Company's ability to provide safe and reliable electric service to its Virginia customers;" (vi) the "federal filed rate doctrine fully authorizes, and indeed mandates, the full recovery, through retail rates, of power purchased from the wholesale market;" and (vii) the Commission's orders "now have resulted in the unconstitutional taking of the Company's assets[and t]his taking, as clearly

[29] Va. Code § 56-582 F.

[30] Va. Code § 56-585 A (emphasis added).

[31] 2007 Va. Acts Ch. 888 and 933, 5th Enactment Clause.

[32] *December 2007 Order* at 495; *June 2007 Order* at 424.

[33] *See, e.g.,* Staff's June 12, 2008 legal memorandum at 14-15; Attorney General's June 12, 2008 legal memorandum at 15.

[34] Application at 27.

[35] *See December 2007 Order* at 493-494.

demonstrated in this Application and in the testimony of Company witness Joensen, includes an approximate negative 64% return on equity in Virginia in 2008, a projected negative 99% return in 2009, projected cash flows over those two years of negative $148.7 million and an unmitigated and significant erosion of the Company's assets."[36]

Furthermore, in exercising our legislative discretion to set a Factor in this case, Va. Code § 56-249.6 D 2 requires 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 [(emphasis added)].

Similarly, rate adjustments under Va. Code § 56-582 B (iii), as requested by the Company, are limited to "financial distress of the utility *beyond its control*" (emphasis added).

Accordingly, based on the pleadings filed to date, relevant questions for establishing the Factor herein include, but are not necessarily limited to, the following:

- Has AP made every reasonable effort to minimize fuel costs?
- Has any decision of AP resulted in unreasonable fuel costs?
- Is AP's alleged financial distress beyond its control?
- Was it reasonable for AP not to return generation to regulated rate base in Virginia – *as it did in West Virginia* – in order to insulate both the Company and Virginia ratepayers from an undue reliance on wholesale markets?
- Was it reasonable for AP *not* to enter into a cost-based power supply agreement ("PSA") with its affiliate – AE Supply – that encompassed AP's indefinite requirement to provide default service at rates set by the MOU?
- Was it reasonable for the Company to rely solely on wholesale market purchases to serve its default service load and its Virginia customers?
- Have AP and its affiliates complied with the affiliate arrangements approved by the Commission in granting divestiture?
- Should the Commission revise and/or amend its approval of the affiliates arrangement whereby AP transferred its generating assets to AE Supply and require AP to return the divested units – or their reasonable equivalent – to Virginia rate base (and at what cost)?
- Should the Commission order AP to build generation to serve its Virginia customers and to reduce its reliance on wholesale purchases?
- Did the Company's alleged rate of return result from one or more unreasonable managerial decisions?
- Can the Commission consider AP's claims of financial distress and confiscation without considering factors not included in the Application, such as: (a) the impact of returning divested units or their equivalent to Virginia rate base; (b) the actual or imputed profitability to AP of its divestiture; (c) the profitability of the generating units since divestiture; (d) the financial health of AP's affiliated companies; and (e) a comprehensive review of all of AP's costs and revenues?
- Did the Company agree to a retail rate set in accordance with the MOU – *i.e.*, a different rate than otherwise may have been required by the federal filed rate doctrine – (a) only until July 1, 2007, or (b) for as long as AP remained a default service provider?[37]

These questions appear *prima facie* material to the findings we must make under Va. Code §§ 56-249.6 D 2 and 56-582 B (iii). Thus, we expect the evidence and arguments of the participants to address these and any other material issues during the remainder of this proceeding.

Indeed, the participants have set forth a number of assertions related to such inquiries, including:

- "When faced with a similar situation in West Virginia – another state where Potomac Edison divested its jurisdictional generation to AE Supply – Potomac Edison presented a plan that effectively returns generation to regulated rate base in order to insulate ratepayers from what the Company itself characterized as an 'undue reliance' on wholesale markets."[38]
- "Whereas Potomac Edison found a way to return 593 megawatts of generation – including pumped storage capacity located in Virginia – to West Virginia rate base, not one megawatt has been offered for Virginia rate base."[39]

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[36] Application at 12-13 (citations omitted).

[37] *See, e.g.,* AP's June 26, 2008 legal memorandum at 34-35; Tr. 54-55 (AP counsel Gary).

[38] Attorney General's June 12, 2008 legal memorandum at 8-9 (footnote omitted).

[39] *Id.* at 10 (footnote omitted).

- "Potomac Edison should be required to prove that 100% purchased power is an economic generation mix or that the Company has taken every reasonable step to pursue a rebalanced generation portfolio."[40]

- "The Commission should use its constitutional authority to address the cause of Potomac Edison's grave assertions, and not just the symptoms."[41]

- "'A state commission is not precluded [by the filed rate doctrine] . . . from reviewing the prudence of a wholesale purchase that was made at [federally]-approved rates if the purchaser had other legal choices available.'"[42]

- "[T]he Third Circuit recognized that 'an imprudent managerial decision affecting the company's rate of return cannot serve as the basis for an argument that the [state commission's] rate-making rises to the level of confiscatory activity.'"[43]

- When AP and its affiliates requested approval of its divestiture from the Federal Energy Regulatory Commission ("FERC"), it assured FERC that "'Potomac's retail ratepayers in Virginia cannot be impacted by the proposed transfer, [and that the] AE operating companies are parties to a cost-based system [PSA] which permits them to rely on system resources to serve bundled retail and wholesale loads.'"[44]

- "The mutual decision of the affiliates to contract for power at rates not compliant with the MOU was a voluntary act, was made in full cognizance that the obligation to contract at the MOU's rates for 'generation sufficient to meet its default service obligations' had not terminated, but indeed extended indefinitely, and that the pricing limitation agreed upon for the capped rate period had been extended by legislative action of the Virginia General Assembly."[45]

- "[Since July 1, 2007] the affiliates arrangement between Potomac Edison and AE Supply has not been in compliance with the Commission's initial approval granted in the July 11, 2000 Order, and the Commission may act to 'revise and amend the terms and conditions thereof . . . to protect the public interest' [and the] statutes give the Commission broad authority to fashion an appropriate remedy to an affiliate arrangement that has not been continued as approved."[46]

- "Potomac Edison agreed to acquire and, by its participation in the affiliate arrangement whereby it obtained title to the generation assets, AE Supply obligated itself to supply, if needed, the quantity of power and at the price agreed upon in the MOU which underpins their affiliate arrangement."[47]

- "It is apparent that the affiliates have not maintained the arrangement the Commission originally approved."[48]

- Based on the Application as filed, the Commission cannot "evaluate the financial condition of [AP's] business in a comprehensive manner."[49]

- The Commission should "look at the entire picture instead of the small window of information Allegheny has revealed in its Application and memoranda, as it considers whether Allegheny is truly in financial distress and whether this financial distress is truly beyond its control."[50]

AE Supply

Staff, the Attorney General, and Consumers assert that information regarding the cost of service of the generating units transferred to AE Supply is relevant to this proceeding, and Staff further states that the "Commission should direct AE Supply to participate fully in this proceeding. . . ."[51] Based on the matters identified above, we find that such cost information is relevant to this case.[52] We will not at this time, however, direct AE Supply to become a

[40] *Id.* at 14.

[41] *Id.* at 12.

[42] *Id.* at 24-25 n.54 (citation omitted).

[43] *Id.* at 24 (citation omitted).

[44] Staff's June 12, 2008 legal memorandum at 6 (citation omitted).

[45] *Id.* at 7-8.

[46] *Id.* at 9-10.

[47] *Id.* at 16 (footnote omitted).

[48] *Id.* at 12.

[49] *Id.* at 2.

[50] Consumers' June 12, 2008 legal memorandum at 8.

[51] *See, e.g.,* Staff's June 12, 2008 legal memorandum at 20; Attorney General's June 12, 2008 legal memorandum at 20-21, 25; Consumers' June 12, 2008 legal memorandum at 10.

[52] For example, such information may be relevant in determining a reasonable fuel cost if AP (1) did not make every reasonable effort to minimize fuel costs, (2) made any decision that resulted in unreasonable fuel costs, (3) is in financial distress that is not beyond its control, and/or (4) did not comply with the

party to this proceeding. Rather, AP and/or AE Supply must make relevant information available absent such action. For example: (1) the Commission has continuing supervisory control over the affiliate contracts and arrangements previously approved between AP and AE Supply;[53] (2) in approving an affiliate arrangement with AP and AE Supply, the Commission has "reserve[d] the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by the Commission;"[54] and (3) AP previously committed to provide such information as part of the MOU, when it agreed that "[a]fter the rate cap period, pricing of the 367 MW will be based on the then current generation costs of the portion of the existing system dedicated to serve retail Virginia load."[55] In addition, and consistent with the questions listed above, we note that further participation by AE Supply may be warranted in relation to evaluating Allegheny's claims of financial distress and confiscation.

Additional Filings

As noted by the Commission during oral argument, the agreements attendant to transferring the generating units from AP to an affiliate, and any PPAs between AP and an affiliate, are likewise relevant to this case. As directed below, the Company shall file such documents in this proceeding within seven calendar days from the date of this Order.[56]

In addition, Va. Code § 56-599 B requires electric utilities, including AP, to file an integrated resource plan ("IRP") with the Commission by September 1, 2009. The IRP must set forth, among other things, the utility's plan to meet its load obligations. Virginia Code § 56-599 E further states that "the Commission shall make a determination as to whether an IRP is reasonable and is in the public interest." Accordingly, the Commission will address the Company's IRP in one or more subsequent proceedings. In the instant proceeding, however, the participants have raised serious questions – now – regarding AP's apparent plan to meet 100% of its load obligations through wholesale market purchases. As a result, we herein direct the Company to file in this proceeding, within fourteen calendar days from the date of this Order, its specific plans for meeting its projected load obligations in its Virginia territory after December 31, 2008, including, but not limited to, its plans and schedules: (1) for returning generation to AP's Virginia rate base; and (2) for building new generation that would be placed in AP's Virginia rate base and that would be used to serve Virginia consumers at rates provided for in the 2007 amendments to the Act.

Motion for Summary Order Prohibiting Payment of Dividend

We will hold in abeyance Staff's May 20, 2008 Motion for Summary Order Prohibiting Payment of Dividend. The Company states that it "has no financial ability and no intention of reinstituting the dividend given its current financial distress."[57] In addition, we herein order AP to provide Staff with written and electronic notice that the Company is considering payment of a dividend at least 30 days prior to such payment.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Within seven (7) calendar days from the date of this Order, Allegheny shall file: (a) all agreements, and any amendments thereto, related to the transfer of Allegheny's generating units to an affiliate; and (b) all purchased power agreements, and any amendments thereto, entered into between Allegheny and any affiliate.

(2) Within fourteen (14) calendar days from the date of this Order, Allegheny shall file its specific plans for meeting its projected load obligations in its Virginia territory after December 31, 2008, including, but not limited to, its plans and schedules: (a) for returning generation to Allegheny's Virginia rate base; and (b) for building new generation that would be placed in Allegheny's Virginia rate base and that would be used to serve Virginia consumers at rates provided for in the 2007 amendments to the Act.

(3) Staff's May 20, 2008 Motion for Summary Order Prohibiting Payment of Dividend is held in abeyance.

(4) Allegheny shall provide the Commission's Office of General Counsel and Division of Economics and Finance with written and electronic notice that the Company is considering payment of a dividend at least 30 days prior to such payment.

(5) This matter is continued.

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affiliate arrangements approved by the Commission in 2000. This information also may be relevant to revising approval of affiliates agreements and to returning divested units or their equivalent to Virginia rate base.

[53] Va. Code § 56-80.

[54] *Application of The Potomac Edison Co. d/b/a Allegheny Power*, Order Granting Approval, Case No. PUE-2003-00257, 2003 SCC Ann. Rept. 526, 528 (Sept. 16, 2003).

[55] MOU at 1 (Paragraph (4)).

[56] We make no finding as to whether any prior filings by AP in this docket are responsive to the specific directive ordered herein.

[57] AP's June 10, 2008 response at 2.

CASE NO. PUE-2008-00033
NOVEMBER 26, 2008

APPLICATION OF
THE POTOMAC EDISON COMPANY D/B/A ALLEGHENY POWER

For an increase in its electric rates pursuant to Va. Code §§ 56-249.6 and 56-582 and, alternatively, request to modify Memorandum of Understanding and Order in Case No. PUE-2000-00280

ORDER

On April 30, 2008, The Potomac Edison Company d/b/a/ Allegheny Power ("Allegheny," "AP," "Potomac Edison," or "Company") filed an application with the State Corporation Commission ("Commission") in which it seeks to increase its Virginia retail electric rates ("Application"). Specifically, the Application seeks the Commission's approval of the Company's proposed Levelized Purchased Power Factor ("LPPF") for the period July 1, 2008, through June 30, 2009.

The Application proposed three alternative methods for calculating the Company's Factor. Under one method producing a Factor of $0.02351 per kWh, the Company's recovery of purchased power costs during the period July 1 through December 31, 2008, would be based upon the methodology approved by the Commission in its December 20, 2007 Final Order in Case No. PUE-2007-00085 ("December Order"); recovery for the period January 1 through June 30, 2009, would reflect the Company's actual projected purchased power costs during that six-month period.

On May 15, 2008, the Commission issued an Order for Notice and Hearing ("May 15 Order") that, among other things: (1) established a procedural schedule for this case; (2) scheduled a public hearing for October 21, 2008, to receive comments from members of the public and evidence on the Application; (3) required the Company to provide notice of its Application; (4) directed the filing of legal memoranda and scheduled oral argument thereon for July 3, 2008;[1] and (5) permitted the Company to recover an interim LPPF, subject to refund, of $0.02351 per kWh effective for service rendered on and after July 1, 2008, which represents an annual net revenue increase of approximately $63.4 million.

The following parties filed notices of participation on or before June 12, 2008: Fifteen (15) local businesses working in coordination with the Frederick County Industrial Development Authority ("Consumers");[2] System Local No. 102, Utility Workers Union of America, AFL-CIO; and the Office of the Attorney General's Division of Consumer Counsel ("Attorney General").[3] The following filed legal memoranda as directed by the Commission's orders in this proceeding: Allegheny; Consumers; Attorney General; and Staff. The Commission held oral argument as scheduled on July 3, 2008, at which Allegheny, Consumers, the Attorney General and Staff were represented by counsel and offered argument on the questions noted in the May 15 Order.

The Commission issued an Order on July 18, 2008 ("July 18 Order"), resolving preliminary legal issues. The Commission concluded that, among other things, under amendments enacted in 2007 to the Virginia Electric Utility Restructuring Act ("Act"), the Company's obligation to provide default service statutorily terminates on December 31, 2008. Accordingly, the Commission found, as a matter of law, that both "capped rates" and "default service" have been abolished by statute, and are null, void and no longer in effect, after December 31, 2008. Accordingly, the continuing ratemaking provisions contained in an agreement[4] proposed by Allegheny and adopted by the Commission in an earlier proceeding[5] wherein Potomac Edison divested its generation plants - and which expressly apply to default service - expire on December 31, 2008, with the expiration of default service.

Our July 18 Order also posed additional questions the Commission desired the participants to address in subsequent filings. We further directed the Company to file certain information relevant to our evaluation of its strategy for meeting its ongoing power supply obligations to its jurisdictional customers in the Commonwealth. The Company filed a number of documents in response to this directive.

On July 28, 2008, Allegheny filed a Motion to Amend and Supplement Application. In the Motion, the Company requested permission to amend and supplement its application to include the under-recovery of the Company's purchased power costs for the period of July 1, 2007 – December 19, 2007 utilizing the methodology approved in the December Order.

On August 1, 2008, the Attorney General filed a Motion to Extend the Procedural Schedule. Also on August 1, 2008, the Company filed the supplemental testimonies of Company witnesses Robert B. Reeping and Mark A. Joensen, which detail the Company's specific plans for meeting its projected load obligations in its Virginia territory, in accordance with the Commission's July 18, 2008 Order.

On August 6, 2008, the Commission issued an Order on Motions. The Order granted Allegheny's Motion to Amend and Supplement its application and granted the Attorney General's Motion to Extend the Procedural Schedule. The Order rescheduled the filing of respondent, Staff, and Company rebuttal testimony, and rescheduled the hearing to November 18, 2008.

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[1] On June 13, 2008, in response to a motion filed by Allegheny, the Commission issued an Order giving Allegheny additional time to file its responsive legal memorandum.

[2] The Consumers, collectively and individually, are as follows: Berryville Graphics, Inc.; Dupont; H.P. Hood, Inc.; Monoflo International, Inc.; New World Pasta; O'Sullivan Films, Inc.; Pactiv; Quebecor World; R.R. Donnelley; Rubbermaid Commercial Products; Southeastern Container Corporation; The Shockey Companies, Inc.; Toray Plastics (America), Inc.; Trex Company; and Valley Health Systems.

[3] The Commission also received over 20 written and electronic comments opposing the Application.

[4] The Memorandum of Understanding or "MOU."

[5] *Application of The Potomac Edison Co. d/b/a Allegheny Power,* Order Approving Phase I Transfers, Case No. PUE-2000-00280, 2000 SCC Ann. Rept. 530 (July 11, 2000) ("*July 11, 2000 Order*").

On October 9, 2008, the Staff and Allegheny filed a Joint Motion to Extend Filing Dates, requesting an extension of one week for the filing of Staff's testimony and Allegheny's rebuttal testimony, citing ongoing negotiations. The Commission issued an Order Granting Joint Motion to Extend Filing Dates on October 10, 2008, extending the date for the filing of Staff's testimony to October 21, 2008, and Allegheny's rebuttal testimony to November 11, 2008. Prefiled testimony was submitted by the Attorney General and Staff and the Company filed rebuttal.

On October 21, 2008, the Commission convened a hearing for the sole purpose of receiving testimony from any public witnesses. No public witnesses appeared.

The public hearing in this matter re-convened on November 18, 2008, at which time the participants - Potomac Edison, the Attorney General, and Staff - advised the Commission that they, along with the Consumers, had negotiated a settlement Stipulation, attached to this Order, that resolved pending issues and that proposed LPPFs for the period beginning July 1, 2008, and extending through June 30, 2011. Company witnesses Joensen, Reeping, and Robert Sloan explained various provisions of the Stipulation and responded to questions from the Commission. Attorney General witness Scott Norwood and Staff witnesses Thomas Lamm and Lawrence Thomas Oliver also testified and responded to questions from the Commission regarding the Stipulation's provisions. The Stipulation, together with the Application and all prefiled direct, supplemental and rebuttal testimonies were admitted to the record without cross-examination from any of the case participants, per their agreement.

The Stipulation provides, among other provisions, that:

(1) The current LPPF ($0.02351 per kWh) established by our Order of May 15, 2008, will remain in effect until June 30, 2009;

(2) For residential customers and smaller commercial customers taking service under rate schedules R, C or G, the LPPF shall increase, beginning July 1, 2009, by the lesser of either 15% or the amount necessary to permit the Company full recovery of its purchased power costs. For ratemaking purposes, 100 MW (876,000 megawatt-hours) of power purchased to serve these customers will be priced at $55 per MW or at the average actual cost of all purchased power, whichever is less, for the period July 1, 2009, through June 30, 2011. If the actual average cost of purchased power exceeds $55 per MW, customers in these rate schedules will receive credits to reflect the difference in average actual price and 100 MW priced at $55 per MW.

(3) For industrial or larger commercial customers taking service under rate schedules PP and PH, the LPPF shall increase, beginning July 1, 2009, to the level necessary to permit the Company full recovery of its purchased power costs, minus the lesser of either (a) 50% of the amount needed to reach such full recovery level, or (b) $15 million. For these customers, the LPPF will be adjusted again, beginning January 1, 2010, to the level that permits full recovery of purchased power costs to serve these customers. Customers in these rate schedules are eligible to request energy efficiency services "beginning with detailed audits to determine the systems or processes with the greatest potential for energy savings"[6] from an independent energy service company, with costs of such service, at up to $10,000 per customer but not more than $150,000 in aggregate, borne by Allegheny. The Company will not defer or seek any underrecovery of costs that may result from application of the foregoing LPPFs.

(4) Allegheny shall procure power necessary to supply its customers during the period ending June 30, 2011, by means of a competitive bid process, and will seek bids from market participants to supply twelve, 50 MW, blocks of power for terms of various lengths, including but not limited to, 12, 13, and 25 months. On or before September 1, 2009, the Company will also prepare and file with the Commission a comprehensive integrated resource plan ("IRP") in which it commits to evaluate a full range of options to meet its ongoing supply obligations. Such options will include acquisition or construction of generation assets.

NOW THE COMMISSION, having considered the testimony, the pleadings of record, the Stipulation and the applicable laws and regulations, is of the opinion and finds that the Stipulation negotiated among and signed by the indicated participants, and offered by them for our consideration herein represents a fair and reasonable resolution of the issues before us in this case and is consistent with the laws and facts governing this matter. Accordingly, we will approve and adopt the Stipulation as part of this order.

As noted above, in 2000 we permitted Potomac Edison to divest its generating assets to an affiliated company, conditioned upon and subject to certain ratemaking agreements contained in the MOU approved and adopted in that case. Changes to Virginia law enacted in 2007 had the effect of terminating those ratemaking provisions, as we ruled in our July 18 Order.[7] Terms of the Stipulation we approve herein will partially replace those ratemaking provisions, at least for those periods noted above. Allegheny is presently the only investor-owned Virginia electric utility with no generation assets of its own. It has been, and will continue for some time at least, to be completely dependent on purchases of power from the wholesale market to meet its customers' retail power requirements. Prices for power in the wholesale market are subject to the oversight of and regulation by the Federal Energy Regulation Commission ("FERC"), whose present policy is to allow the operation of regional wholesale markets (in Allegheny's case, the PJM wholesale market), rather than actual costs of power production, to determine such prices. By contrast, under Virginia law in effect prior to July 1, 1999, and beginning again on January 1, 2009, this Commission has determined and will determine retail power prices on a cost of production basis.

Both Attorney General Witness Norwood[8] and Staff Witness Lamm[9] called into question Allegheny's stated intention in its pre-filed testimony to meet 100% of the load forecasted for its Virginia service territory through short-term purchased power contracts.[10] Throughout this proceeding we have raised questions regarding Allegheny's intention to depend totally on purchased power to serve Virginia load. A plan to serve Virginia customers in the future solely from short-term purchased power contracts does not give us a high level of confidence that Virginians will receive security of supply at reasonable rates that our citizens have a right to expect from a monopoly provider of electricity.

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[6] Stipulation, Paragraph 8 e.

[7] The Attorney General has filed an appeal of this order, but as part of the Stipulation, will withdraw that appeal.

[8] Exhibit 11, at 6-7, 15-17, 19, 23-25.

[9] Exhibit 12, at 12-13.

[10] Exhibit 5, Reeping Supplemental Testimony, Answers 4A, 5A, 6A, 7A.

We are pleased that Allegheny has agreed in the Stipulation to "actively [consider] both shorter term and longer term generation supply options, including but not limited to generation acquisition and self build options…" and that Allegheny "will solicit longer term products and resources, including acquisition of existing generation capacity, through a separate RFP process" that will be submitted to Staff and Attorney General no later than January 31, 2009.[11]

Virginia law requires the Commission to "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," while giving due regard to reliability of service, 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.[12] We expect the IRP that Allegheny will file in 2009 to examine rigorously all reasonable alternatives to meet its supply obligations, including, *inter alia*, wholesale purchases of varying term lengths, and production of "electricity generated from generation facilities that it may construct or purchase."[13] The breadth, depth and thoroughness of the Company's analytical effort in its IRP to evaluate all such supply options, and combinations of such options, can and will be taken into account by the Commission when in future proceedings it considers its obligation, cited above, to permit recovery of purchased power costs only insofar as they have been minimized by "every reasonable effort" of the utility.

Accordingly, IT IS ORDERED THAT:

(1) The Stipulation agreed upon by the signing participants and presented by them for our consideration is hereby adopted and made a part of this Order.

(2) The LPPF implemented by our Order of May 15, 2008, shall remain in effect until June 30, 2009, and shall be adjusted thereafter as set forth in the Stipulation.

(3) On or before 45 calendar days following the close of business each month, the Company shall submit a report with supporting workpapers, to the Commission's Divisions of Energy Regulation and Public Utility Accounting, detailing the actual LPPF monthly and cumulative over- and under-collection positions with respect to the purchased power costs approved herein.

(4) On or before April 30, 2009, Allegheny shall file its application with the Commission for proposed recovery of purchased power costs for service to be rendered for the 12-month period beginning July 1, 2009.

(5) This matter is continued for further orders of the Commission to allow Staff to conduct an accounting audit of the Company's purchase power costs and applicable credits, as well as the recovery position at the end of the audit period.

Commissioner Shannon participated in this matter.

Commissioner Dimitri did not participate in this matter.

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[11] Stipulation Paragraph 8.b.

[12] Virginia Code § 56-249.6 D 2. In this statute, "fuel costs" include the cost of purchased power.

[13] *See*, Virginia Code § 56-598 "Contents of integrated resource plans."

CASE NO. PUE-2008-00034
JUNE 19, 2008

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

ORDER GRANTING AUTHORITY

On May 1, 2008, Kentucky Utilities Company, d/b/a/ Old Dominion Power Company ("Applicant" or the "Company"), filed an application with the State Corporation Commission ("Commission") requesting authority under Chapter 3 of Title 56 of the Code of Virginia ("Code") to issue securities, assume obligations and enter into all necessary agreements to refinance certain tax-exempt pollution control bonds. Applicant paid the requisite fee of $250.

Applicant requests authority to refinance a total of up to eight (8) separate series of outstanding auction rate pollution control bonds (collectively, the "Outstanding Bonds") issued by Mercer County, Kentucky, and Carroll County, Kentucky (collectively, "Issuing Authorities"). The Outstanding Bonds were issued in auction rate mode, which was designed to provide a short-term interest rate on the debt securities that are re-auctioned and re-priced at short-term intervals. Bond insurance was acquired at the time of issuance to facilitate a liquid market of buyers for the periodic re-issuance and re-pricing of the Outstanding Bonds at the time of auction. However, the auction rate security market lost its liquidity after the sub-prime mortgage crisis impaired the credit quality of the underlying bond insurers and severely reduced the buyer interest in auction rate securities.

Applicant states this market development for auction rate securities warrants a restructuring of the Company's Outstanding Bonds. Authority was granted for the Outstanding Bonds to be convertible to a fixed or variable rate interest mode. The Company is evaluating and considering a variety of options in response to market developments. However, the Company believes that refinancing of the Outstanding Bonds with new Refunding Bonds ("Refunding Bonds") may be necessary if actions under its existing authority do not provide an effective and sufficient response to evolving and uncertain market conditions.

Applicant therefore requests authority to enter into one or more loan agreements ("Loan Agreement") with the Issuing Authorities to collateralize, secure payment and affect the issuance of one or more series of new Refunding Bonds, and to incur other ancillary obligations that may be necessary and desirable to enhance the liquidity and cost effectiveness of the Refunding Bonds. The Refunding Bonds would be issued by the same Issuing Authorities for the Outstanding Bonds, with proceeds loaned to the Company to redeem and discharge a corresponding amount of Outstanding Bonds within ninety (90) days of issuance of the Refunding Bonds. Under the terms of the Loan Agreement, Applicant will be required to make payments to Trustee(s) sufficient to pay the principal and interest on the Refunding Bonds. The Company may also be required to issue one or more guarantees in favor of the Trustee(s) to guarantee all or any part of the obligations under the Refunding Bonds for the benefit of the holders of such Refunding Bonds.

To obtain the most advantageous financing based on market conditions at the time of issuance, Applicant requests broad authority to negotiate terms and conditions of the Refunding Bonds to be assumed by the Company. Applicant states that the structure and documentation for the issuance of the Refunding Bonds will be similar to that in other recent pollution control financings approved by the Commission for the Company, except that First Mortgage Bonds will not be used to collateralize the Refunding Bonds. The Refunding Bonds will be sold in one or more underwritten public offerings, negotiated sales, or private placement transactions. Applicant states that compensation for underwriters will not exceed three-quarters of one percent (.75%) of the principal amount of each series of Refunding Bonds to be sold. Excluding underwriting fees, Applicant estimates that other aggregate issuance costs for the Refunding Bonds will be approximately $2.3 million, if all eight series of Outstanding Bonds are refinanced individually. Applicant will make efforts, however, to consolidate transactions to minimize legal and other issuance costs.

The Refunding Bonds may be issued as fixed rate or variable rate debt. If a variable rate option is chosen, the Refunding Bonds would reserve the option to convert any variable rate at a later date to other interest rate modes, including a fixed rate. The Refunding Bonds under a variable rate mode may include a tender purchase provision that would require Applicant to enter into one or more remarketing agreements ("Remarketing Agreement") with one or more remarketing agents. To provide immediate funding to pay for bonds tendered for purchase under its Remarketing Agreement, Applicant may need to enter into one or more liquidity or credit facilities ("Credit Facility") with one or more banks or other financial institutions ("Bank").

In lieu of or in addition to the Credit Facility, Applicant may utilize one or more alternative credit facilities ("Alternative Facility") to provide additional or alternative means of credit support for variable rate Refunding Bonds. A Credit Facility or Alternative Facility may be in the form of a letter of credit, revolving credit agreement, bond purchase agreement, or other similar arrangement through one or more Banks. In connection with any Credit Facility or Alternative Facility, Applicant may also be required to enter one or more agreements ("Credit Agreements") that would require the Company to execute and deliver to the Bank a note evidencing the Company's payment obligations.

Finally, Applicant requests authority to enter into one or more interest rate hedging agreements ("Hedging Facility"). The purpose of the Hedging Facility would be to protect against future interest rate movements when the Refunding Bonds are issued. The Hedging Facility may be in the form of an interest rate cap, collar or similar agreement.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to execute, deliver and perform its obligations under, inter alia, the Loan Agreements with Mercer County and Carroll County, Kentucky and under any guarantees, remarketing agreements, hedging agreements, bond insurance agreements, credit agreements and such other agreements and documents as set forth in its application, including interest rate moderation provisions contained therein, but not limited to, borrowings or advances, and the related repayment or reimbursement obligations, under the Loan Agreements, Current Facilities, and Alternative Facilities in the manner and for the purposes as set forth in its application, through the period ending December 31, 2009.

2) Applicant shall submit a Preliminary Report of Action within ten (10) days after the issuance of any securities pursuant to Ordering Paragraph (1), to include the type of security, the issuance date, the amount issued, the interest rate, and the maturity date.

3) Within sixty (60) days after the end of each calendar quarter in which any of the Refunding Bonds are issued or supporting arrangements are entered into pursuant to Ordering Paragraph (1), Applicant shall file with the Commission a detailed Report of Action with respect to all Refunding Bonds issued during the calendar quarter to include:

(a) The issuance date, type of security, amount issued, interest rate along with any spread, index, and repricing period for a variable rate, date of maturity, issuance expenses realized to date, net proceeds to Applicant;

(b) A summary of the specific terms and conditions of each supporting arrangement related to the Refunding Bonds such as any Credit Facility, Alternative Facility, and Hedging Agreement;

(c) A copy of each Loan Agreement pertaining to all Refunding Bond proceeds received to date, which may be omitted from subsequent reports after initial submission; and

(d) The cumulative principal amount of Refunding Bonds issued to date and the amount remaining to be issued.

4) Applicant shall file a final Report of Action on or before March 31, 2010, to include all information required in Ordering Paragraph (3) along with a balance sheet that reflects the capital structure following the obligations assumed for the Refunding Bonds issued. Applicant's final Report of Action shall further provide a detailed account of all the actual expenses and fees paid to date associated with the Refunding Bonds with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the application.

5) Approval of the application shall have no implications for ratemaking purposes.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUE-2008-00035
OCTOBER 31, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its cogeneration tariff pursuant to PURPA Section 210

FINAL ORDER

On May 1, 2008, Appalachian Power Company ("Appalachian" or "Company") filed an application with the State Corporation Commission ("Commission") for approval to revise its cogeneration and small power production rates under the Company's Schedule COGEN/SPP.[1] The application was filed in response to the Commission's March 24, 2008 Order in Case No. PUE-2007-00008, which required the Company to file an application to revise its cogeneration standard payment schedule with supporting testimony by no later than May 1, 2008.[2]

Under the Public Utility Regulatory Policies Act of 1978 ("PURPA"),[3] the Commission is directed to establish mandatory payments for power purchased from cogeneration and small power production facilities ("qualifying facilities" or "QFs") on the basis of costs avoided by Appalachian when it obtains power from QFs rather than acquiring power from other sources. Appalachian's Schedule COGEN/SPP is the Company's tariff that defines the payments, terms, and conditions of power purchases with a design capacity of 100 kW or less. The Company's avoided cost payment levels in Schedule COGEN/SPP have not been adjusted since March 24, 2008.[4]

The Company's application proposes to use the PJM Real-Time Hourly Total LMP rate applicable for the American Electric Power ("AEP") Zone to determine energy payments made by the Company. The Company is proposing energy payments based on Real-Time rates since the QF facilities are not scheduled resources in PJM's Day-Ahead market.

The Company is proposing to use the Final Zonal Capacity Price from PJM's RPM auction applicable for the AEP Zone as the basis for the capacity rate to pay customers for their capacity contributions. As explained by Company witness Foust, the Final Zonal Capacity Price will be grossed-up for losses to the delivery voltage for payments made to customers, and the Final Zonal Capacity Price, stated in $/MW day, can be found at the Company's website address: http://www.pjm.com/markets/rpm/operations.html.[5] The AEP Zone Capacity Price, adjusted for losses, will be multiplied by the number of days in the billing period and the average demand for the customer during the billing period. The average demand will be determined by dividing the generation provided by the customer for the billing period by the hours in the billing period.

The Company is also proposing to change its COGEN/SPP tariff to eliminate current billing options 1 and 2, which provide for net metering.[6] The proposed COGEN/SPP tariff would retain option 3 as the only method of settlement between the customer and the Company.[7] That method will pay the customer based upon the full output received from the customer's facility, and the customer will pay to the Company the applicable tariff rates for its entire usage. Company witness Foust explains that by removing options 1 and 2, the supplemental, back-up, and maintenance service provisions will no longer be required since the Company is fully compensated for the entire service provided to the customer, and more expensive time-of-day metering will not be required since the Company would be utilizing an average LMP rate for a billing period. Witness Foust adds that the monthly metering charges listed in the Additional Charges section of the tariff are also not needed.[8]

On May 27, 2008, the Commission issued an Order Establishing Cogeneration Proceeding ("Order") which appointed a Hearing Examiner, directed that notice be given, provided for comments or requests for hearing, and directed the Staff to investigate the Company's application and file its Report.

On June 30, 2008, the Company filed proof of notice given as required by the Order. On July 31, 2008, Staff filed its Report, and on August 8, 2008, the Company filed a letter stating that it would not file a formal response or rebuttal testimony to the Staff Report nor seek a hearing. On September 26, 2008, the Report of the Chief Hearing Examiner was filed.

The Staff made its investigation of the application and reviewed the Company's methodology used to calculate avoided cost payments, as well as the applicable forecasting standards. The Staff reported that under the Company's proposed new methodology, avoided cost payments will be based upon actual market prices in the competitive economic PJM environment in which the Company is operating.[9] The Staff noted that the Company was directed to

[1] The Company filed on May 8, 2008, a letter revising certain clerical errors contained in the proposed tariffs submitted as Exhibits LCF-1 and LCF-2 to the prefiled testimony of Company witness Larry C. Foust. A memorandum of completeness was filed by Staff on May 13, 2008.

[2] *Application of Appalachian Power Company, To revise its cogeneration tariff pursuant to PURPA Section 210,* Case No. PUE-2007-00008 (Order, March 24, 2008).

[3] 16 U.S.C.S. § 824a-3.

[4] *Application of Appalachian Power Company, To revise its cogeneration tariff pursuant to PURPA Section 210,* Case No. PUE-2007-00008 (Final Order, March 24, 2008).

[5] Foust testimony at 4.

[6] *Id*. at 5.

[7] *Id.*

[8] *Id*.

[9] Staff Report at 4.

file with the Commission in its 2008 Schedule COGEN/SPP proceeding, QF payments that are based on PJM's energy and capacity market prices, with appropriate safeguards against gaming, if needed. The Staff reported its conclusion that with the simultaneous purchase and sale of power from and to QFs, any gaming by customers will be prevented.

The Staff noted that the Company proposes that it be allowed to stop having to file periodic applications to update Schedule COGEN/SPP rates because its future energy and capacity rates will be based upon market prices. The Staff further noted that under a market regime, as proposed by the Company to determine energy and capacity rates, the standards established by the Commission for evaluating fuel cost projections of electric utilities will no longer be applicable.[10]

The Staff concluded that under the Company's new methodology, the Schedule COGEN/SPP energy and capacity avoided cost payment will be based upon actual market prices and will be appropriate for the competitive economic PJM environment. The Staff further noted that the utilization of market-based rates obviates the need for the Company to file periodic updates to revise the rates contained in the Company's proposed COGEN/SPP tariff. The Staff also concluded that the proposed line loss factors for secondary and primary delivery levels are appropriate.

The Staff does not oppose the changes in methodology proposed by the Company for its Schedule COGEN/SPP tariff and agrees that the filing of periodic updates to the COGEN/SPP market-based rates would not be needed if the Commission accepts the revised QF payment methodology.

The Hearing Examiner reviewed the Company's evidence and Staff Report and found that the Company's proposed methodology in its application is consistent with the Commission's directive in the last case and consistent with QF pricing already approved for other electric utilities in Virginia. The Hearing Examiner found the Company's market-based approach to be fair to small QFs and ratepayers and provides pricing transparency through the accessibility of pricing data on the PJM website and simplicity. The Hearing Examiner concluded the market-based approach eliminates the need for frequent applications to readjust payment levels.

The Hearing Examiner made the following findings:

1. The Company's proposed Schedule COGEN/SPP is reasonable and should be approved;

2. The Company's proposal to use the PJM Real-Time Hourly LMP rate applicable for the AEP Zone to determine energy payments is reasonable;

3. The Company's proposed capacity payment methodology using the Final Zonal Capacity Price from the PJM RPM auction for the AEP Zone is also reasonable;

4. Tariff changes to eliminate net metering billing options and the supplemental services required for such options are appropriate;

5. A market-based methodology eliminates the Company's need to file periodic updates to revise the rates contained in the proposed COGEN/SPP tariff; and

6. Payments approved in this proceeding should be made effective as of the date a Final Order is issued in this case.

The Hearing Examiner recommended that the Commission approve the Company's proposed revisions to Schedule COGEN/SPP and further approve its request to eliminate the requirement to file periodic updates to revise QF payments to reflect current avoided costs.

On October 3, 2008, the Company filed notice that it would not file formal comments to the Report of the Chief Hearing Examiner. The Company renewed its request that the Commission approve and make effective Appalachian's proposed revisions to its COGEN/SPP rate schedule as the Company's permanent rates going forward and approve Appalachian's request not to be required to file periodic updates to the proposed COGEN/SPP tariff.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the findings and recommendations contained in the September 26, 2008 Report of the Chief Hearing Examiner should be adopted. We agree with the Company's request that the proposed COGEN/SPP rate schedule be made permanent going forward and that Appalachian no longer be required to file periodic updates to the COGEN/SPP tariff.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendation contained in the Chief Hearing Examiner's Report are hereby adopted.

(2) Appalachian's proposed COGEN/SPP rate schedule is hereby approved and made permanent, effective with the date of this Order, and Appalachian is hereby relieved of the requirement to file periodic updates to the COGEN/SPP tariff.

(3) There being nothing further to be done herein, this matter is hereby dismissed from the Commission's docket of active cases, and the papers filed herein placed in the Commission's file for ended causes.

[10] The 1989 Session of the Virginia General Assembly adopted Senate Resolution No. 156 requesting the Commission to establish standards for evaluating fuel cost projections of electric utilities. The Commission adopted such standards on November 27, 1990, in Case No. PUE-1990-00004.

CASE NO. PUE-2008-00036
MAY 2, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

In the matter of A&N Electric Cooperative's letter request seeking immediate modification of its tariff

ORDER GRANTING INTERIM APPROVAL

On May 2, 2008, A&N Electric Cooperative ("A&N"), by counsel, filed with the State Corporation Commission ("Commission") a letter request seeking immediate implementation of proposed tariff changes ("Letter Request"). According to the Letter Request, the proposed tariff changes will not result in a rate increase. A&N asserts that "[i]n order to prepare its billing system for these tariff changes, [A&N] respectfully requests that the Commission issue an order allowing implementation of these tariff changes no later than May 2, 2008." Letter Request at 3.

NOW THE COMMISSION, upon consideration hereof, grants A&N interim approval to implement its requested tariff changes, subject to refund and/or modification pending further Commission review.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Interim approval of A&N's Letter Request is granted, subject to refund and/or modification pending further Commission review.

(2) This matter is continued.

CASE NO. PUE-2008-00036
MAY 29, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

In the matter of A&N Electric Cooperative's letter request seeking immediate modification of its tariff

FINAL ORDER

On May 2, 2008, A&N Electric Cooperative ("A&N" or "Cooperative"), by counsel, filed with the State Corporation Commission ("Commission") a letter request seeking immediate implementation of proposed tariff changes ("Letter Request"). A&N asserts that "[i]n order to prepare its billing system for these tariff changes, [A&N] respectfully requests that the Commission issue an order allowing implementation of these tariff changes no later than May 2, 2008." Letter Request at 3.

A&N proposes revisions to the Wholesale Power Cost Adjustment ("WPCA") Clause in its Terms and Conditions For Providing Electric Service. A&N requests that the Commission approve a revision to its WPCA Clause, specifically Sections XV.C.2 and XV.C.3, that adds a provision allowing the Cooperative to calculate its current fuel cost adjustment so that its deferred fuel balance as of March 31, 2008, can be collected over a four-year period rather than the six-month period currently specified by the tariff. In addition, the proposed revision includes a provision that would exclude higher than normal line losses from the Cooperative's fuel cost adjustment calculations.

Thus, in an effort to minimize the impact on its customers, A&N requests authority to add a provision to its WPCA Clause allowing it to recover the specified deferred fuel costs over the same four-year transition period allowed by the Commission in its Order Approving Applications in Case Nos. PUE-2007-00060, PUE-2007-00061, and PUE-2007-00065. According to the Letter Request, the proposed tariff changes will not result in a rate increase and will allow the Cooperative to spread the current deferred fuel cost balance over the transition period, adjusted semi-annually, so that its existing customers do not experience significant increases in their monthly electricity bills.

On May 2, 2008, the Commission issued an Order granting interim approval of A&N's Letter Request, subject to refund and/or modification, pending further Commission review.

NOW THE COMMISSION, upon consideration hereof and having been advised by its Staff, is of the opinion and finds that the Letter Request shall be granted.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) A&N's May 2, 2008 Letter Request is granted.

(2) This case is dismissed.

CASE NO. PUE-2008-00037
AUGUST 18, 2008

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to renew an affiliate service agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On May 19, 2008, Washington Gas Light Company ("WGL" or "Applicant") filed a complete application ("Application") with the State Corporation Commission ("Commission") requesting authority to renew a revised affiliate service agreement ("Agreement") with Washington Gas Energy Systems, Inc. ("Systems"), pursuant to Chapter 4 of Title 56 ("Affiliates Act") of the Code of Virginia ("Code"). WGL also requests the Commission to approve the accounting treatment for the related transactions that occurred during the period the Agreement was not in effect.

WGL is a regulated public utility headquartered in Washington, D .C., which provides natural gas distribution service to more than one million residential, commercial and industrial customers located in the Commonwealth of Virginia ("Virginia"), the District of Columbia ("District"), and the State of Maryland ("Maryland"). In Virginia, WGL provides natural gas distribution service to approximately 470,000 customers located in the Counties of Arlington, Fairfax, Loudoun and Prince William, in the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park, and in the Towns of Vienna, Middleburg, Occoquan and Leesburg. WGL is a wholly owned subsidiary of WGL Holdings, Inc. ("Holdings").

Systems provides heating, ventilating and air conditioning products and services to commercial and governmental customers. Systems specializes in performing design/build construction work for energy saving projects involving large installations. Systems is a wholly owned subsidiary of Washington Gas Resources Corporation ("Resources"), which is a wholly owned subsidiary of Holdings.

Holdings is a holding company that was established on November 1, 2000, as a Virginia corporation to own subsidiaries that sell and deliver natural gas and provide a variety of energy-related products and services to customers in the District of Columbia and the surrounding metropolitan areas in Virginia and Maryland. Holdings is the parent company of WGL, Resources, Hampshire Gas Company and Crab Run Gas Company. Holdings' subsidiary, Resources, owns Washington Gas Energy Services, Inc., Systems, and Washington Gas Credit Corporation.

Since WGL and Systems share the same senior parent company, Holdings, WGL and Systems are considered affiliated interests under § 56-76 of the Code. As such, WGL and Systems must obtain approval from the Commission pursuant to the Affiliates Act prior to entering into any contract or arrangement between the companies to provide or receive services.

The proposed Agreement permits Systems to act as a general contractor and provide energy management services ("EMS") pursuant to WGL's Areawide Contract ("Contract") with the General Services Administration ("GSA") of the United States government. The Commission initially approved the Agreement in Case No. PUE-2002-00463.[1] When WGL renewed its Contract with the GSA in 2006, it inadvertently failed to renew the Agreement, which expired April 16, 2006. The proposed Agreement is identical to the prior Agreement approved by the Commission except for two revisions. First, WGL replaces an explicit termination date with the statement that the Agreement will continue "so long as WG[L] is a party to an Area[w]ide [C]ontract with the federal government."[2] WGL represents that this revision is intended to protect WGL against a lapse of Commission authorization to participate in the Agreement. Second, WGL deletes from "Section IV. Indemnity" of the Agreement the phrase that Systems will be liable for "any changes in WG[L]'s financial position."[3] WGL represents that the foregoing phrase is ambiguous and may not be enforceable. WGL also requests approval of its accounting treatment for the WGL-Systems transactions that occurred from April 2006 to the current date during which the Agreement was not in effect.

The GSA is authorized by 40 U.S.C. § 501 to prescribe policies and methods governing the acquisition and supply of utility services for federal agencies of the U.S. government. The GSA typically contracts for these services through an Areawide Contract. WGL has held a Contract with the GSA since at least 1989, and executed the current Contract on March 20, 2006. Under the Contract, WGL provides natural gas, gas transportation, and energy management services to various federal agencies and related institutions in the franchised areas of the District of Columbia and adjacent portions of Maryland and Virginia.

WGL's primary business under the Contract is the provision of natural gas supply and gas transportation service ("Gas Service"). According to the Contract, Gas Service includes "regulated gas commodity, where applicable, transmission, distribution, and/or related services . . .; related services include, but is (sic) not limited to maintenance, operations and emergency response."[4] The Commission establishes the rates and tariffs for the Gas Service provided by WGL to Virginia-based customers served under the Contract, so the related revenues and costs are included in WGL's jurisdictional cost of service for ratemaking purposes.

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[1] *Application of Washington Gas Light Company, For authority to enter into an affiliate service agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2002-00463, 2002 S.C.C. Ann. Rep. 600 (Order Granting Authority, Dec. 9, 2002); Id., 2002 S.C.C. Ann. Rep. 602 (Correcting Order, Dec. 17, 2002).

[2] See Page 2, Article III of Appendix A (redline version) of the Application.

[3] See Page 2, Article IV of Appendix A (redline version) of the Application.

[4] Article 1.1(g), Areawide Public Utility Contract for Natural Gas, Gas Transportation, and Energy Management Services, Contract No. GS-00P-06-BSD-00393, between the United States of America and Washington Gas Light Company [for the] franchised areas of [the) District of Columbia and adjacent portions of Maryland and Virginia, executed March 20, 2006.

In 1996, WGL and the GSA added a new provision to allow WGL to provide EMS under the Contract. The current Contract defines EMS as:

> [A]ny project that reduces and/or manages energy demand in a facility as well as energy audits and any ancillary services necessary to ensure the proper operation of the energy conservation measure. Such measures include, but are not limited to, operating and maintenance and commissioning services . . . To be considered an EMS measure, the measure must satisfy all of the following requirements:
>
> 1. [T]he EMS measure must produce measurable energy reductions or measurable amounts of controlled energy and/or water use;
> 2. The EMS measure must be directly related to the use of energy or directly control the use of energy or water;
> 3. The preponderance of work covered by the EMS measure (measured in dollars) must be for items 1 and 2 above; and
> 4. The EMS measure must be an improvement to real property or an action that is necessary to ensure the functionality of the EMS measure.[5]

According to WGL, federal regulations require WGL to be the contracting party with the GSA for all services provided under the Contract. However, WGL proposes to continue its prior practice of assigning all of the responsibilities, rewards and obligations for the EMS portion of the Contract to Systems. Towards that end, the Agreement provides for Systems to act as general contractor and project manager for all EMS projects involving construction under the Contract. WGL will receive the moneys due from federal agencies for performance of the EMS projects, but upon Systems' request and the related federal agency's request, if required, WGL will assign all such receipts to Systems. WGL will also arrange the payments for all subcontractors, consultants, installed equipment, and other expenses associated with the EMS projects, with all such expenditures charged to Systems' inter-company account. WGL will not pay Systems a fee for its work, but Systems will retain all profits or losses associated with the EMS projects. Systems will also indemnify WGL from all costs and expenses of the EMS projects.

WGL represents that the purpose of the WGL-Systems arrangement is three-fold. First, it allows WGL to satisfy the GSA's request for EMS. Second, the arrangement maximizes Systems' work and responsibilities and minimizes WGL's obligations under the Agreement and Contract. Finally, it provides a better separation of the utility Gas Service and non-utility EMS operations.

NOW THE COMMISSION, upon consideration of the Application and representations of the Applicant and having been advised by its Staff, is of the opinion and makes the following findings. WGL represents that the Agreement benefits the GSA by allowing it to sole source contract for gas supply, transportation, and energy management services on behalf of its federal agency clients, and it should also facilitate large, energy saving projects for the federal government. WGL maintains that the Agreement should not be detrimental to Virginia ratepayers because all EMS revenues and costs will be booked to below-the-line non-utility accounts, and because Systems will fully indemnify WGL against any costs or obligations related to the EMS capital projects.

In general, we agree with the Applicant's assertions. However, we believe that additional requirements are necessary to better insulate WGL and its ratepayers from participation in the EMS projects. Therefore, we will find the proposed Agreement to be in the public interest, provided that it is subject to the modifications, limitations and requirements as outlined below.

First, we find that WGL's request for permanent authorization of the Agreement should be denied. Since the Agreement is inextricably tied to the Contract, which has a maximum term of 10 years, the authority granted for the Agreement should not continue beyond the life of the Contract. Therefore, the authority granted for the Agreement shall extend through March 20, 2016, the expiration date of the current Contract, or until the Contract is terminated with the GSA, whichever occurs first.

Second, WGL acknowledges that the request for permanent authorization stems in part from its failure to file for Commission authorization of the Agreement two years ago. We note that this is not an isolated incident. In two other cases, WGL has requested after-the-fact Commission authorization of affiliate agreements.[6] Given these regulatory lapses, we direct WGL to make its affiliate filings in a more timely manner. If subsequent to this case, WGL continues to make after-the-fact affiliate filings, we will not hesitate to take further action consistent with our authority under Title 56 of the Code including the imposition of penalties, if necessary, to assure timely compliance with Chapter 4 of Title 56.

Third, we find that WGL's request for approval of its accounting treatment for the EMS transactions during the two-year period when the Agreement had lapsed should be denied. The request essentially seeks retroactive approval of affiliate transactions that occurred when the Agreement was not in effect and the Commission's authority had lapsed, and involved transactions which have not been fully disclosed or investigated.

Fourth, WGL represents that it takes on limited financial risk under the Agreement through the provision of direct and indirect financing to support Systems' EMS projects under the Contract. Since WGL does not share in any of the profits from the EMS projects, we believe that WGL should be protected against any associated financial risks. "Section IV. Indemnity" of the Agreement describes the extent of WGL's indemnification against any harm arising from Systems' EMS activities. Under the prior Agreement, the term "harm" included "changes in financial position." WGL proposes to delete the phrase because it asserts that the phrase is ambiguous and possibly unenforceable. We believe that deleting the phrase "changes in financial position" could shift responsibility for repaying third party EMS construction loans in the event of a customer default from Systems to WGL, which would negatively affect WGL's financial condition. Therefore, we deny WGL's request in this matter and require WGL to retain the phrase "changes in financial position" in "Section IV. Indemnity" of the Agreement.

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[5] Id., Article 1.1(i).

[6] See *Application of Washington Gas Light Company, For approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2005-00007, 2005 S.C.C. Ann. Rep. 397 (Order Granting Approval, March 11, 2005); *Application of Washington Gas Light Company, For approval of certain affiliate transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2004-00022, 2004 S.C.C. Ann. Rep. 442 (Order Granting Approval, May 27, 2004).

Fifth, WGL has not sought Chapter 3 authority for the long-term debt that WGL borrows from third party financial institutions and provides to Systems to fund Systems' work on large EMS projects. WGL represents that such approval is unnecessary because these transactions are payments for services and are not securities. In addition, WGL asserts that it does not incur any indebtedness or act as a guarantor for any of these transactions.

The Commission Staff disagrees with WGL's analysis. WGL's responses to Staff s data requests indicate that WGL utilizes its financial strength to finance these projects for Systems. In addition, WGL has an obligation to repay the funds to the third party financial institutions, and WGL accounts for the obligations as long-term debt in its books. Furthermore, Staff notes that the transfer of funds between WGL and Systems is subject to the Affiliates Act pursuant to § 56-77 of the Code.

Under these circumstances, WGL and Staff have reached the following agreement: (i) WGL will submit to the Commission's Director of Public Utility Accounting ("PUA Director") within 60 days of the date of the Order in this case a list of the current financial arrangements between third party financial institutions, WGL and Systems pertaining to the Agreement that includes such information as Staff may request concerning the arrangements; and (ii) WGL will seek prior approval pursuant to Chapter 3 and Chapter 4 of Title 56 of the Code for any prospective financial arrangements under the Agreement. Accordingly, we accept the WGL-Staff agreement outlined above and make it part of our findings.

Sixth, we are concerned that WGL and Systems not misconstrue our approval of the Agreement as authority for Systems to provide utility services under the Contract. Therefore, we clarify that the authority granted in this case limits Systems to the performance of only the non-utility, below-the-line EMS specifically described by WGL in the captioned Application and in its confidential response to Staff Data Request No. 1-4.

Finally, we note that the Commonwealth of Virginia recently enacted a new statute, Chapter 25 of Title 56 of the Code ("Chapter 25"), concerning conservation and ratemaking efficiency plans for Virginia natural gas utilities. Chapter 25 is intended to:

> authorize and encourage the adoption of natural gas conservation and ratemaking efficiency plans that promote the wise use of natural gas and natural gas infrastructure through the development of alternative rate designs and other mechanisms that more closely align the interests of natural gas utilities, their customers, and the Commonwealth generally, and improve the efficiency of ratemaking to more closely reflect the dynamic nature of the natural gas market, the economy, and public policy regarding conservation and energy efficiency.[7]

The Agreement does not fall under Chapter 25 for several reasons. First, the EMS activities provided by Systems under the Agreement have been treated by WGL and regarded by the Commission in the past as non-utility, below-the-line functions. Second, WGL receives no gain, profit or benefit from the provision of EMS. Third, WGL has not sought approval of the Agreement pursuant to Chapter 25. Nevertheless, since both the Agreement and Chapter 25 deal with energy conservation, for clarity's sake we will find that the authority granted for the Agreement pursuant to the Affiliates Act in this case does not constitute approval of a natural gas conservation and ratemaking efficiency plan under Chapter 25.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Washington Gas Light Company is granted authority to enter into the proposed affiliate service agreement with Washington Gas Energy Systems, Inc., subject to the modifications, limitations and requirements as described herein, consistent with the findings above.

2) WGL's request for permanent authorization of the Agreement is hereby denied. The authority granted herein shall extend through March 20, 2016, the expiration date of the underlying Areawide Contract, or until the underlying Areawide Contract is terminated, whichever occurs first.

3) Consistent with the findings made herein, WGL is directed to make prospective applications for authority under the Affiliates Act in a more timely manner.

4) WGL's request for approval of its accounting treatment for the energy management service transactions during the period from April 2006 to the present date when the Agreement was not in effect is hereby denied.

5) WGL's request to delete the phrase "changes in WGL's financial position" from "Section IV. Indemnity" of the Agreement is hereby denied.

6) WGL shall submit to the Commission's PUA Director within 60 days of the date of the Order in this case a list of current financial arrangements between third party financial institutions, WGL and Systems pertaining to the Agreement. Furthermore, WGL is directed to seek prior approval pursuant to Chapter 3 and Chapter 4 of Title 56 of the Code for any prospective financial arrangements between third party financial institutions, WGL and Systems pertaining to the Agreement.

7) The authority granted herein limits Systems pursuant to the Agreement to the performance of non-utility, below-the-line energy management services as described in the Application and its confidential response to Staff Data Request No. 1-4.

8) The authority granted herein shall not be construed as approval of a natural gas conservation and ratemaking efficiency plan pursuant to Chapter 25 of Title 56 of the Code of Virginia.

9) The authority granted herein shall have no ratemaking implications. Specifically, the authority granted herein shall not guarantee the recovery of any costs directly or indirectly related to the Agreement.

10) Commission approval shall be required for any changes in the terms and conditions of the Agreement including, but not limited to, changes in successors or assigns.

[7] Va. Code § 56-601 A, Chapter 25 (§ 56-600 et seq.) of Title 56 of the Code of Virginia.

11) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

12) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

13) WGL shall include the transactions associated with the Agreement authorized herein in its Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's PUA Director on or before May I of each year, which deadline may be extended administratively by the PUA Director.

14) If the Applicant's Annual Informational Filings or General Rate Case Filings are not based on a calendar year, then WGL shall include the affiliate information contained in the ARAT in such filings.

15) The authority granted herein supersedes the authority granted in Case No. PUE-2002-00463.

16) There appearing to be nothing further to be done in this matter, this case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUE-2008-00038
JULY 3, 2008

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval of gas supply and other supply related agreements with affiliates pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On May 7, 2008, Columbia Gas of Virginia, Inc. ("CGV" or "Applicant"), filed an application ("Application") with the State Corporation Commission ("Commission") requesting permanent approval without time limitation of certain gas supply agreements with Columbia Gas of Kentucky, Inc. ("CKY"), Columbia Gas of Maryland, Inc. ("CMD"), Columbia Gas of Ohio, Inc. ("COH"), Columbia Gas of Pennsylvania, Inc. ("CPA"), EnergyUSA-TPC Corp. ("TPC"), Northern Indiana Public Service Company ("NIPSCO"), Kokomo Gas and Fuel Company ("Kokomo"), Northern Indiana Fuel & Light Company, Inc. ("NIFL"), and Bay State Gas Company ("Bay State") (collectively "NiSource Affiliates") pursuant to Chapter 4 of Title 56 ("Affiliated Interests Act") of the Code of Virginia ("Code"). CGV also requests permanent approval without time limitation of its Gas Supply Policy ("GSP"), which governs CGV's management of gas supply transactions with the NiSource Affiliates. In addition, CGV requests continuing approval to execute prospective gas supply agreements with future regulated affiliated distribution companies ("Future LDC Affiliates") without further approval of the Commission. Finally, CGV requests that the Commission approve these requests without the necessity of a public hearing and to provide further relief as may be appropriate.

CGV is a Virginia public service corporation and natural gas distribution company serving approximately 240,000 residential, commercial, and industrial customers located in Northern, Central, Southeast and Southwest Virginia as well as the Shenandoah Valley of Virginia. CGV is a wholly owned subsidiary of the Columbia Energy Group, which is a wholly owned subsidiary of NiSource, Inc. ("NiSource").

CKY, a wholly owned subsidiary of the Columbia Energy Group, is a natural gas distribution company serving customers in Kentucky.

CMD, a wholly owned subsidiary of the Columbia Energy Group, is a natural gas distribution company serving customers in Maryland.

COH, a wholly owned subsidiary of the Columbia Energy Group, is a natural gas distribution company serving customers in Ohio.

CPA, a wholly owned subsidiary of the Columbia Energy Group, is a natural gas distribution company serving customers in Pennsylvania.

TPC is an energy marketing company that, among other things, is engaged in the business of selling, purchasing and exchanging natural gas commodity and other related services. TPC is a wholly owned subsidiary of EnergyUSA, Inc., which is a wholly owned subsidiary of NiSource.

NIPSCO, a wholly owned subsidiary of NiSource, is an electric utility and natural gas distribution company serving customers in northern Indiana.

Kokomo, a wholly owned subsidiary of NiSource, is a natural gas distribution company serving customers in Indiana.

NIFL, a wholly owned subsidiary of NiSource, is a natural gas distribution company serving customers in northeastern Indiana.

Bay State, a wholly owned subsidiary of NiSource, is a natural gas distribution company serving customers in Massachusetts.

Since CGV and the NiSource Affiliates share the same senior parent company, NiSource, the companies are considered affiliated interests under § 56-76 of the Code. As such, CGV and the NiSource Affiliates must obtain approval from the Commission pursuant to the Affiliated Interests Act prior to entering into any contract or arrangement between the companies to provide or receive services.

The Commission has granted limited duration approval of similar CGV requests in three prior cases ("Prior Cases"). In Case No. PUA-2001-00068,[1] the Commission approved the NiSource Affiliates gas supply agreements and GSP for 18 months. In Case No. PUE-2003-00219,[2] the Commission renewed its approval of the NiSource Affiliates gas supply agreements and the GSP, and approved prospective gas supply agreements for Future LDC Affiliates, for 24 months. In Case No. PUE-2005-00044[3] the Commission renewed its approval of the gas supply agreements and the GSP for 36 months.

The proposed gas supply agreements represent separate, standardized master agreements ("Base Contracts"), which CGV will enter into with each of the nine NiSource Affiliates. Base Contracts are intended to facilitate gas purchases, sales, exchanges, and other supply transactions[4] by creating a contractual framework within which the parties can quickly execute individual gas supply transactions by means of a "Transaction Confirmation" that generally incorporates by reference the standardized terms and conditions of the Base Contract. A Transaction Confirmation specifies the details of a particular transaction with respect to such key contract terms as quantity, price, term, delivery and receipt points, and any other special provisions in the transaction. Each Base Contract has a term of one month and continues from month to month unless terminated by either party with 30 days advance notice.

The subject of CGV's second request, the Gas Supply Policy ("GSP"), is intended to ensure that CGV obtains a reliable supply of gas at the least cost possible. As represented in the Prior Cases, CGV monitors and participates in the gas marketplace to obtain and, at times, reduce its available gas supplies in order to fulfill its obligation as a supplier of economic-reliable gas supplies to its customers. This process includes obtaining market information from a pool of gas suppliers, including the NiSource Affiliates, which may be interested in doing business with the Applicant. CGV uses the information to determine current or prevailing market prices[5] and measure the availability of gas supplies.

The GSP states that when CGV buys gas it uses the market information to obtain the lowest price for gas purchases that meets its reliability requirements. In non-emergency situations, CGV purchases gas from the NiSource Affiliates only if the offer price is at or below prevailing market prices.

The GSP also states that when CGV sells gas it uses the market information to obtain the highest price for its gas sales. In non-emergency situations, CGV sells gas to the NiSource Affiliates only if the offer price is at or above prevailing market prices.

During emergency situations, CGV represents that its relationships with the NiSource Affiliates give it access to a larger gas supply market than it would have available as a stand alone utility. In these situations, the GSP states that gas sales and purchases will be made at the prevailing market price.

As represented in the Prior Cases, the GSP uses the language of "at or above market" and "at or below market" for describing the pricing of gas supply transactions depending on whether CGV is the buyer or seller. According to CGV, transactions will almost always be priced at market. There will be few, if any, situations under which CGV will receive above market prices for gas sales or pay below market prices for gas purchases. The GSP language is intended as a base price guideline to ensure CGV will not sell to a NiSource Affiliate at below market rates and that it will not purchase from a NiSource Affiliate at above market rates.

Regarding CGV's third request, the Future LDC Affiliates are unidentified regulated local distribution companies that could, at some point in the future, become affiliates of CGV as defined by § 56-76 of the Code. CGV represents that the terms and conditions of any Base Contracts, Transaction Confirmations, and GSP with such Future LDC Affiliates would be the same as CGV's existing gas supply agreements and arrangements. Any transactions with the Future LDC Affiliates would be subject to the same reporting requirements that CGV has for its other gas supply agreements. CGV represents that its request for approval of Base Contracts with Future LDC Affiliates is simply intended to enhance administrative efficiency since adequate regulatory safeguards are already in place to ensure that such contracts would be in the public interest.

NOW THE COMMISSION, upon consideration of the Application and representations of the Applicant and having been advised by its Staff, makes the following findings. CGV represents that the gas supply agreements with the NiSource Affiliates, the GSP, and the prospective gas supply agreements with Future LDC Affiliates are in the public interest because they provide CGV with additional flexibility in meeting its gas supply requirements during both normal conditions and in emergency situations. We agree. Therefore, we will approve the proposed gas supply agreements between CGV and CKY, CMD, COH, CPA, TPC, NIPSCO, Kokomo, NIFL and Bay State, the proposed GSP, and prospective gas supply agreements between CGV and any Future LDC Affiliates, subject to certain requirements as outlined below.

First, we deny CGV's request to make our approval of the gas supply agreements and the GSP permanent. We have reviewed and approved the gas supply agreements for steadily increasing time periods over the past six and one-half years. The eight transactions executed with the NiSource Affiliates during this period appear to have benefited CGV and its ratepayers. The energy industry, though, continues to experience significant change. Over the past few years, we have dealt with a broad range of complex gas industry issues, including decoupling legislation, the mitigation of volatile gas prices, the use of

[1] *Application of Columbia Gas of Virginia, Inc., For approval of gas supply and other related supply agreements*, Case No. PUA-2001-00068, 2002 S.C.C. Ann. Rep. 173 (Order Granting Approval, February 19, 2002).

[2] *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. Rep. 516 (Order Granting Approval, August 13, 2003).

[3] *Application of Columbia Gas of Virginia, Inc., For approval of gas supply and other related supply agreements pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2005-00044, 2005 S.C.C. Ann. Rep. 441 (Order Granting Approval, August 10, 2005).

[4] The Base Contracts between CGV and its regulated affiliates permit gas purchase, sales, and exchange transactions to be conducted. The Base Contract between CGV and TPC, its unregulated affiliate, permits an additional type of transaction, called an exchange of futures for physicals ("EFP"), to be performed. An EFP is defined as the purchase, sale or exchange of natural gas as the "physical" side of an exchange for physicals transaction involving futures contracts on the New York Mercantile Exchange. CGV represents that an EFP is not the same as a physical gas put option, which the Commission recently disallowed (see *Application of Columbia Gas of Virginia, Inc., For approval of an amendment to a corporate services agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2007-00072, 2007 S.C.C. Ann. Rep. 480, 481 (Order Granting Approval, October 9, 2007)).

[5] CGV uses two terms when referring to market prices. The "prevailing" market price refers to the price of gas that is generally available in the market at the time of a given transaction. The "delivered" market price is the actual price paid for the gas delivered.

financial hedges and weather normalization adjustments, shared service outsourcing, asset management contracts, pipeline constraints, alleged seal damage caused by LNG injections, and major utility mergers and dispositions. The future seems likely to produce more such issues. In addition, both the proposed GSP and the gas supply agreements contain provisions that differ from normal Commission practices. For example, the GSP does not employ the asymmetric pricing typically used for affiliate transactions. Also, the open-ended Future LDC Affiliates provision allows CGV to enter into Base Contract agreements with as yet unidentified future affiliates. Given the gas industry's volatility and the atypical provisions of the GSP and the gas supply agreements, we believe that our practice of limiting the duration of approval remains appropriate here. Therefore, we will limit the duration of our approval of the NiSource Affiliates' gas supply agreements, the GSP, and the prospective Future LDC Affiliates' gas supply agreements to five years from the date of the Order in this case.

Second, we will subject any Future LDC Affiliates to the same pricing and reporting requirements that apply to CGV's gas supply agreements with the NiSource Affiliates. We will also require CGV to submit to the Commission's Director of the Division of Public Utility Accounting ("PUA Director") an executed copy of any Base Contract with a Future LDC Affiliate prior to engaging in any transactions pursuant to the approval granted in this case.

In the Prior Cases, we mitigated the GSP's atypical pricing policy by specifically ordering that:

> [Base Contract transactions may occur] at the prevailing market price so long as such price is the delivered market price. CGV shall also bear the burden of proving, in any Annual Informational Filing or rate proceeding, that gas supply purchases from the NiSource Affiliates or Future LDC Affiliates were made at the lowest possible cost and that sales to the NiSource Affiliates or Future LDC Affiliates were made at the highest possible price. CGV shall maintain records necessary to show that, at any particular time, gas purchases from the NiSource Affiliates or Future LDC Affiliates were made at the lowest possible cost and that gas sales to the NiSource Affiliates or Future LDC Affiliates were made at the highest possible price.[6]

We will reiterate this pricing directive for the current case.

In the Prior Cases, the Commission also ordered CGV to:

> Maintain a log of all transactions authorized pursuant to the Base Contracts and Gas Supply Policy approved herein and . . . submit . . . reports [to the Commission]. The log shall, at a minimum, note the dates of individual transactions, provide a description of each transaction including the reasons underlying the transaction, explain the basis for the market price ascribed to each transaction, and, in instances where CGV is selling gas to an affiliate, note CGV's actual cost of gas resold.[7]

We will reiterate this reporting directive, modified such that the report should be submitted annually rather than quarterly, and that the report be included with CGV's Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's PUA Director rather than sent to the Division of Energy Regulation.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Columbia Gas of Virginia, Inc., is granted approval to enter into the proposed gas supply agreements with CKY, CMD, COH, CPA, TPC, NIPSCO, Kokomo, NIFL and Bay State, granted approval for its proposed Gas Supply Policy, and granted approval to enter into prospective gas supply agreements with Future LDC Affiliates as described herein, consistent with the findings above.

2) CGV's request to make permanent without time limitation the Commission's approval of the proposed gas supply agreements with the NiSource Affiliates and the GSP is hereby denied . CGV's request for continuing approval of the prospective gas supply agreements with Future LDC Affiliates without further approval of the Commission is also denied. The approval granted herein shall be limited to five years from the date of this Order. Should CGV wish to continue the gas supply agreements and GSP thereafter, further Commission approval shall be required.

3) CGV shall submit to the PUA Director an executed copy of any Base Contract with a Future LDC Affiliate prior to engaging in any transactions pursuant to the approval granted herein.

4) CGV is granted approval to enter into Base Contracts and execute individual Transaction Confirmations with the NiSource Affiliates and Future LDC Affiliates at the prevailing market price so long as such price is the delivered market price. CGV shall also bear the burden of proving, in any Annual Informational Filing or rate proceeding, that gas supply purchases from the NiSource Affiliates or Future LDC Affiliates were made at the lowest possible cost and that sales to the NiSource Affiliates or Future LDC Affiliates were made at that highest possible price. CGV shall maintain records necessary to show that, at any particular time, gas purchases from the NiSource Affiliates or Future LDC Affiliates were made at the lowest possible cost and that gas sales to the NiSource Affiliates or Future LDC Affiliates were made at the highest possible price.

5) Commission approval shall be required for any changes in the terms and conditions of the Base Contracts, Transaction Confirmations, and Gas Supply Policy including, but not limited to, any changes in the types of gas transactions, pricing practices, and any successors or assigns.

6) The approvals granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

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[6] See Ordering Paragraph 5 of the August 10, 2005, Order Granting Approval in *Application of Columbia Gas of Virginia, Inc., For approval of gas supply and other related supply agreements pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2005-00044, 2005 S.C.C. Ann. Rep. 441.

[7] See Ordering Paragraph 10, Ibid.

7) The Commission reserves the right to examine the books and records of any affiliate in connection with the approvals granted herein whether or not such affiliate is regulated by this Commission.

8) CGV shall maintain a log of all transactions pursuant to the gas supply agreements and GSP approved herein. The log shall, at a minimum, note the dates of individual transactions, provide a description of each transaction including the reasons underlying the transaction, explain the basis for the market price ascribed to each transaction, and, in instances where CGV is selling gas to an affiliate, note CGV's actual cost of gas resold. The log shall be summarized into an annual report and included with CGV's ARAT submitted to the PUA Director on or before May 1 of each year, which deadline may be extended administratively by the PUA Director.

9) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then CGV shall include the affiliate information contained in the ARAT in such filings.

10) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUE-2008-00039
JUNE 27, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING FUEL FACTOR

On May 6, 2008, Virginia Electric and Power Company ("Virginia Power," "Company," or "DVP") filed with the State Corporation Commission ("Commission") its application, written testimony, and exhibits requesting to increase its current fuel factor from 2.232¢ per kWh to 4.245¢ per kWh, effective for usage on and after July 1, 2008, based on a projected increase in fuel expense for the 2008-2009 fuel factor period of approximately $1.1 billion above the Company's 2007-2008 fuel cost recovery level and the proposed recovery of $231 million of the fuel expenses deferred in the 2007-2008 fuel year.

The fuel factor includes both a current period factor and a prior period factor. The filed fuel factor of 4.245¢ per kWh included: (1) a current period factor of 3.893¢ per kWh, which is designed to recover the Company's total estimated Virginia jurisdictional fuel expenses of approximately $2.6 billion for the period July 1, 2008 through June 30, 2009; and (2) a prior period factor of 0.352¢ per kWh, which is designed to recover approximately $231 million of the June 30, 2008 deferred fuel balance over that same twelve-month period.[1] This amount represents that part of the Company's estimated June 30, 2008 deferred fuel balance that would be recovered by increasing the total rates of the residential class of customers by 4% over the level of such total rates in existence on June 30, 2008.

In addition to its filed fuel factor of 4.245¢ per kWh, Virginia Power concurrently filed a Proposed Rule that, if adopted, would change the impact of its filed fuel factor. Specifically, adoption of the Proposed Rule would result in implementation of a current period factor of 3.893¢ per kWh and defer recovery of the entire estimated $697 million June 30, 2008 deferred fuel balance to the three succeeding fuel periods of 2009-2010, 2010-2011, and 2011-2012, without recovery of any portion of such balance in the 2008-2009 period. Fuel Charge Rider B (0.338¢ per kWh) attached to the Proposed Rule would provide for recovery of the entire estimated $697 million deferred fuel balance on a straight-line basis over such three succeeding fuel periods.

On May 9, 2008, the Commission issued an Order Establishing 2008-2009 Fuel Factor Proceeding ("Scheduling Order") that, among other things: (1) established a procedural schedule for this matter; (2) required the Company to provide public notice of its application and Proposed Rule; (3) scheduled a public hearing for June 24, 2008; and (4) permitted the submission of legal memoranda addressing the legal permissibility of the Proposed Rule and whether the Commission can approve the Proposed Rule as part of this proceeding.

The following parties filed notices of participation in this case on or before June 12, 2008: Virginia Committee for Fair Utility Rates ("Committee");[2] Virginia Retail Merchant's Association ("VRMA"); MeadWestvaco Corp. ("MeadWestvaco"); Department of the Navy on behalf of all Federal Executive Agencies ("FEA"); Apartment and Office Building Association of Metropolitan Washington ("AOBA"); and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

The following filed legal memoranda as permitted by the Scheduling Order: Virginia Power; Consumer Counsel; and Staff. The following filed written testimony as permitted by the Scheduling Order: Virginia Power; Committee and VRMA, jointly; FEA; Consumer Counsel; and Staff. In addition, the Commission received over forty (40) written or electronic comments on or before June 19, 2008.

The evidentiary hearing was held on June 24, 2008. Virginia Power's proof of service and notice, as required by the Scheduling Order, was accepted into the record. The following were represented by counsel at the hearing: Virginia Power; Committee; VRMA; FEA; AOBA; Consumer Counsel; and Staff. In addition, six public witnesses testified at the hearing.

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[1] The Company's application estimates the projected June 30, 2008 deferred fuel balance to be $697 million.

[2] The members of the Committee are: Abbott Laboratories; Air Liquide Large Industries US L.P.; Anheuser-Busch, Inc.; Dynaric, Inc.; E.I. du Pont de Nemours & Co., Inc.; General Motors Corporation; Honeywell; International Paper; Northrop Grumman Newport News; Praxair, Inc.; Qimonda North America; Sentara Norfolk General Hospital; and United States Gypsum Company.

Finally, the following parties jointly submitted a Proposed Stipulation and Recommendation ("Stipulation") at the hearing: Virginia Power; Committee; VRMA; MeadWestvaco; AOBA; and Consumer Counsel. The parties to the Stipulation, among other things, agreed that:[3]

> (i) Virginia Power "is entitled to place in effect a tariff of 3.893 cents per kilowatt-hour ('2008-2009 fuel tariff') pursuant to the provisions of Va. Code § 56-249.6.C for the period from July 1, 2008 through June 30, 2009 ('2008-2009 fuel period');"
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> (ii) "[P]ursuant to the provisions of Va. Code § 56-249.6.C, $231 million of the [approximately $697 million increased deferral ('Increased Deferral')] shall be recovered in the 2008-2009 fuel period as a part of the 2008-2009 fuel tariff, with the balance of such Increased Deferral to be recovered in subsequent fuel periods as provided in Va. Code 56-249.6.C;"
>
> (iii) "[T]he reduction in the fuel factor from 4.245 cents as proposed in the Company's application in this case to 3.893 cents per kWh is estimated to result in an under recovery of $231 million during the 2008-2009 fuel period ('$231 Million Under Recovery');" and
>
> (iv) "[T]he Company will not propose to recover a return on or interest or any other form of carrying costs for purposes of the Company's 2008-2009 fuel tariff, future fuel tariffs, or calculation of the Company's revenue requirement pursuant to Va. Code § 56-585.1.A or any other rate proceeding on (1) the $231 Million Under Recovery or (2) the Increased Deferral, provided, however, that Dominion Virginia Power and the Participants also agree that the total amount on which the Company will not propose to recover interest or any other form of carrying costs in any such proceedings is limited to $697 million."

In addition, Virginia Power withdraws its request for the Proposed Rule if the Stipulation is approved. The Staff and FEA do not oppose the Stipulation.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. The Commission approves the Stipulation. The Company's current fuel factor of 2.232¢ per kWh shall be increased to 3.893¢ per kWh, effective for usage on and after July 1, 2008.

Pursuant to Va. Code § 56-249.6, Virginia Power is statutorily entitled to recover its prudently incurred fuel costs. Indeed, in describing this statutory provision almost twenty years ago, the Commission explained that the fuel factor permits *dollar for dollar* recovery of prudently incurred fuel costs.[4]

Furthermore, and 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. The instant Order Establishing Fuel Factor is based upon the Stipulation, which we have found appropriate for purposes of this case. 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:

> 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.[5]

Likewise, while we find that the fuel factor approved herein shall be implemented for usage on and after July 1, 2008, no finding in this Order Establishing Fuel Factor is final, as this matter is continued generally, pending audit and investigation of the Company's actual fuel expenses.

The fuel factor approved herein is comprised of (1) a current period factor of 3.541¢ per kWh, and (2) a prior period factor (*i.e.*, correction factor) of 0.352¢ per kWh. As discussed by Staff witness Lamm, we find that the correction factor of 0.352¢ per kWh "complies with the 2007 fuel year deferral recovery limitations imposed by § 56-249.6 C of the Code of Virginia, which limits the rate increase for such recovery to 4 percent of the existing total Residential rates."[6]

Next, and as recommended by Staff witness Pate, we find that Virginia Power shall "calculate and adjust its deferred fuel balance to reflect the fuel related facilities payments that should offset the cost of fuel used by DVP affiliates or departments effective July 1, 2007," as directed below.[7]

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[3] Exhs. 8 and 9 (Stipulation). Exhibit 8 is the Stipulation signed by: Virginia Power; Committee; VRMA; AOBA; and Consumer Counsel. Exhibit 9 was reserved at the hearing to receive MeadWestvaco's signature on the Stipulation, which was provided to the Commission's Bailiff prior to the conclusion of the hearing.

[4] *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*" (emphasis added)). *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" (emphasis added)).

[5] *Kentucky Utils.*, 1995 S.C.C. Ann. Rept. at 311.

[6] Exh. 25 (Lamm direct) at 5.

[7] Exh. 23 (Pate direct) at 8.

Finally, Consumer Counsel witness Norwood, among other things, explains that: (i) Virginia Power "purchases approximately 20% of its total system fuel requirements from unregulated affiliates;" (ii) the Company's "forecasted off-system sales (OSS) margins are approximately 1% of the level achieved by Appalachian Power Company over the last several years, even though it appears that DVP will have excess low-cost coal-fired generation available for sale during the forecast period;" and (iii) the Company "purchases 100% of its oil and natural gas requirements on a spot market basis."[8] FEA witness Brubaker also recommends that, "[g]oing forward," VEPCO take specific actions regarding risk management and hedging activities for heavy oil, natural gas, and wholesale electricity purchases.[9] In this regard, we herein direct as follows:

(1) As part of the fuel audits referenced above, the Staff shall audit and investigate whether, as testified to by the Company, all system fuel purchases from the Company's affiliates were executed at "the lower of cost or market price standard;"[10]

(2) On or before October 1, 2008, the Company shall file a report with the Commission's Division of Energy Regulation that provides a detailed explanation, with supporting workpapers, of (a) the Company's level of annual off-system sales, and (b) any reasonable methods by which to increase the same; and

(3) On or before October 1, 2008, the Company shall file a report with the Commission's Division of Economics and Finance that provides a detailed explanation, with supporting workpapers, of (a) the Company's current risk management program for its procurement of oil, natural gas, and wholesale electricity, and (b) the analyses undertaken in adopting and implementing such plan and in rejecting alternatives.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) The Company's current fuel factor of 2.232¢ per kWh shall be increased to 3.893¢ per kWh, effective for usage on and after July 1, 2008.

(2) The Proposed Stipulation and Recommendation is approved.

(3) Virginia Power shall comply with the Proposed Stipulation and Recommendation approved herein.

(4) Within 60 days from the date of this Order Establishing Fuel Factor, the Company shall file with the Commission's Division of Public Utility Accounting a schedule, with supporting documentation, showing the total adjustment to its deferred fuel balance reflecting the fuel related facilities payments that offset the cost of fuel used by Virginia Power's affiliates or departments since July 1, 2007.

(5) As part of its fuel audits, the Staff shall audit and investigate whether all system fuel purchases from the Company's affiliates were executed at the lower of cost or market price standard.

(6) On or before October 1, 2008, the Company shall file a report with the Commission's Division of Energy Regulation that provides a detailed explanation, with supporting workpapers, of (a) the Company's level of annual off-system sales, and (b) any reasonable methods by which to increase the same.

(7) On or before October 1, 2008, the Company shall file a report with the Commission's Division of Economics and Finance that provides a detailed explanation, with supporting workpapers, of (a) the Company's current risk management program for its procurement of oil, natural gas, and wholesale electricity, and (b) the analyses undertaken in adopting and implementing such plan and in rejecting alternatives.

(8) The Company's proposed Fuel Charge Rider A, admitted into the record as Exh. 18 during the hearing, is accepted for filing and shall become effective for service rendered on and after July 1, 2008.

(9) This case is continued generally.

[8] Exh. 22 (Norwood direct) at 6-7.

[9] Exh. 14 (Brubaker direct) at 3.

[10] Exh. 15 (Workman rebuttal) at 4-5. The prefiled direct and rebuttal testimonies of Mr. Workman were received into the record collectively as Exh. 15.

CASE NO. PUE-2008-00040
AUGUST 18, 2008

APPLICATION OF
MASSANUTTEN PUBLIC SERVICE CORPORATION

For approval of amended services agreement

ORDER GRANTING APPROVAL

On May 19, 2008, Massanutten Public Service Corporation ("MPSC") filed an application with the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code") for approval of an amended services agreement.

MPSC is a Virginia public service corporation that provides water and sewer services in and around Massanutten Village, located in Rockingham County, Virginia. MPSC was first certificated by the Commission to provide such services in 1985. MPSC is a wholly owned subsidiary of Utilities, Inc., a holding company that owns and operates water and sewer companies in fifteen states. Water Service Corporation ("WSC") is also a wholly owned subsidiary of Utilities, Inc., that manages and operates the water and sewer companies owned or operated by Utilities, Inc.

Pursuant to Chapter 4 of Title 56 of the Code (the "Affiliates Act"), MPSC and WSC are deemed to be "affiliates" within the meaning of the Affiliates Act because of their relationship to Utilities, Inc. MPSC is required to file for prior approval under the Affiliates Act for any arrangements or agreements with WSC since MPSC's annual operating revenues are equal to or greater than $500,000. MPSC currently receives services from WSC under a services agreement ("Agreement") approved by the Commission on October 19, 2005, in Case No. PUE-2005-00063.

The Applicant has determined that certain provisions of the Agreement should be revised. The Agreement, as revised, ("the Revised Agreement") changes the allocation method of shared expenses from a "customer equivalent" ("CE") basis to an "equivalent residential customer" ("ERC") basis. Secondly, under the Revised Agreement, the allocation of expenses will be made on a monthly basis, rather than quarterly. Lastly, the provision of the Agreement that provided for specific allocation methods with respect to the cost of the corporate headquarters of Utilities, Inc., which, at the time, also served as the base of operations for the operating subsidiaries in the states of Illinois, Indiana, and Ohio, has been eliminated as those subsidiaries are no longer served out of the corporate headquarters and are now served from a regional headquarters.

MPSC represents that changes to allocate charges on a monthly basis and the elimination of costs attributed to the Illinois, Indiana, and Ohio subsidiaries are expected to have an insignificant impact on MPSC. In fact, it is expected that the elimination of costs from Illinois, Indiana, and Ohio will result in less costs being allocated to MPSC. However, in a response to a Staff data request, the Applicant states that these savings would be minimal.

As for the change in allocating costs based on CEs to ERCs, the Applicant states that it is expected to increase MPSC's costs by slightly less than two tenths of one percent (0.2%). In the Applicant's June 23, 2008, response to a Staff data request, the Applicant states that MPSC's share of total allocated costs will increase from 1.55% to 1.74% of the total. Based on 2007 data, the total increase in allocated costs to MPSC would be approximately $67,383.81.

As represented by the Applicant, the purpose of the change in the allocation method is to create a uniform system of allocating costs across all of Utilities, Inc.'s subsidiaries. The Applicant states that the use of ERCs is required by all of Utilities, Inc.'s Florida subsidiaries, as mandated by the Florida Public Service Commission. The Florida subsidiaries make up approximately 29% of Utilities, Inc.'s subsidiaries. The Applicant further states that Utilities, Inc., and MPSC are currently implementing a new computer system. With the new computer system, it is anticipated that the only allocation method that will be used is ERCs. According to the Applicant, the continued use of CEs as MPSC's allocation method would result in increased costs for MPSC.

NOW THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that MPSC's participation in the Revised Agreement with WSC to obtain services deemed necessary to provide its public service function is in the public interest and should be approved. We continue to believe that there are certain economies of scale that could result from MPSC's affiliation with Utilities, Inc., and from obtaining needed services from WSC. However, MPSC should continue to evaluate services obtained from WSC on a regular basis. Services for which a market exists should be evaluated as to the cost of such services from the market to ensure that MPSC is paying WSC the lower of WSC's cost or the market price for such services. MPSC should bear the burden of proving during any rate proceeding that it paid WSC the lower of cost or market for such services. Our approval should include only those services specifically identified in the Revised Agreement. Any other services, including any loans or other capital from affiliates to MPSC would require separate approval.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Massanutten Public Service Corporation is hereby granted approval to enter into the Revised Agreement with Water Service Corporation, as described herein.

2) Regarding services obtained from WSC for which a market exists, MPSC shall continue to make the necessary comparisons to ensure that it is paying the lower of cost or market for such services.

3) For purposes of cost recovery during any rate proceeding, MPSC shall bear the burden of proving that the pricing policy as described in Ordering Paragraph (2) was followed and shall maintain such records to support such compliance for Staff review upon request.

4) The approval granted herein shall include only the specific services identified in the Revised Agreement. Any other services, including loans or other capital to MPSC from its affiliates shall require separate approval.

5) Any changes in the terms and conditions of the Revised Agreement from those described herein, including additional services, pricing, and allocation methods, shall require Commission approval.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The approval granted herein shall have no ratemaking implications for annual informational filings or future rate proceedings.

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) MPSC shall include the transactions covered under the Revised Agreement in its Annual Report of Affiliate Transactions submitted to the Commission's Director of Public Utility Accounting on or before May 1 of each year, which deadline may be extended administratively by the Commission's Director of Public Utility Accounting.

10) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then MPSC shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

11) The approval granted herein shall supersede the approval granted in Case No. PUE-2005-00063.

12) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUE-2008-00041
JUNE 9, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To exempt from Chapter 4 filing and prior approval requirement of right-of-way encroachment agreements

ORDER GRANTING EXEMPTION

On May 19, 2008, Virginia Electric and Power Company ("Dominion Virginia Power" or "DVP") filed a request with the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56 ("Affiliates Act") of the Code of Virginia ("Code") seeking an exemption from the filing and prior approval requirement of the Affiliates Act for two right-of-way encroachment agreements with its affiliate, NedPower Mount Storm LLC ("NedPower").

Dominion Virginia Power is a public service corporation that provides electric service to customers within its service territory in Virginia and North Carolina. It is a wholly owned subsidiary of Dominion Resources, Inc. ("DRI"). DRI is a "holding company" as defined in the Public Utility Holding Company Act of 2005 ("PUHCA 2005") and is subject to regulation as such under PUHCA 2005 by the Federal Energy Regulatory Commission. NedPower is owned through a fifty percent partnership interest held by Dominion Mount Storm Wind LLC, a wholly owned direct subsidiary of Dominion Energy, Inc., and a fifty percent partnership interest held by Shell Wind Energy, Inc. Dominion Virginia Power and NedPower are, therefore, considered affiliated interests as defined in § 56-76 of the Code.

More specifically, DVP requests an exemption from the filing and prior approval requirement for two right-of-way encroachment agreements with its affiliate, NedPower. DVP proposes to charge NedPower its customary and usual charge for such agreements, which is a one-time processing fee of $500 per agreement. This fee covers DVP's administrative costs and is the same amount charged to non-affiliates for this type of agreement. DVP states that the agreements are standard forms that it uses and by the terms of the agreements, they do not affect DVP's rights under its easements. DVP routinely grants such agreements where they do not interfere with DVP's operations of its facilities, as DVP represents is the case here. For these reasons, DVP requests an exemption from the filing and prior approval requirement of the Affiliates Act.

NOW THE COMMISSION, having considered the application and applicable law, and having been advised by its Staff of its recommendation that the requested exemption is in the public interest and should be granted, is of the opinion and finds that Dominion Virginia Power should be granted an exemption pursuant to § 56-77 B of the Code to enter into the right-of-way encroachment agreements as described in its application.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 B of the Code, Dominion Virginia Power is hereby granted an exemption from the filing and prior approval requirement.

(2) Dominion Virginia Power shall include the right-of-way encroachment agreements in its Annual Report of Affiliate Transactions submitted to the Commission's Director of Public Utility Accounting.

(3) This case is hereby dismissed.

CASE NO. PUE-2008-00042
MAY 28, 2008

MODIFIED REQUEST OF
VIRGINIA ELECTRIC AND POWER COMPANY

To participate in pilot project, and for approval of underground transmission line construction, under §2.A of HB 1319

ORDER APPROVING MODIFIED REQUEST

On April 21 and 23, 2008, Virginia Electric and Power Company ("Virginia Power" or "Company") filed with the State Corporation Commission ("Commission") a "request[] to participate in a pilot project for the construction of underground 230 kV transmission facilities for a portion of the transmission line previously approved by the [Commission] in Case No. PUE-2005-00018, and for approval to construct such underground transmission facilities, including associated termini stations [('Request')]."[1] By order dated May 6, 2008, we approved the Request. In our Order Approving Request we noted that our approval was "without prejudice in that it permits, but does not obligate, the Company to construct the underground portion of this line as set forth in its Request. That is, Virginia Power is free to file a subsequent request, if it chooses, again under HB 1319, changing its intended route for the underground portion of the line; and if such request complies with HB 1319, we must approve it within 30 days." Order Approving Request at 5.

[1] Request at 1.

Thereafter, on May 21, 2008, Virginia Power filed its "Modified Request," seeking approval to construct the proposed underground portion of the transmission line approved in Case No. PUE-2005-00018 in a slightly different configuration by extending the northern end of the underground section of the construction and the northern terminal station further away from the W&OD Trail. The Company advised in its Modified Request that it and several landowners in the area of the original northern terminus worked together to propose a mutually agreeable modified route and location for the northern terminal station.

Virginia Power's Modified Request further sets forth, among other things: (1) the approximately 1.9 mile portion of the line that it proposes to construct underground within Company-owned right-of-way along the W&OD Trail;[2] (2) the two terminal stations that would be constructed for this purpose; and (3) a $28.2 million cost estimate (in 2007 dollars) for this underground pilot program. In the Modified Request, the Company further requests that "If the Commission does not approve [the] Modified Request . . . the Commission leave intact the Commission's Order Approving Request issued May 6, 2008, so that the Company can proceed" to construct the approved line.

On May 23, 2008, the Staff of the Commission filed a memorandum of completeness in this case, which states that the Modified Request is complete as of May 23, 2008, that it complies with the technical requirements established by HB 1319, and that it contains information sufficient to enable the Commission to make the finding required in HB 1319.

NOW THE COMMISSION, upon consideration of this matter, approves the Company's Modified Request and cancels the approval granted in the Order Approving Request issued May 6, 2008.

As we noted in the Order Approving Request, House Bill 1319 mandates specific action by the Commission in response to a request that satisfies the requirements thereof. To wit, HB 1319 includes the following directives (emphasis added):

- Notwithstanding any other law to the contrary, as a part of the pilot program established pursuant to this act, the [Commission] *shall approve* as a qualifying project a transmission line of 230 kilovolts or less that has received a certificate of public convenience and necessity from the [Commission] prior to the effective date of this act that approved construction of an electrical transmission line in a right of way located upon land owned by a regional park authority used by the general public for park and recreation purposes. . . .

- 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 section.

- The Commission *shall not* require the submission of additional technical and cost analyses as a condition of its approval. . . .

- The Commission *shall approve* the underground construction of one contiguous segment of the transmission line that is approximately 1.8 miles in length that was previously approved for construction upon or immediately adjacent to the right of way of the regional park authority, provided that the underground construction shall be located within the boundaries of such existing right of way upon the land owned by the regional park authority, excluding any substation or transition locations which may be required as a part thereof.

- The Commission *shall make* a finding establishing the termini of the underground portion of the line.

- 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 approval for constructing the above-described portion of the previously approved electrical transmission line as a double circuit underground shall not impair or delay the implementation of the certificate of public convenience and necessity and *no further notice, testimony, or hearings shall be required in connection with such approval.*

As a result of the specific language of the act, we must determine only whether the Request complies with HB 1319 and, if it does, we must approve the Request. House Bill 1319 further directs that the Commission: (1) shall not require the submission of additional technical and cost analyses as a condition of such approval; and (2) shall not be required to perform any further analysis as to the impacts of this route. In addition, HB 1319 prohibits the Commission from requiring any further public notice, testimony, or hearings in connection with approving the Request.

We find that the Modified Request, which includes establishing the termini of the underground portion of the Pleasant View-Hamilton transmission line (Case No. PUE-2005-00018), complies with the requirements established by HB 1319. We find that the additional portion of the line now proposed to be constructed underground may be so constructed under the language of the statute that "exclud[es] any substation or transition locations which may be required as a part thereof." The underground portion of the line to be constructed on or immediately adjacent to land belonging to the regional park authority remains unchanged, as limited by the statute. We find the slight additional underground construction "which may be required" by the further removal of the northern terminal station away from the park authority property permissible under the letter of the statute.

Finally, we note that this Order Approving Modified Request is without prejudice in that it permits, but does not obligate, the Company to construct the underground portion of this line as set forth in its Modified Request. That is, Virginia Power is free to file a subsequent request, if it chooses, again under HB 1319, changing its intended route for the underground portion of the line; and if such request complies with HB 1319, we must approve it within thirty (30) days. However, we will cancel the approval previously granted in our Order Approving Request. Virginia Power may either construct the route approved in this Order Approving Modified Request, or seek a further modification or refinement of the proposed routing and construction consistent with HB 1319.

[2] The W&OD Trail is owned by a regional park authority used by the general public for park and recreation purposes.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Virginia Power's Modified Request, under HB 1319, to participate in a pilot project for the construction of underground 230 kV transmission facilities for a portion of the transmission line previously approved by the Commission in Case No. PUE-2005-00018, and for approval to construct such underground transmission facilities including associated termini stations, is approved.

(2) The approval granted by the Commission's Order Approving Request, issued May 6, 2008, in Case No. PUE-2008-00027 is cancelled.

(3) This matter is dismissed.

CASE NO. PUE-2008-00043
JUNE 17, 2008

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For authority to incur additional long-term debt

ORDER GRANTING AUTHORITY

On May 27, 2008, Northern Neck Electric Cooperative ("NNEC" or "Applicant") filed an application with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code") for authority to borrow up to $19,243,000 in long-term debt from the Federal Financing Bank ("FFB"). Applicant has paid the requisite fee of $25.

Applicant represents that the long-term borrowing is needed to finance NNEC's ongoing construction work plan recently approved by the Rural Utilities Service ("RUS") that began in January of 2007. The FFB loan will be guaranteed by the RUS. NNEC expects the loan maturity to be 35 years.

Applicant states that the FFB loan can be drawn down over the next three years, and the interest rate will be determined at the time of the draw and will be the yield on a comparable maturity United States Treasury bond plus 1/8 % per annum.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Applicant is hereby authorized to borrow up to $19,243,000 in long-term debt from the Federal Financing Bank all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

(2) Within thirty (30) days of the date of any advance of funds from FFB, Applicant shall file with the Commission's Division of Economics and Finance a Report which shall include the date of the drawdown, the amount of the advance, the interest rate selected, the interest rate maturity, and the amount of remaining authority available to be borrowed.

(3) Approval of this application shall have no implications for ratemaking purposes.

(4) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUE-2008-00044
DECEMBER 3, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER

For approval of its Renewable Energy Tariff

ORDER APPROVING TARIFF

On May 28, 2008, 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 of its proposed Rider G Renewable Energy Program as set out in the Rider G Tariff ("Rider G") attached to the application. On June 11, 2008, Dominion filed a Motion for Leave to File Amendment to Application of Virginia Electric and Power Company for Approval of its Renewable Energy Tariff ("Amendment to Application"). On June 13, 2008, the Commission issued an Order Granting Leave to File Amendment to Application. On June 27, 2008, Dominion filed an Amendment to Application for Approval of Renewable Energy Tariff, requesting approval of Rider G effective for service rendered on and after January 1, 2009.

The Company seeks approval of Rider G "to provide renewable energy options in accordance with the General Assembly's recently enacted § 56-245.1:2 of the Code of Virginia [('Code')] as well as … § 56-577.A.5 [of the Code]."[1] Dominion explains that Rider G "is designed to raise customer

[1] Dominion's October 14, 2008 Response at 2.

awareness of renewable energy options and respond to customers' levels of interest in promoting renewable energy," and, "[i]f approved, the Rider G Tariff would be available to both residential and non-residential customers on a voluntary basis as a companion rate to any other rate schedule under which customers may already be taking service."[2] Specifically, Dominion states that Rider G gives customers two options: (1) "customers may choose to purchase renewable energy in an amount equivalent to 100% of their electricity consumption;" and (2) "customers could choose to make fixed dollar per month contributions, in increments of $2.00, over the rates customers pay for service under other schedules."[3]

If a customer chooses either option under Rider G, "the Company would purchase on behalf of customers the number of renewable energy certificates ('RECs') equivalent to the aggregate amount of renewable energy purchased through customer contributions."[4] Rider G also "includes formulae for the derivation of the Monthly Rate for Renewable Energy ('MRRE')," and the "MRRE is designed to recover the Company's costs of procuring RECs and administering the program."[5] The cost of RECs and the cost of administering Rider G "will be based on a contract between [Dominion] and a third party vendor" that will be selected through a competitive bidding process.[6]

On July 8, 2008, the Commission issued an Order for Notice and Comment that, among other things, directed the Company to publish notice of its application, permitted interested persons to submit written or electronic comments, directed the Commission's Staff ("Staff") to file a report on the application as amended, and permitted Dominion to file a response. The Commission received, among other things: numerous written and electronic public comments on the application; Staff's report on this matter; and reply comments from Dominion.

On November 3, 2008, the Commission issued an Order Setting Oral Argument ("November 3 Order"), which scheduled oral argument in this matter as requested in written comments submitted by Robert A. Vanderhye. On November 12, 2008, the Commission heard oral argument as scheduled; Mr. Vanderhye, Dominion, and Staff participated thereat.

NOW THE COMMISSION, upon consideration of this matter, approves Rider G subject to the requirements set forth below.

Rider G

We approve Rider G subject to the following modifications, which were recommended by Staff and accepted by the Company:[7]

- The first sentence in the "Term of Contract" section shall state as follows: "The Customer may terminate service under this Rider by giving the Company at least thirty (30) days' prior notice."
- The first sentence in the "Applicability & Availability" section shall include as follows: "This Rider is available on a voluntary basis as a companion rate to any Customer who contracts with the Company for the purchase and retirement of renewable energy attributes (Renewable Energy) for all or a portion of the Customer's monthly consumption…."

In addition, as recommended by Staff and agreed to by the Company, after the Request for Proposal ("RFP") process and the selection of the third party vendor to procure RECs and to administer the program is completed, Dominion shall submit a report to the Commission that describes the terms of the RFP and the Company's evaluation process, identifies the vendor selected and the reasons therefore, includes a discussion of how Dominion will verify the validity of the RECs to be procured, and provides the initial rates to be charged under Rider G.[8]

Pepco Energy Services, Inc. ("Pepco") and Mr. Vanderhye request that Dominion be required to offer specific types of renewable options (*e.g.*, 100% solar or 100% wind).[9] Mr. Vanderhye also asserts that the RECs purchased by Dominion should be certified by a nationally recognized certification program. We will not include such specific requirements on Rider G at this time. This is a *voluntary* tariff for a *new* service; as suggested by Dominion, additional provisions for Rider G can be considered after the Company, Staff, and customers gain experience with the service provided thereunder.

Mr. Vanderhye also states that Dominion should identify to customers the specific sources of renewable energy encompassed by the RECs.[10] The Fairfax County Board of Supervisors ("Fairfax County") similarly requests additional reporting requirements to customers and to the Commission. Dominion notes, however, that Rider G customers "would receive updates informing them of how their contributions were spent, current prices for renewable energy, and of the Company's latest activities concerning renewable energy."[11] Again, we will not at this time require specific modifications to the terms of Rider G; we clarify, however, that in the updates sent to customers, Dominion shall identify the source and nature of the RECs purchased by the Company.

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[2] *Id.*

[3] *Id.*

[4] *Id.*

[5] September 30, 2008 Report of the Commission's Division of Energy Regulation ("Staff Report") at 2.

[6] *Id.*

[7] *See* Staff Report at 3-4; Dominion's October 14, 2008 Response at 3-5.

[8] Staff Report at 4; Dominion filed certain information in this regard on November 3, 2008 and shall file a complete report after the vendor has been selected.

[9] Pepco's September 5, 2008 Comments at 4; Vanderhye's June 30, 2008 Comments at 6.

[10] Vanderhye's June 30, 2008 Comments at 6.

[11] Dominion's October 14, 2008 Response at 2.

Retail Access Rules

Dominion requests a waiver from certain Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 *et seq*. ("Rules"). The Company, however, recognizes that the Commission is revising the Rules in a separate proceeding and states that "[t]o the extent that the Commission may revise the [Rules] at a later date or may issue new rules, the Company requests a waiver until such time as the [Rules] are so amended or replaced."[12] We deny this request for waiver; Dominion has not established that such a waiver is necessary in the context of this tariff proceeding. Moreover, the Commission recently issued revised Rules in Case No. PUE-2008-00061.

Section 56-577 A 5 of the Code

Section 56-577 A 5 of the Code provides as follows (emphasis added):

> After the expiration or termination of capped rates, individual retail customers of electric energy within the Commonwealth, regardless of customer class, shall be permitted 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, except for any incumbent electric utility other than 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*.

Under the above statute, Dominion's customers currently can purchase "electric energy provided 100 percent from renewable energy" from any competitive supplier licensed by the Commission. In this regard, Dominion asserts that, through the purchase of RECs, Rider G is a tariff for "electric energy provided 100 percent from renewable energy" as set forth in the above statute. If Dominion is correct, then its customers will no longer be statutorily permitted to purchase – from competitive suppliers – "electric energy provided 100 percent from renewable energy."

Mr. Vanderhye asserts, however, that the purchase of RECs through Rider G does not represent "electric energy provided 100 percent from renewable energy." Mr. Vanderhye states that, rather, RECs "act as a type of 'carbon offset' by providing money to entities that are renewable energy producers to encourage them to build more renewable energy facilities," and that "the amount of money provided is in an amount proportional to the energy the customer uses, or an amount he/she simply designates."[13] Mr. Vanderhye further asserts that RECs work as follows:

> When one purchases an REC, one is giving money to a company that is a provider of renewable energy, that is one producing renewable energy somewhere in the U.S. It may be wind, small hydro (which is considered by environmentalists to be far superior to large dams), landfill gas, methane digesters and other forms of biomass, geothermal, solar, some mixture thereof, etc. That company ostensibly uses the money to build other renewable energy facilities, so that the nationwide production of electricity from renewable sources increases.[14]

Fairfax County also contends that Rider G does not represent "electric energy provided 100 percent from renewable energy" under § 56-577 A 5 of the Code and provides the following explanation of RECs:

> RECs – which are also known as green certificates, green tags, or tradable renewable certificates – represent the environmental attributes of the power produced from renewable energy projects and are sold separate from commodity electricity. RECs are typically purchased to offset some or all of the carbon emissions associated with a customer's consumption of conventional energy…. Virginia consumers interested in purchasing RECs currently have a wide array of products and providers from which to choose. For example, the Department of Energy's Division of Energy Efficiency and Renewable Energy website identifies 25 active retail REC marketers as of October 2007, many of which offer multiple REC products.[15]

Staff adds that "[t]here does not appear to be a commonly accepted definition of a REC" and notes that the United States Environmental Protection Agency defines a REC as follows:

> Also known as green tags, green energy certificates, or tradable renewable certificates, RECs represent the technology and environmental attributes of electricity generated from renewable sources. [RECs] are usually sold in 1 megawatt-hour (MWh) units. A certificate can be sold separately from the MWh of generic electricity it is associated with. This flexibility enables customers to offset a percentage of their annual electricity use with certificates generated elsewhere.[16]

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[12] Dominion's June 27, 2008 Amendment to Application at 4.

[13] Vanderhye's June 30, 2008 Comments at 2.

[14] *Id.*, attached testimony at 3-4.

[15] Fairfax County's September 9, 2008 Comments at 2.

[16] Staff Report at 6 (citing http://epa.gov/greeningepa/glossary.htm#recerts).

Dominion describes a REC as follows:

> [RECs] are the currency of renewable energy. One REC is validation that one MWh of renewable energy has been generated and delivered to the power grid. If the physical electricity and associated RECs are sold to separate buyers, the physical electricity alone is no longer considered 'renewable.' The REC product is what conveys the attributes and benefits of renewable energy, not the electricity itself. The REC is a verified investment in renewable energy that has been generated and delivered to the nation's power grid.[17]

The Company asserts that, as a matter of statutory interpretation, § 56-577 A 5 of the Code "should be interpreted in such a way that the provision of renewable energy in the form of RECs is an acceptable mechanism of providing 'electric energy provided 100 percent from renewable energy.'"[18] Dominion notes that § 56-585.2 A of the Code, which applies to a utility's renewable energy portfolio standard ("RPS") program, includes RECs in the definition of "renewable energy," and the Company asks "what possible public policy goal is advanced by making options for advancing renewable energy under a 'green' tariff more restrictive than the limits imposed in the context of the RPS Goals?"[19] Furthermore, Dominion asserts that "RECs are, in fact, the only way currently available to be sure that an amount of renewable energy exactly equal to a customer's electricity usage has been produced and delivered to the power grid," and "[s]ince statutes are to be interpreted so as to give them 'efficient operation and effect,' [§ 56-577 A 5 of the Code] should be interpreted in such a way that the provision of renewable energy in the form of RECs is an acceptable mechanism of providing 'electric energy provided 100 percent from renewable energy.'"[20]

As noted in our November 3 Order, the Commission's consideration of whether Rider G satisfies the new statute at issue herein, § 56-577 A 5 of the Code, presents an issue of first impression.[21] Specifically, Dominion's application presents the following question: *Is a tariff – through which the Company purchases and retires RECs on behalf of a customer to account for all of the customer's electricity usage – a "tariff for electric energy provided 100 percent from renewable energy" under § 56-577 A 5 of the Code*? We find herein that it is not.

We first look to the plain language of the statute. For purposes of § 56-577 A 5 of the Code, the term "renewable energy" is defined as follows: "energy derived from sunlight, wind, falling water, sustainable biomass, energy from waste, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas or nuclear power."[22] RECs are neither expressly included, nor excluded, from this definition. Read literally, the statute on its face does not include RECs within the definition of "renewable energy" as that term is used in § 56-577 A 5 of the Code. Thus, even considering the statute in the best light for Dominion, it is ambiguous as to whether RECs are included as renewable energy.

Next, Dominion places great weight on the fact that § 56-585.2 A of the Code, which applies to a utility's RPS program, explicitly includes RECs in the definition of "renewable energy." The Company concludes that "it would be irrational for RECs to be permissible under one program but not under another."[23] We do not find that the General Assembly was irrational. Rather, the explicit inclusion of RECs in § 56-585.2 A of the Code evidences that the General Assembly was quite aware and capable of explicitly including RECs in a statutory requirement when it so chose. Indeed, the Commission has previously approved an application for an RPS program that, as permitted by the explicit language of § 56-585.2 A of the Code, included RECs.[24]

Further, the inclusion of RECs in § 56-585.2 A of the Code is explicitly limited to that section. Section § 56-585.2 A begins: "As used *in this section*…" (emphasis added) before it includes RECs in subdivision (iii) thereof as meeting the definition of renewable energy. The General Assembly could have explicitly drafted this section to cross-reference and include RECs in both § 56-577 A 5 as well as § 56-585.2 A of the Code; to the contrary, it explicitly limited RECs to § 56-585.2 A of the Code.

Moreover, Dominion is not offering electric energy to customers under Rider G; rather, customers choosing Rider G are paying for RECs. Indeed, as set forth in the "Applicability & Availability" section of Rider G, this tariff is for a customer "who contracts with the Company for the purchase and retirement of renewable energy *attributes*," not for electric energy. If the Company wanted to offer electric energy provided 100 percent from renewable energy under the current language of §§ 56-576 and 577 A 5 of the Code, it could, for example, contract for power from a renewable facility and allocate such power to retail customers purchasing under a specific rider priced for that purpose. The proposed Rider G, in contrast, is not a tariff to sell electric energy from a renewable facility to retail customers.

Finally, RECs are not "electric energy." RECs are certificates with certain attributes, but they are not "electric energy" as that term is used in § 56-577 A 5 of the Code; that is, a tariff that purchases and retires certificates on behalf of a customer is not a "tariff for electric energy." Accordingly, absent an unambiguous statutory definition that specifically includes RECs for purposes of § 56-577 A 5 of the Code, we find that a tariff – through which the Company purchases and retires RECs on behalf of a customer to account for all of the customer's electricity usage – is not a "tariff for electric energy provided 100 percent from renewable energy."

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[17] Dominion's October 14, 2008 Response at 6.

[18] *Id.* at 15.

[19] *Id.* at 14.

[20] *Id.* at 15.

[21] As also noted in the November 3 Order, the Commission is contemporaneously considering a similar issue of first impression as part of an application filed by Appalachian Power Company in Case No. PUE-2008-00057.

[22] Va. Code Ann. § 56-576 (2008).

[23] Dominion's October 14, 2008 Response at 14.

[24] *Application of Appalachian Power Co. for Approval to Participate in the Virginia Renewable Energy Portfolio Standard Program*, Case No. PUE-2008-00003, Final Order (Aug. 11, 2008).

In sum, Dominion's customers: (1) may participate in the Company's Rider G tariff, wherein the Company will purchase and retire RECs for the monthly purchase option chosen by the customer; and (2) may also continue, under§ 56-577 A 5 of the Code, 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.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Dominion's application, as amended, is granted to the extent set forth in this Order Approving Tariff and is otherwise denied.

(2) Rider G is approved subject to the requirements set forth in this Order Approving Tariff, effective for service rendered on and after January 1, 2009.

(3) On or before January 1, 2009, Dominion shall submit Rider G, as approved by this Order Approving Tariff, to the Director of the Commission's Division of Energy Regulation.

(4) Rider G is not a "tariff for electric energy provided 100 percent from renewable energy" under Va. Code § 56-577 A 5.

(5) This matter is dismissed.

Commissioner Shannon participated in this matter.

Commissioner Dimitri did not participate in this matter.

CASE NO. PUE-2008-00045
OCTOBER 15, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For adjustment to capped electric rates pursuant to § 56-582 B (vi) of the Code of Virginia

FINAL ORDER

On May 30, 2008, Appalachian Power Company ("Appalachian" or "Company") filed with the State Corporation Commission ("Commission") an application seeking adjustment of the Company's capped electric rates pursuant to § 56-582 B (vi) of the Code of Virginia ("Code"). Specifically, Appalachian seeks to revise its surcharge for the recovery of its incremental environmental compliance and transmission and distribution system reliability costs ("E&R costs"). Appalachian has requested that the Commission permit the proposed surcharges to be effective for electric service rendered on or after January 1, 2009.

The Company stated that Code § 56-582 B (vi) permits recovery of incremental costs for compliance with state and federal environmental laws and regulations ("environmental costs") and for transmission and distribution system reliability ("reliability costs") after July 1, 2004, and that the cost recovery sought in its application represents the Company's incremental environmental and reliability costs incurred between October 1, 2006, and December 31, 2007.

Appalachian asserted that it has incurred incremental costs during the period October 1, 2006, through December 31, 2007, resulting in a total net revenue requirement of $66.5 million. The Company stated that the calculation of the revenue requirement is consistent with methodologies approved by the Commission in its two previous E&R costs cases. *Appalachian Power Company*, Case No. PUE-2005-00056 and Case No. PUE-2007-00069. The Company requested an 11.75% rate of return on common equity. The Company proposed to recover this revenue requirement through surcharges applied to the Company's rate schedules for service to customers subject to the jurisdiction of the Commission. The appropriate surcharges would be applied to customers' bills each month for electric usage during the period January 1, 2009, through December 31, 2009. The Company proposed a single, per kWh E&R factor by class and voltage level to be applied to customers' kWh usage to recover E&R expenses. The Company stated that this methodology should be simpler and easier for customers to understand, and it should mitigate the potential for over-recovery of E&R costs.

On June 6, 2008, the Commission issued an Order for Notice and Hearing directing Appalachian to provide notice of its application; inviting comments on the application by interested persons; scheduling a public hearing on the application for September 17, 2008; and establishing a procedural schedule for the filing of testimony and exhibits by respondents and the Commission Staff.

Notices of participation were filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"), Steel Dynamics-Roanoke Bar Division ("Steel Dynamics"), the VML/VACo APCo Steering Committee ("VML/VACo"), and the Old Dominion Committee for Fair Utility Rates ("Old Dominion Committee").

On July 14, 2008, the Old Dominion Committee filed a Motion for Expedited Consideration and Dismissal ("Motion"). The Old Dominion Committee asserted that the Company's application could not proceed as filed given that by statute capped rates expire on December 31, 2008, and therefore, could no longer be adjusted under § 56-582 B (iv) of the Code. Both Appalachian and Consumer Counsel filed a response opposing the Old Dominion Committee's Motion on July 25, 2008. On August 14, 2008, a Hearing Examiner's Ruling was issued denying the Motion and directing that the matter proceed as scheduled.

Prefiled testimony was submitted by the Old Dominion Committee, Steel Dynamics, and Consumer Counsel on August 13, 2008. The Old Dominion Committee's prefiled testimony opposed the Company's proposal to design its surcharge on a kWh basis. Likewise, Steel Dynamics' prefiled testimony opposed the proposed kWh-based surcharge and recommended that the Company revert to its previous method for recovering E&R costs. Both

the Old Dominion Committee and Steel Dynamics took issue with the method of E&R cost allocation. Consumer Counsel's prefiled testimony focused on whether the $66.5 million of costs sought by Appalachian represent properly justified E&R costs.

On August 30, 2008, the Staff filed testimony recommending that the total revenue requirement be reduced to $65,844,000, using the Staff's cost of capital and including a $9.088 million cost[1] that would be moved into this proceeding from the ongoing general rate case in Case No. PUE-2008-00046. The Staff further recommended reducing the revenue requirement to remove the costs of transmission and distribution projects included in the application which were not based on reliability or environmental needs, but rather were needed to serve new load growth.

A public hearing was convened on September 17, 2008, during which Senator William Roscoe Reynolds testified in opposition to the proposed increase. On September 19, 2008, the hearing was reconvened wherein the parties and Staff submitted a jointly executed stipulation ("Stipulation") recommending a resolution of the issues in this proceeding.

The Stipulation provides that Appalachian, the Old Dominion Committee, Consumer Counsel, VML/VACo, Steel Dynamics, and the Staff agree that the Commission should adopt a revenue requirement of $60.6 million for the Company to recover E&R costs through a monthly surcharge for service rendered during calendar year 2009. The Stipulation provides that the stipulated revenue requirement includes $4.55 million of the approximately $9.1 million Virginia jurisdictional share of the NSR settlement, with the balance subject to review and challenge in the Company's next E&R proceeding. The $60.6 million revenue requirement reflects a $300,000 reduction arising from the removal of costs related to six projects involving line relocation and a $350,000 reduction in costs allocated to projects challenged as being related to load growth rather than system reliability. The Stipulation is based upon Staff's recommended capital structure, provides a manner to allocate the revenue requirement among the customer classes, and provides for a surcharge design utilizing demand and energy factors to be applied on a kWh basis and a kW basis where appropriate. With regard to cost allocation, the Stipulation requires that the Company file a fully allocated class cost of service study in its next E&R case.

The Report of Howard P. Anderson, Jr., Hearing Examiner, was issued on September 26, 2008. As noted by the Hearing Examiner, the proposed rate increase engendered a large response from the public - 1,046 letters were received, along with 666 witness signatures on petitions, and 78 e-mails from customers, all opposed to the proposed increase. The Hearing Examiner's Report reviewed the procedural history of the case and found the Stipulation to be acceptable. Therefore, the Hearing Examiner recommended that the Commission adopt the Stipulation submitted by the participants in this proceeding.

NOW THE COMMISSION, having considered the Hearing Examiner's Report, the record, pleadings, and applicable law, is of the opinion and finds that the findings and recommendations in the Hearing Examiner's Report should be adopted and that the jointly executed Stipulation should be accepted as a fair and reasonable resolution of this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) The Company's application seeking adjustment of its capped electric rates pursuant to § 56-582 B (vi) of the Code of Virginia is granted in part, and denied in part, as set forth herein.

(2) The Findings and Recommendations in the Hearing Examiner's September 26, 2008 Report are adopted, and the Stipulation of the parties and Staff is hereby accepted.

(3) The Company shall implement a line-item surcharge, designated on customer bills as "Environmental & Reliability Cost Recovery Surcharge," to recover the $60.6 million revenue requirement approved herein for incremental E&R costs prudently incurred from October 1, 2006, through December 31, 2007.

(a) Such surcharge shall be effective for service rendered on and after January 1, 2009, and shall be calculated in accordance with the Stipulation of the parties.

(b) Such surcharge shall be designated to recover the $60.6 million revenue requirement approved herein for service rendered during the 12 months ending December 31, 2009.[2]

(c) Such surcharge shall cease for service rendered after December 31, 2009.

(d) Any future E&R surcharge shall address any under- or over-recovery of the revenue requirement approved herein.

(4) Consistent with the findings made herein, the Company shall forthwith file with the Commission's Division of Energy Regulation revised tariffs, effective for service rendered on and after January 1, 2009.

(5) The Company shall keep track of all base rate and surcharge recoveries of incremental E&R costs on a continuing basis and shall provide reports of same to Staff as may be reasonably requested.

(6) There being nothing further to come before the Commission, this matter is dismissed from the Commission's active docket and the papers filed herein placed in the Commission's file for ended causes.

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[1] $9.088 million is Appalachian's Virginia jurisdictional share of the non-penalty portion of the settlement of a federal action for alleged violations of the New Source Review ("NSR") of the Clean Air Act.

[2] The current surcharge approved in Case No. PUE-2007-00069 recovers $48.9 million. That surcharge ceases as of December 31, 2008. Effective January 1, 2009, the $60.6 million surcharge will replace that earlier surcharge. Hence, the net increase in annual E&R surcharge to be paid by customers is $11.7 million.

CASE NO. PUE-2008-00046
JUNE 6, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For an increase in electric rates

ORDER FOR NOTICE AND HEARING AND SUSPENDING RATES

Pursuant to Va. Code § 56-582 C, an incumbent electric utility providing service under capped rates, as established and adjusted in accordance with Va. Code §§ 56-582 A and B, may, under certain conditions, petition the State Corporation Commission ("Commission") for approval of a one-time change in its rates. Any such petition for a change to capped rates filed pursuant to Va. Code § 56-582 C shall be governed by the provisions of Chapter 10 (§ 56-232 et seq.) of Title 56 of the Code of Virginia ("Chapter 10").

On May 30, 2008, pursuant to Va. Code § 56-582, Chapter 10, and the Rules Governing Utility Rate Increase Applications and Annual Informational Filings, 20 VAC 5-200-30 ("Rate Case Rules"), Appalachian Power Company ("APCo" or the "Company") filed with the Commission an application, with accompanying testimony and exhibits, for an increase in its base rates ("Application").

According to APCo, the Application demonstrates the need for an increase in the Company's base rates in the amount of $207.9 million, a 23.9% increase in revenues. The base rate increase is derived from pro-forma revenues of $1.14 billion, pro-forma operating expenses of $1.05 billion, and a pro-forma rate base of $2.4 billion. This proposed revenue requirement reflects a rate of return on rate base of 8.516%, based on a proposed rate of return on common equity of 11.75% and a projected capital structure for APCo as of June 30, 2008. The Company proposes to collect the $207.9 million additional revenue requirement through changes to base rates effective June 29, 2008.

The Company indicates that the base rates proposed seek additional revenues to collect costs for environmental compliance and system reliability ("E&R costs") expected to be incurred on a going forward basis. APCo states that the E&R costs sought in the instant proceeding are not duplicative of the Company's previous requests – in Case No. PUE-2007-00069 for the recovery of costs incurred during the period October 1, 2005 through September 30, 2006, and the request filed contemporaneously with the instant request in Case No. PUE-2008-00045 for the recovery of costs incurred during the period October 1, 2006 through December 31, 2007 – for recovery pursuant to Va. Code § 56-582 B (vi) of the costs associated with compliance with state and federal environmental laws and regulations and transmission and distribution system reliability.

NOW THE COMMISSION, upon consideration of the Application and applicable statutes and rules, is of the opinion that this matter should be docketed and that the proposed increase in rates, charges, and terms and conditions of service should be suspended, pursuant to Va. Code § 56-238, for a period of one hundred fifty (150) days from the date the Application was filed with the Commission to and through October 27, 2008. APCo may, but is not obligated to, implement the proposed rates, charges, and terms and conditions of service for service rendered on and after October 28, 2008, on an interim basis subject to refund with interest.

The Company has requested that the Commission issue a final order in this matter within the 150-day suspension period in order to minimize the risk that interim rates would go into effect subject to refund. The Company's request would require an extraordinarily compressed schedule for a general rate case. We establish herein a schedule that is intended to permit the Commission to meet its statutory obligations, including careful review of the Applicant's rate increase request, and to ensure all parties appropriate due process. We note that the schedule is dependent on the Company's ability to timely and completely respond to all interrogatories and informational requests.

We find that a public hearing should be convened to receive evidence on the Application, that APCo should be directed to give notice to the public of its Application, and that a procedural schedule should be established herein.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUE-2008-00046.

(2) The proposed increase in rates, charges, and terms and conditions of service shall be suspended, pursuant to Va. Code § 56-238, for a period of one hundred fifty (150) days from the date the Application was filed with the Commission to and through October 27, 2008. APCo may, but is not obligated to, implement the proposed rates, charges, and terms and conditions of service for service rendered on and after October 28, 2008, on an interim basis subject to refund with interest.

(3) A public hearing shall be convened before the Commission on October 29, 2008, at 10:00 a.m., in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive comments from members of the public and to receive evidence on the Application. Any person not participating in this proceeding as a respondent as provided for herein may give oral testimony concerning the Application as a public witness at the October 29, 2008 hearing. Public witnesses desiring to make statements at the hearing need only appear in Commission's Courtroom prior to 9:45 a.m. on the day of the hearing and register a request to speak on a form provided by the Commission's bailiff.

(4) The Company shall make copies of the Application as well as a copy of this Order, 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, Anthony Gambardella, Esquire, Woods Rogers PLC, 823 East Main Street, Suite 1200, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the Application by electronic means. Copies of the Application, testimony, and schedules, as well as a copy of this Order, 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, between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday. Interested persons may also download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

(5) On or before June 27, 2008, the Company shall cause the following notice to be published as display advertising (not classified) in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE OF THE APPLICATION BY
APPALACHIAN POWER COMPANY
FOR AN INCREASE IN ELECTRIC RATES
CASE NO. PUE-2008-00046

On May 30, 2008, pursuant to Va. Code § 56-582, Chapter 10 (§ 56-232 et seq.) of Title 56 of the Code of Virginia ("Chapter 10"), and the Rules Governing Utility Rate Increase Applications and Annual Informational Filings, 20 VAC 5-200-30, Appalachian Power Company ("APCo" or the "Company") filed with the State Corporation Commission ("Commission") an application, testimony, and exhibits for an increase in its base rates ("Application"). Pursuant to Va. Code § 56-582 C, an incumbent electric utility providing service under capped rates may, under certain conditions, petition the Commission for approval of a one-time change in its rates.

According to APCo, the Application demonstrates the need for an increase in the Company's base rates in the amount of $207.9 million, a 23.9% increase in revenues. The base rate increase is derived from pro-forma revenues of $1.14 billion, pro-forma operating expenses of $1.05 billion, and a pro-forma rate base of $2.4 billion. This proposed revenue requirement reflects a rate of return on rate base of 8.516%, based on a proposed rate of return on common equity of 11.75% and a projected capital structure for APCo as of June 30, 2008. The Company proposes to collect the $207.9 million additional revenue requirement through changes to base rates effective June 29, 2008.

The Company indicates that the base rates proposed seek additional revenues to collect costs for environmental compliance and system reliability ("E&R costs") expected to be incurred on a going forward basis. APCo states that the E&R costs sought in the instant proceeding are not duplicative of the Company's previous requests – in Case No. PUE-2007-00069 for the recovery of E&R costs incurred during the period October 1, 2005 through September 30, 2006, and the request filed contemporaneously with the instant request in Case No. PUE-2008-00045 for the recovery of E&R costs incurred during the period October 1, 2006 through December 31, 2007 – for recovery pursuant to Va. Code § 56-582 B (vi) of the costs associated with compliance with state and federal environmental laws and regulations and transmission and distribution system.

Copies of the Application and 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. Copies also may be obtained by submitting a written request to counsel for the Company, Anthony Gambardella, Esquire, Woods Rogers PLC, 823 East Main Street, Suite 1200, Richmond, Virginia 23219. Copies 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 between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday. Interested persons may also download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

The Commission has suspended the Company's proposed increase, pursuant to Va. Code § 56-238, for a period of one hundred fifty (150) days from the date the Application was filed with the Commission to and through October 27, 2008. APCo may, but is not obligated to, implement the proposed rates, charges, and terms and conditions of service for service rendered on and after October 28, 2008, on an interim basis subject to refund with interest.

The Commission has scheduled a public hearing for October 29, 2008, at 10:00 a.m. in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive comments from members of the public and to receive evidence on the Application.

On or before October 22, 2008, any interested person may file written comments on the Application by filing an original and fifteen (15) copies of such comments with Joel H. Peck, Clerk, State Corporation Commission, Document Control Center, P. O. Box 2118, Richmond, Virginia 23218-2118. Interested persons may submit comments electronically by following the instructions found on the Commission's website: http://www.scc.virginia.gov/case. Any person not participating as a respondent as provided below, but desiring to make a statement at the October 29, 2008, public hearing concerning the Application as a public witness shall appear in the Commission's Second Floor Courtroom, Tyler Building, 1300 East Main Street, Richmond, Virginia prior to 9:45 am on the day of the hearing and sign up to speak.

Any interested person may participate as a respondent in this proceeding by filing, on or before July 11, 2008, an original and fifteen (15) copies of a notice of participation as a respondent with the Clerk of the Commission at the address set forth above. Pursuant to Rule § VAC 5-20-80 of the Rules of Practice and Procedure, 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. A person participating as a respondent must file with the Clerk of the Commission on or before September 26, 2008, at the address set forth above an original and fifteen (15) copies of any testimony and exhibits by which the respondent expects to establish its case. Interested persons should obtain a copy of the Commission's Order Notice and Hearing for further details on participation as a respondent.

All comments and notices of participation filed with the Clerk of the Commission shall refer to Case No. PUE-2008-00046 and shall simultaneously be served on counsel for the Company at the address set forth above.

APPALACHIAN POWER COMPANY

(6) On or before June 27, 2008, the Company shall serve a copy of this Order on the chairman of the board of supervisors and county attorney of each county and upon the mayor or manager (or equivalent official) of every city and town in which the Company provides service in the Commonwealth of Virginia. Service shall be made by first-class mail to the customary place of business or residence of the person served.

(7) On or before July 18, 2008, the Company shall file with the Clerk of the Commission proof of the notice and service required by Ordering Paragraphs (5) and (6) herein.

(8) On or before October 22, 2008, any interested person may file written comments on the Application by filing an original and fifteen (15) copies of such comments with Joel H. Peck, Clerk, State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Also on or before October 22, 2008, interested parties shall refer in their comments to Case No. PUE-2008-00046. Interested persons may submit comments electronically by following the instructions found on the Commission's website: http://www.scc.virginia.gov/case.

(9) Any interested person may participate as a respondent in this proceeding by filing, on or before July 11, 2008, an original and fifteen (15) copies of a notice of participation as a respondent with the Clerk of the Commission at the address set forth in Ordering Paragraph (8) above and shall simultaneously serve a copy of the notice of participation on counsel to the Company at the address set forth in Ordering Paragraph (4) above. Pursuant to Rule § VAC 5-20-80 of the Rules of Practice and Procedure, 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. Respondents shall refer in all of their filed papers to Case No. PUE-2008-00046. 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, a copy of the Application, and all materials filed with the Commission, unless these materials have already been provided to the respondent.

(10) On or before September 26, 2008, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (8) above an original and fifteen (15) copies of any testimony and exhibits by which the respondent expects to establish its case. Each respondent shall serve copies of the testimony and exhibits on counsel to the Company, all other respondents, and the Commission Staff.

(11) On or before October 10, 2008, the Commission Staff shall investigate the Application and shall file with the Clerk of the Commission an original and fifteen (15) copies of testimony and exhibits regarding its investigation and shall promptly serve a copy on counsel to the Company and all respondents.

(12) On or before October 20, 2008, the Company shall file with the Clerk of the Commission an original and fifteen (15) copies of any rebuttal testimony that the Company expects to offer in rebuttal to the testimony and exhibits of the respondents and the Commission Staff and shall on the same day serve one copy on the Commission Staff and all respondents.

(13) The Company and respondents shall respond to written interrogatories within seven (7) calendar days, including weekends and holidays, after receipt of the same. Except as modified herein, discovery shall be in accordance with Part IV of the Rules of Practice and Procedure.

(14) The Commission assigns a Hearing Examiner to rule on discovery matters in this proceeding.

CASE NO. PUE-2008-00046
NOVEMBER 17, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For an increase in electric rates

FINAL ORDER

On May 30, 2008, pursuant to Va. Code § 56-582, Chapter 10, and the Rules Governing Utility Rate Increase Applications and Annual Informational Filings, 20 VAC 5-200-30 ("Rate Case Rules"), Appalachian Power Company ("Appalachian") filed with the Commission an application, with accompanying testimony and exhibits, for an increase in its base rates ("Application").

Appalachian asserted that the Application demonstrates the need for an increase in its base rates in the amount of $207.9 million, a 23.9% increase in revenues. The base rate increase is derived from pro-forma revenues of $1.14 billion, pro-forma expenses of $1.05 billion, and a pro-forma rate base of $2.4 billion. This proposed revenue requirement reflects a rate of return on rate base of 8.516%, based on a proposed rate of return on common equity ("ROE") of 11.75% and a projected capital structure for Appalachian as of June 30, 2008. Appalachian proposed to collect the $207.9 million additional revenue requirement through changes to base rates effective June 29, 2008.

On June 6, 2008, the Commission issued an Order for Notice and Hearing and Suspending Rates directing Appalachian to provide notice of its Application; inviting comments on the Application by interested persons; scheduling a public hearing on the Application for October 29, 2008; and establishing a procedural schedule for the filing of testimony and exhibits by respondents and the Commission Staff. The Order also suspended the Company's proposed rates for 150 days pursuant to § 56-238 of the Virginia Code, or through October 27, 2008, and thereafter permitted the Company to implement its proposed rates on an interim basis subject to refund with interest.

Notices of participation were filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"), Steel Dynamics-Roanoke Bar Division ("Steel Dynamics"), the VML/VACo APCo Steering Committee ("VML/VACo"), Wal-Mart Stores East, L.P. ("Wal-Mart"), The Kroger Company ("Kroger"), and the Old Dominion Committee for Fair Utility Rates ("Old Dominion Committee").

Pre-filed testimony was submitted on September 26, 2008, by Consumer Counsel, Steel Dynamics, Wal-Mart, Kroger and the Old Dominion Committee. Consumer Counsel recommended that the Commission reduce Appalachian's base rate increase. Steel Dynamics, Wal-Mart, Kroger and the Old Dominion Committee each asserted that Appalachian's proposed allocation of revenues across customer rate classes resulted in cross-subsidies and a return from certain classes that exceeds the cost of capital.

On October 10, 2008, the Staff filed testimony recommending that Appalachian's requested revenue requirement be reduced to $156,775,333, calculated using Staff's cost of capital and an ROE of 10.1%. For example, Staff's proposed capital structure modifications, including reducing ROE to 10.1%, resulted in a decrease to revenue requirement. In addition, Staff proposed decreased revenue requirements for items such as operations and maintenance expenses, operating revenues, and charitable donations. Staff supported Appalachian's proposal to allocate the rate increase equally across all customer classes.

Appalachian filed rebuttal testimony on October 20, 2008, responding to the pre-filed testimony of Staff and other parties in support of its requested increase of $207.9 million.

A public hearing was convened on October 29, 2008. The following were represented by counsel at the hearing: Appalachian; the Old Dominion Committee; Consumer Counsel; VML/VACo; Wal-Mart; Kroger; Steel Dynamics; and Staff. In addition, 15 public witnesses testified at the hearing in opposition to the proposed increase. Following the public witness testimony, the Company, certain parties, and Staff submitted a jointly executed stipulation ("Stipulation") recommending a resolution of the issues in this proceeding. The Stipulation provides that Appalachian, the Old Dominion Committee, VML/VACo, Wal-Mart, Kroger, and the Staff agree that the Commission should adopt a revenue requirement increase of $167,867,699 for Appalachian, rather than the Company's requested revenue requirement increase of approximately $207.9 million. According to the Stipulation, the increase is based on an authorized ROE range of 9.6% to 10.6%, and uses an ROE of 10.2% for purposes of setting the revenue requirement in this case.

The Stipulation further provides that consistent with the Staff's proposed treatment for Deferred State Income Taxes, as impacted by the Virginia coal tax credit carry-forwards, the Company shall implement the valuation allowance accounting set forth in the Stipulation. The Company also agreed to provide a minimum distribution system study in its next base rate proceeding.

The stipulating participants further agreed that the recommended revenue requirement increase of $167,867,699 shall be allocated to the customer classes using the Company's proposed method of allocating the overall percentage increase to each class. The stipulating participants also agreed to the following rate design provisions: (1) the Large Power Service rates shall be designed to recover ninety percent (90%) of the demand related costs through the demand charge; and (2) the Large General Service ("LGS") rates shall be designed to increase the current demand charge by no less than twenty percent (20%).

Next, consistent with Staff witness Stevens' proposal, the Company agreed to file a plan, prior to its next base rate filing, that would eventually move the intra-class LGS rates to full cost of service, on a demand and energy charge basis, with implementation of the plan to begin with its next base rate case.

The stipulating participants also agreed that the Company shall refund, with such interest and under such terms as the Commission may direct, the difference between the rates designed in conformance with this Stipulation and any rates placed in effect, subject to refund, by the Company in this proceeding.

Consumer Counsel did not sign the Stipulation, but stated that it did not oppose the agreement contained therein. Steel Dynamics opposed the Stipulation.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the jointly executed Stipulation should be accepted as a fair and reasonable resolution of this proceeding.

The rate increase we approve today represents a substantial reduction from the original increase requested by Appalachian in its Application. The Company requested slightly below $208 million in additional revenues from its customers; today we reduce that revenue increase to slightly below $168 million, a reduction of approximately $40 million. In doing so, we do not consider any precedent to be established regarding specific adjustments or methodologies used by the Stipulation in developing the lower amount. Nevertheless, while we are cutting Appalachian's rate increase substantially from its request, we understand that the rate increase approved will still represent a hardship on many of Appalachian's residential and business customers. We find, however, that this rate increase is consistent with the facts and laws that govern this case.

The record before the Commission reveals that a significant portion of the increase relates to capital expenditures made to generation and distribution facilities needed to provide service to customers. A large portion of this increase is attributable to environmental improvements made to the generation facilities to comply with federal laws and regulations. Additionally, Appalachian has made improvements to maintain the reliability of its distribution network in Virginia. These expenditures, plus associated operating costs and depreciation, have contributed to an upward pressure on rates. In its prior base rate case, the Company sought to recover in rates much of this investment by projecting capital expenditures; however, we denied recovery because funds had not actually been expended. As the Company has now actually spent these amounts, state law provides for their recovery in rates. We will continue to monitor Appalachian's expenditures in the future to ensure that Virginia ratepayers pay no more than is required under Virginia law.

In addition, as noted above, Steel Dynamics did not join in the Stipulation. Steel Dynamics opposed allocating the rate increase by the same percentage across all customer classes, as is proposed in the Stipulation. Specifically, Steel Dynamics asserted that too much of the rate increase has been allocated to large business customers. *See, e.g.*, Tr. 65-67. If we modified the Stipulation to reflect the rate allocation suggested by Steel Dynamics, the rates for some customers would be *higher* than those contained in the Stipulation. We reject Steel Dynamics' argument for purposes of this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) Appalachian's Application for an increase in its base rates is granted in part, and denied in part, as set forth herein.

(2) The Stipulation presented by the parties and Staff is hereby accepted.

(3) Appalachian shall forthwith file revised tariffs and terms and conditions of service with the Commission's Division of Energy Regulation, in accordance with the findings made herein, for bills rendered on and after thirty (30) days from the date of this Final Order.

(4) Appalachian shall recalculate, using the rates and charges approved herein, each bill it rendered that used, in whole or in part, the rates and charges that took effect on an interim basis and subject to refund on and after October 27, 2008, and, where application of the new rates results in a reduced bill, refund the difference with interest as set out below within ninety (90) days of the issuance of this Final Order.

(5) Interest upon the ordered refunds shall be computed from the date payments of monthly bills were due to the date each refund is made at the average prime rate for each calendar quarter, compounded quarterly. The average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's Selected Interest Rates (Statistical Release H. 15) for the three months of the preceding calendar quarter.

(6) The refunds ordered herein may be credited to current customers' accounts (each refund category shall be shown separately on each customer's bill). Refunds to former customers shall be made by check mailed to the last known address of such customers when the refund amount is $1 or more. Appalachian 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. Appalachian may retain refunds to former customers when such refund is less than $1. Appalachian shall maintain a record of former customers for which the refund is less than $1, and such refunds shall be promptly made upon request. All unclaimed refunds shall be subject to § 55-210.6:2 of the Code of Virginia.

(7) On or before May 15, 2009, Appalachian shall deliver to the Divisions of Public Utility Accounting and Energy Regulation a report showing that all refunds have been made pursuant to this Final Order, detailing the costs of the refunds and the accounts charged.

(8) Appalachian shall bear all costs incurred in effecting the refund ordered herein.

(9) There being nothing further to come before the Commission, this matter is dismissed from the Commission's active docket and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUE-2008-00047
JUNE 25, 2008

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue securities

ORDER GRANTING AUTHORITY

On June 2, 2008, Washington Gas Light Company ("WGL" or "Company") filed an application with the Virginia State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia for authority to issue short-term debt, long-term debt and preferred securities. WGL has paid the requisite fee of $250.

The Company requests authority to issue up to $356.5 million in long-term securities in any combination of preferred stock, bonds, notes and other long-term debt instruments ("Long-Term Securities") and up to $400 million in short-term debt[1] ("Short-Term Securities") (collectively "The Securities") from October 1, 2008 through September 30, 2011. In addition, the Company requests authority to enter into one or more interest rate hedging transactions in association with the issuance of new Long-Term Securities requested herein.

WGL states that the proceeds from the issuance of any Long-Term Securities will be used to refund maturing long-term debt, to retire, prior to maturity, higher cost long-term debt as market conditions permit, and for general corporate purposes such as the acquisition of property, working capital requirements and the retirement of short-term debt. The Short-Term Securities will be used to fund the Company's temporary and seasonal needs for cash and may also be used as bridge financing of permanent capital requirements.

The Long-Term Securities will be issued in one or more public offerings or may be issued in one or more private placements depending on market conditions at the time of issuance. The maturity date on any Long-Term Securities will not be less than one year. The effective cost is not expected to be more than 300 basis points above the most comparable maturity U.S. Treasury Security, excluding underwriters' compensation and other expenses.

The Short-Term Securities will be issued in the form of notes to financial institutions and/or commercial paper. The notes and commercial paper will have maturities of less than one year. The proposed Short-Term Securities are supported by a revolving credit agreement for up to $400 million with a syndicate of financial institutions. There will be no underwriting charges or finders fees associated with the issuance of the notes and commercial paper. However, WGL will pay fees on the associated revolving credit agreement and will also pay commission on the sale of commercial paper.

[1] The amount of short-term debt is in excess of 12% of total capitalization as defined in § 56-65.1 of the Code of Virginia.

WGL will only enter into interest rate hedging transactions in conjunction with the issuance of long-term debt. According to the Company, these transactions will be used for the purpose of controlling the cost of long-term debt securities. A hedging transaction could take the form of a forward starting swap, a treasury lock hedge, or other financial instruments, and the structure of each transaction will have the following characteristics: 1) the transaction will be initiated before the issuance of any long-term debt; 2) the amount of the hedging transaction will be comparable to the amount of the long-term debt; 3) the term of the hedging transaction will not exceed twelve months; and 4) the hedging transaction would only be initiated during the effective period of the Commission's Order authorizing the issuance of long-term debt.

THE COMMISSION, upon consideration of the application, and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

1) WGL is authorized to issue up to $356.5 million in Long-Term Securities, from the period October 1, 2008 through September 30, 2011, under the terms and conditions and for the purposes stated in its application.

2) WGL is hereby authorized to issue short-term indebtedness in excess of 12% of total capitalization, provided that such indebtedness does not exceed $400 million, from the period October 1, 2008 through September 30, 2011, under the terms and conditions and for the purposes set forth in the application.

3) WGL is hereby authorized to enter into interest rate hedging agreements, from the period October 1, 2008 through September 30, 2011, under the terms and conditions and for the purposes stated in the application.

4) WGL shall file a report of action on or before December 31 of 2009, 2010 and 2011 concerning WGL's daily short-term debt activity for the proceeding year ended September 30 of 2009, 2010 and 2011, respectively. Such reports shall include the type, amount, issuance date, maturity, and interest rate on each borrowing, the average daily balance and maximum outstanding balance for each month, and any commissions or bank line of credit fees paid in connection with the short-term borrowings.

5) WGL shall submit a preliminary report of action within ten days after the issuance of any Securities pursuant to this Order to include the type of security, the date of issuance, the amount of issuance, the applicable interest rate or dividend rate, the maturity date, and net proceeds to WGL.

6) Within 60 days of the end of the calendar quarter in which any Long-Term Securities are issued, WGL shall file a more detailed report to include the information required in Ordering Paragraph (5), as well as an itemized list of actual expenses to date associated with the issuance(s), a comparison of the effective rate of Securities issued and any refunded securities, use of proceeds, and a balance sheet reflecting the actions taken.

7) On or before December 31, 2011, WGL shall file a final report of action to include all information required in Ordering Paragraph (6) which incorporates then-current actual expenses and fees paid for the proposed Securities issuances.

8) The authority granted herein shall have no implications for ratemaking purposes.

9) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUE-2008-00048
AUGUST 29, 2008

JOINT APPLICATION OF
THE POTOMAC EDISON COMPANY
and
TRANS-ALLEGHENY INTERSTATE LINE COMPANY

For authority to enter into an Easement Agreement pursuant to the Affiliates Act

ORDER GRANTING AUTHORITY

On June 3, 2008, The Potomac Edison Company d/b/a Allegheny Power ("Potomac Edison") and Trans-Allegheny Interstate Line Company ("TrAILCo") (collectively, the "Joint Applicants") filed a joint application with the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code") for authority to enter into an Easement Agreement ("Agreement"). On August 5, 2008, the Joint Applicants filed a supplement to the joint petition to amend the Agreement ("Revised Agreement").

Potomac Edison is a Maryland and Virginia corporation and a public service company that provides electric transmission and distribution services to approximately 100,000 customers in fourteen northwestern Virginia counties along the Shenandoah Valley. Potomac Edison also provides electric service to approximately 373,000 customers in adjoining portions of Maryland and West Virginia.

TrAILCo is a Maryland and Virginia corporation headquartered in Greensburg, Pennsylvania. TrAILCo is an electric transmission company incorporated as a public service company and is currently in the process of obtaining authorization to build a 500 kV transmission line ("Transmission Project"), which will extend from southwestern Pennsylvania through West Virginia and terminate at the Loudoun substation in Northern Virginia, from the West Virginia Public Service Commission (Case No. 07-0508-E-CN), the Pennsylvania Public Utility Commission (Docket Nos. A-110172, A-1101F170002, A-110172170003, A-110172F0004 and G-00071229), and this Commission (Case Nos. PUE-2007-00031 and PUE-2007-00033).

TrAILCo is a direct subsidiary of Allegheny Energy Transmission, LLC, a Delaware limited liability company that is a direct subsidiary of Allegheny Energy, Inc. ("Allegheny"). Allegheny, headquartered in Greensburg, Pennsylvania, is the parent company of three public utility operating

companies, West Penn Power Company, Monongahela Power Company, and Potomac Edison. Allegheny is a holding company under the Public Utility Holding Company Act of 2005.

The Joint Applicants request authority to enter into a Revised Agreement wherein Potomac Edison will grant an easement to TrAILCo for use of property for the expansion of the Meadow Brook Substation in connection with the proposed Transmission Project. The proposed Transmission Project will run through the Meadow Brook Substation, and the Joint Applicants state that, without the easement, TrAILCo will be unable to complete the Transmission Project. In accordance with the Revised Agreement, TrAILCo will pay Potomac Edison a lump sum in the amount of $37,444 for the easement. The proposed price of $37,444 was agreed upon as the result of an appraisal conducted on the property and represents the higher of cost or market.

The Joint Applicants represent that the proposed easement is in the public interest as it will allow TrAILCo to complete the proposed Transmission Project, which, in turn, the Joint Applicants represent will benefit Potomac Edison customers by enhancing the reliability of the transmission grid, including Potomac Edison's transmission facilities in the area of the Meadow Brook Substation. The Joint Applicants state that the payment for the easement will be a credit to Potomac Edison's transmission plant, thereby reducing Potomac Edison's rate base. They further state that this credit will be allocated to all of Potomac Edison's jurisdictions, including the Virginia jurisdiction, through the use of a demand allocator that is based on an average of twelve (12) coincident peak demands. Based on this allocation methodology, Potomac Edison's Virginia jurisdiction would be allocated approximately 22% of this credit.

NOW THE COMMISSION, upon consideration of the joint application and representations of the Joint Applicants and having been advised by its Staff, is of the opinion and finds that the Revised Agreement between Potomac Edison and TrAILCo is in the public interest and should be approved. However, because the easement is beneficial to TrAILCo only if the Transmission Project is approved, our authority will be subject to approval of the Transmission Project in Case Nos. PUE-2007-00031 and PUE-2007-00033.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Potomac Edison and TrAILCo are hereby granted authority to enter into the Revised Agreement, as described herein, subject to TrAILCo receiving approval for the Transmission Project in Case Nos. PUE-2007-00031 and PUE-2007-00033.

2) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

3) The authority granted herein shall have no ratemaking implications for annual informational filings or future rate proceedings.

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) Potomac Edison shall include the transactions covered under the Revised Agreement in its Annual Report of Affiliate Transactions submitted to the Commission's Director of Public Utility Accounting on or before May I of each year, which deadline may be extended administratively by the Commission's Director of Public Utility Accounting.

6) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Potomac Edison shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

7) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUE-2008-00049
JUNE 25, 2008

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to issue common stock

ORDER GRANTING AUTHORITY

On June 6, 2008, Atmos Energy Corporation ("Atmos" or "Applicant") filed an application with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue additional shares of common stock through the Atmos Energy Corporation Retirement Savings Plan ("RSP"). Applicant paid the requisite fee of $250.

Atmos requests authority to issue up to 1,000,000 additional shares of common stock through its RSP, formerly known as the Employee Stock Ownership Plan and Trust. Under the RSP, Atmos will match every dollar invested by an employee in the RSP up to a maximum of 4% of the employee's annual salary, providing a means for additional investment in Atmos and strengthening each employee's direct interest in the financial success of Applicant.

Applicant indicates that funds from the stock issuances will be used for general corporate purposes related to the provision of natural gas services. Applicant also asserts that the issuance of shares under the RSP will ultimately strengthen Atmos' equity ratio, will provide financing flexibility, and may lower its cost of capital.

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 issue and sell up to an additional 1,000,000 shares of common stock through and pursuant to the Atmos Energy Corporation Retirement Savings Plan, under the terms and conditions and for the purposes set forth in the application.

(2) There being nothing further to be done, this matter is hereby closed.

CASE NO. PUE-2008-00050
JULY 23, 2008

APPLICATION OF
eSERVICES, LLC D/B/A eSERVICES ENERGY, LLC

For a license to conduct business as a competitive service provider for natural gas

ORDER GRANTING LICENSE

On June 11, 2008, eServices, LLC ("eServices" or "the Company"), d/b/a eServices Energy, LLC, completed an application with the State Corporation Commission ("Commission") for a license to be a competitive service provider for natural gas pursuant to the Commission's Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 et seq. ("Retail Access Rules"). The Company seeks authority to serve commercial and industrial customers in retail access programs in the Virginia service territories of Columbia Gas of Virginia, Inc., Washington Gas Light Company, and Atmos Energy Corporation[1]. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B.

On June 23, 2008, the Commission issued an Order for Notice and Comment establishing the case, requiring that notice of the application be given to the specified investor owned natural gas distribution utilities, and other interested persons, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of the application and present its findings in a Staff Report. The Company filed proof of publication of its notice on June 24, 2008. No comments from the public on eServices' application were received.

The Staff filed its Report on July 14, 2008, concerning eServices' fitness to conduct business as a competitive service provider for natural gas. In its Report, the Staff summarized eServices' proposal and evaluated its financial condition and technical fitness. The Staff recommended that eServices be granted a license to conduct business as a competitive service provider for natural gas service to commercial and industrial customers in the investor owned natural gas distribution utility service territories of Columbia Gas of Virginia, Inc., Washington Gas Light Company, and Atmos Energy Corporation. The Company filed no comments in response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that eServices' application as a competitive service provider for natural gas should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) eServices, LLC, d/b/a eServices Energy, LLC, is hereby granted License No. G-23 to be a competitive service provider for natural gas to commercial and industrial customers in the Virginia service territories of Columbia Gas of Virginia, Inc., Washington Gas Light Company, and Atmos Energy Corporation, if and when Atmos' service territory opens to retail access and customer choice. This license to act as a competitive service provider for natural gas is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[1] The Commission notes that the service territory for Atmos Energy Corporation has not been opened to retail access.

CASE NO. PUE-2008-00051
JULY 9, 2008

APPLICATION OF
CRAIG-BOTETOURT ELECTRIC COOPERATIVE

For authority to incur additional long-term debt

ORDER GRANTING AUTHORITY

On June 17, 2008, Craig-Botetourt Electric Cooperative ("CBEC" or "Applicant") filed an application with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code") for authority to borrow up to $3,482,000 in long-term debt from the Federal Financing Bank ("FFB"). Applicant has paid the requisite fee of $25.

Applicant represents that the long-term borrowing is needed to finance CBEC's Rural Utilities Service ("RUS") approved four-year construction work plan that began in December of 2006. The FFB loan will be guaranteed by the RUS. CBEC expects the loan maturity to be 34 years.

Applicant states that the FFB loan can be drawn down over the next four years, and the interest rate will be determined at the time of the draw and will be the yield on a comparable maturity United States Treasury bond plus 1/8 % per annum.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Applicant is hereby authorized to borrow up to $3,482,000 in long-term debt from the Federal Financing Bank all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

(2) Within thirty (30) days of the date of any advance of funds from FFB, Applicant shall file with the Commission' s Division of Economics and Finance a Report which shall include the date of the drawdown, the amount of the advance, the interest rate selected, the interest rate maturity, and the amount of remaining authority available to be borrowed.

(3) Approval of this application shall have no implications for ratemaking purposes.

(4) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUE-2008-00052
JULY 9, 2008

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On June 19, 2008, Rappahannock Electric Cooperative ("Applicant" or "Rappahannock"), filed an application under Chapter 3 of Title 56 of the Code of Virginia ("Code") with the State Corporation Commission ("Commission"). In its application, Rappahannock requests authority to incur long-term indebtedness from the United States of America through the Rural Utilities Service ("RUS"). Applicant has paid the requisite fee of $25.

Applicant requests authority to borrow up to $13,351,000 ("Proposed Debt") from RUS. The proceeds from the loan will be used for reimbursement of completed construction of distribution facility projects. According to the RUS K42 loan package information, approximately 4400 new customers will benefit from the facility project improvements.

The Proposed Debt will be issued in the form of a Mortgage Note secured by all the assets of Rappahannock, pursuant to the terms and conditions of the RUS Loan Contract and Applicant's Mortgage Note and supplements to date. The Proposed Debt will have a final maturity term of 35 years, with principal repayment to begin two years after the date of the note.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to incur up to $13,351,000 in long-term debt from RUS for the purposes, and under the terms and conditions, as set forth in its application.

2) Within thirty (30) days of the date of each advance of funds from RUS, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate, the interest rate term, and the amount of remaining authority available to be borrowed.

3) Approval of the application shall have no implications for ratemaking purposes.

4) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUE-2008-00054
JULY 9, 2008

JOINT APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE
and
VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER

For revision of certificates under the Utility Facilities Act

ORDER FOR REVISION OF CERTIFICATES

On June 23, 2008, Northern Neck Electric Cooperative ("NNEC") and Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power") submitted to the Division of Energy Regulation of the State Corporation Commission ("Commission") letters, along with copies of detailed maps, requesting a revision to Certificate E-K55 for NNEC and Dominion Virginia Power to change their respective boundary lines between their service territories. These documents were filed in the above-captioned case on June 26, 2008.

NNEC and Dominion Virginia Power have reached an agreement for the adjustment of the electric utility service territory boundary line between them as it relates to one property in Westmoreland County owned by Mr. Robert Warnick III. Mr. Warnick's property is in Dominion Virginia Power's territory, and Dominion Virginia Power has tried unsuccessfully to obtain the necessary easements for the line extension to serve Mr. Warnick's property.

NNEC and Dominion Virginia Power have determined that it is in the best interest of the affected property owner to be served by NNEC whose facilities are in close proximity to Mr. Warnick's property. Mr. Warnick has purchased adjoining land to allow NNEC an easement to serve his property. The joint applicants, therefore, request the Commission to approve the changes and to revise their respective service territory boundary lines accordingly.

NOW THE COMMISSION, having considered the joint application, is of the opinion and finds that it is in the public interest to amend Certificate E-K55 for NNEC and Dominion Virginia Power, as requested. We are advised that the property owner affected by the proposed revisions has notice thereof and is in agreement with the requested revision of boundary lines.

Accordingly, IT IS ORDERED THAT:

(1) Certificate E-K55 for NNEC is hereby amended as delineated on Map K55.

(2) Certificate E-K55 for Dominion Virginia Power is hereby amended as delineated on Map K55.

(3) The amended certificates and maps shall be sent to NNEC and Dominion Virginia Power by the Division of Energy Regulation forthwith.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUE-2008-00057
JULY 23, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of its Renewable Power Rider

ORDER FOR NOTICE AND COMMENT

On July 1, 2008, Appalachian Power Company ("Appalachian" or the "Company") filed an Application for approval of its proposed Renewable Power Rider to its Tariff as set out in Attachment 1 to the Application.

The Company seeks approval of its Renewable Power Rider to its Tariff effective September 1, 2008, to provide renewable energy resources to residential and non-residential customers as an option to support the development and use of renewable resources. The Company states that it would like to provide its customers the opportunity to support the voluntary development of renewable resources through their electric bills. The Commission takes judicial notice of the legislature's newly enacted §56.245.1:2 of the Code of Virginia ("Code") which requires the Company to provide its customers with information and options to purchase electric energy provided from renewable energy resources. [1] The proposed service to residential and non-residential customers will effectively eliminate the Company's obligation to offer retail choice to smaller customers, pursuant to § 56-577.A.5 of the Code.[2]

[1] Pursuant to the General Assembly's recently enacted § 56-245.1:2 of the Code, Virginia Acts of Assembly, 2008 Session, Chapter 518 (Approved March 10, 2008, effective July 1, 2008) (H.B. 1228). § 56-245.1:2 reads:

> Beginning January 1, 2009, at least once each calendar quarter, each investor-owned electric utility in the Commonwealth shall include in or on the customer bills a notice directing them to a toll-free telephone or Internet website that will provide information on the options to purchase electric energy provided from renewable energy resources from the utility or from any supplier of electric energy licensed to sell retail electric energy within the applicable service territory, pursuant to subdivision A 5 of § 56-577. The notice shall include instructions for purchasing electric energy from renewable sources from the utility or other licensed supplier of

The Company describes its proposed Renewable Power Rider as a voluntary program through which its customers can choose either

> (i) to support the use of renewable energy through the purchase of a specific number of fixed blocks of 100 kW each month or
> (ii) to source their entire monthly usage through the purchase of an amount equivalent to their monthly energy (kWh) consumption.

(Application, p. 2)

The Company does not propose to deliver renewable energy directly to customers under its proposed Renewable Power Rider. Rather the Company proposes to offer renewable energy credits ("RECs") derived from 10% of its Virginia allocated purchased power from its Summersville Hydro Project ("Summersville"), a Certified Low Impact facility.[3] The Company has not proposed to use renewable energy and associated RECs produced by Summersville to meet its goals for participation in the Renewable Energy Portfolio Standard ("RPS") Program established by § 56-585.2 of the Code.[4]

The Company proposes to make its Renewable Power Rider available to any customer who wishes to participate. Nevertheless, the Company will limit the annual power available through the Renewable Power Rider to 10% of the Summerville RECs allocated to the Company's Virginia customers, which is estimated to be approximately 10% of an allocated 55,000 MWH or 5,500 MWH for the Renewable Power Rider annually. The Company states that if there is a 1% participation rate by Appalachian's jurisdictional residential customers, each purchasing a 100 kWH block, this would be about 5,000 MWH.[5] The Company will monitor participation monthly and proposes to suspend the availability of the Rider to new participants, pending further evaluation if participation reaches the selected 10% limit. The Company may bank a significant portion of the remaining RECs accompanying the purchase of power from Summersville to meet future environmental requirements.

The Company proposes to price participation under the Renewable Power Rider to its Tariff, when purchasing fixed blocks of 100 kWh at $1.50 a month, per 100 kWh block. Customers purchasing an amount equivalent to their entire monthly consumption will pay $0.015 per kWh. The Company will include this cost as a separate line item to each participating customer's monthly bill. Participating customers will continue to be billed for their metered electric service pursuant to the Company's applicable standard tariffs. Customers may participate in this program by notifying the Company. Each customer may terminate participation under the Rider by providing at least thirty (30) days prior notice.

The Company states that its proposed pricing reflects the market for RECs and is in line with similar programs offered by other utilities and cooperatives. The Company anticipates that its proposed price may be retained for a reasonable period of time. The Company anticipates minimal cost to be incurred implementing the billing under the Renewable Power Rider, as well as monitoring the program's participation. The Company will share the fixed costs of administering the Renewable Power Rider among several companies in the AEP parent company system. The Company intends to include the revenue from sales under its Rider as a credit in the calculation of the Company's annual fuel costs, thereby flowing the benefits of this program directly to all Virginia jurisdictional customers.

NOW THE COMMISSION, having reviewed the Application, Attachment I, and applicable statutes and rules, is of the opinion and finds that this matter should be docketed and that the proposed rates, charges, and terms and conditions of the Renewable Power Rider to Appalachian's Tariff should be suspended, pursuant to § 56-238 of the Code, for a period of one hundred and fifty (150) days from the date of the Application or until further order of the Commission, whichever is earlier. The Commission further finds that a procedural schedule for the consideration of Appalachian's Renewable Power Rider to its Tariff should be established. We further find that Appalachian should be directed to give public notice of its Application and Renewable Power Rider to its Tariff. The Commission finds that interested persons should be given an opportunity to file comments, and that the Commission Staff should be directed to file a Staff Report of its investigation of the Application and Renewable Power Rider to its Tariff.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUE-2008-00057.

> electric energy. The option shall be exercisable, at the customer's option, either via the company's Internet website or toll-free telephone number. Each investor-owned utility shall also feature available options for purchasing electric energy from renewable sources prominently on its Internet site.

[2] Virginia Acts of Assembly, 2007 Reconvened Session, identical Chapters 888 and 933 (Approved April 4, 2007, effective July 1, 2007). § 56-577.A.5 reads:

> After the expiration or termination of capped rates, individual retail customers of electric energy within the Commonwealth, regardless of customer class, shall be permitted 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, except for any incumbent electric utility other than 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.

[3] Application, pp. 3-4.

[4] Id. The Company notes that it has pending before the Commission an application to participate in the RPS program established by § 56.585.2 of the Code. (Application, p. 2).

[5] Application, p. 4.

(2) The proposed rates, charges, and terms and conditions of services shall be suspended, pursuant to §56-238 of the Code, for a period of one hundred and fifty (150) days from the date the Application was filed with the Commission to and through November 28, 2008, or until further order of the Commission, whichever occurs earlier.

(3) On or before August 25, 2008, Appalachian shall cause the following notice to be published as display advertising (not classified) once a week for two consecutive weeks in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION OF
APPALACHIAN POWER COMPANY FOR APPROVAL
OF ITS RENEWABLE POWER RIDER TO ITS TARIFF
CASE NO. PUE-2008-00057

On July 1, 2008, Appalachian Power Company ("Appalachian" or the "Company") filed an Application for approval of an attached proposed Renewable Power Rider to its Tariff.

According to the Company's Application, Appalachian seeks approval to provide renewable energy options which are in accordance with the General Assembly's recently enacted § 56-245.1:2, as well as § 56-577.A.5 of the Code of Virginia ("Code"). The proposed service to residential and non-residential customers to be effective September 1, 2008, would, among other things, effectively eliminate the Company's obligation to offer retail choice to smaller customers.

The proposed Power Rider to its Tariff is intended to provide a mechanism for interested customers, through the Company, to purchase energy derived from renewable energy certificates ("RECs") to account for all or part of such customers' electricity purchases. The RECs may be purchased either in 100 kWh blocks at $1.50 a month per block, or in an amount equivalent to the entire monthly consumption at $0.015 per kWh. Details of the Company's Application can be found on the Commission's website: http://www.scc.virginia.gov/case.

The Company described its proposed Renewable Power Rider as a voluntary program. The Company does not propose to deliver renewable energy directly to customers. Rather, the Company proposes to offer RECs derived from 10% of its Virginia allocated purchased power from its Summersville Hydro Project ("Summersville"), a Certified Low Impact facility. The Company has not proposed to use renewable energy and associated RECs produced by Summersville to meets its goals for participation in the Renewable Energy Portfolio Standard ("RPS") Program established by § 56-585.2 of the Code.

The Company proposes to limit customer participation in the Renewable Power Rider to 10% of the annual power allocated to Virginia customers, or 5,500 MWH. This is estimated to be equivalent to 1% of Virginia residential customers participating through the purchase of a single 100 kWh block. Customers may participate in this program by notifying the Company of their interest and may terminate service under the Rider by providing at least thirty (30) days prior notice.

The Commission has established a proceeding to consider the Company's proposed Renewable Power Rider to its Tariff. Interested persons are encouraged to obtain a copy of the Commission's Orders and the proposed Renewable Power Rider in this proceeding. Copies are available for public inspection at the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia 23219, Monday through Friday, 8:15 a.m. to 5:00 p.m., or may be downloaded from the Commission's website: http://www.scc.virginia.gov/case.

On or before September 25, 2008, any interested person may file written comments on the Amended Application and Renewable Power Rider with 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 available at the Commission's website.

All filings in this proceeding shall be directed to Joel H. Peck, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118 and shall refer to Case No. PUE-2008-00057.

APPALACHIAN POWER COMPANY

(4) On or before September 22, 2008, Appalachian shall file with the Clerk of the Commission proof of notice given as required in Ordering Paragraph (3).

(5) Any interested person may obtain a copy of Appalachian's Application and Renewable Power Rider by contacting Richard D. Gary, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.

(6) On or before September 25, 2008, any interested person may comment on Appalachian's Application and Renewable Power Rider by filing a copy of such comments with Joel H. Peck, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUE-2008-00057. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

(7) On or before October 15, 2008, the Staff shall file a Staff Report on Appalachian's Application and Renewable Power Rider with the Clerk of the Commission and send a copy to counsel for Appalachian and each respondent.

(8) On October 31, 2008, Appalachian may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (6) above an original and fifteen (15) copies of any response in rebuttal to all comments and Staff Report filed. The Company shall serve a copy of any response upon the Staff and each respondent.

(9) This matter is continued for further orders of the Commission.

CASE NO. PUE-2008-00057
DECEMBER 3, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of its Renewable Power Rider

ORDER APPROVING TARIFF

On July 1, 2008, Appalachian Power Company ("Appalachian" or "Company") filed with the State Corporation Commission ("Commission") an application for approval of its proposed Renewable Power Rider ("Rider"). Appalachian describes the Renewable Power Rider as follows:

> The Renewable Power Rider is a voluntary program through which customers can choose either
>
> > (i) to support the use of renewable energy through the purchase of a specific number of fixed blocks of 100 kWh each month or
> >
> > (ii) to source their entire monthly usage through the purchase of an amount equivalent to their monthly energy (kWh) consumption.[1]

The Company further explains that, as to billing: (1) "[f]or customers selecting a specific number of kWh blocks, each block will cost $1.50 a month per 100 kWh block;" (2) "[f]or those customers purchasing an amount equivalent to their entire monthly consumption, the cost is $0.015 per kWh;" (3) Appalachian "will include this cost as a separate line item to each participating customer's monthly bill," and such customers "will continue to be billed for their metered electric service pursuant to the applicable standard tariffs;" and (4) the "Company intends to include the revenue from sales under this Rider as a credit in the calculation of the Company's annual fuel costs [to] flow the benefits of this program directly to all Virginia jurisdictional customers in an expeditious manner."[2]

Appalachian states that it "established the proposed price based upon a number of factors including the market for renewable energy [certificates] ('RECs')…."[3] This is because the Company intends to provide service under the Rider by purchasing and retiring RECs. Specifically, "[a]s a source of RECs for the [Rider], the Company intends to utilize the renewable power available from the Summersville Hydro Project ('Summersville'), a Certified Low Impact facility, from which the Company currently purchases power."[4]

The Company also explains that it will limit the availability of the Rider as follows: (1) Appalachian "will limit the annual power available through the [Rider] to 10% of the Summersville RECs allocated to the Company's Virginia customers;" (2) this "10% limitation would equal about 5,500 MWH;" (3) "a 1% participation rate by Appalachian's Virginia jurisdictional residential customers, with each buying a 100 kWh block, is estimated to be about 5,000 MWH;" and (4) the "Company will monitor participation monthly, and if annualized customer usage exceeds this 10% limitation the Company will suspend the availability of the Rider to new participants, pending further evaluation."[5]

On July 23, 2008, the Commission issued an Order for Notice and Comment that, among other things, directed the Company to publish notice of its application, permitted interested persons to submit written or electronic comments, directed the Commission's Staff ("Staff") to file a report on the application, and permitted Appalachian to file a response. The Commission received, among other things: comments from Public Policy of Virginia, Inc. ("PPVIR") and from Michel A. King; Staff's report on this matter; and reply comments from Appalachian.

On November 3, 2008, the Commission issued an Order Setting Oral Argument ("November 3 Order"), which scheduled oral argument in this matter as requested in written comments submitted by PPVIR. On November 12, 2008, the Commission heard oral argument as scheduled; Mr. King, PPVIR, Appalachian, and Staff participated thereat.

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[1] Application at 2.

[2] *Id.* at 3-4.

[3] *Id.* at 3.

[4] *Id.*

[5] *Supra* note at 3-4.

NOW THE COMMISSION, upon consideration of this matter, approves the Rider subject to the requirements set forth below.

Renewable Power Rider

PPVIR requests that the Commission reject the Rider. PPVIR asserts that the Summersville RECs proposed by Appalachian "are not conventional RECs used by country-wide renewable energy programs, and are contrary to the goal of encouraging new renewable energy facilities set forth by numerous Virginia statutes…."[6] PPVIR contends that the Summersville "'RECs' are not really RECs at all," and that, "[r]ather, what [Appalachian] is doing is merely assigning a part of its conventional purchase of power to an account that it calls an 'REC,' and offering it to customers at a higher price than before the 'REC' program.'"[7]

Mr. King also requests that the Commission reject the Rider and states as follows:

> Unfortunately, surcharge-based renewable energy tariffs such as that proposed by the [Company] offer renewable energy customers the opportunity to pay a premium for their renewable energy throughout the life of the program without ever offering such customers the opportunity to receive the benefits, if any, that might accrue in the out-years as the result of a properly managed long-term program to purchase (or self-produce) renewable energy from sources with relatively stable fuel costs.[8]

Mr. King asserts that if the Rider is approved, the Commission "should only approve it after it is modified … a) to be cost-based; and b) to exempt program participants from paying the [Company's] adjustable fuel surcharge."[9]

We approve the Rider as filed. Contrary to PPVIR's assertion regarding the legitimacy of the RECs under the Rider, the Company and Staff explain that these RECs are associated with power purchases from the Summersville renewable facility.[10] PPVIR and Mr. King also question the value provided by the "green" option given to customers through this Rider. Appalachian counters that "[i]ndividual demonstrations of support are essential to the success of the renewable energy industry," and that, "[a]ccordingly, a significant level of participation in the Rider will send a customer-based signal to the Company and others to continue the current development of sources of renewable energy."[11] As emphasized by Staff, the Rider "is a strictly *voluntary* tariff."[12] Thus, each individual customer can determine if the value provided by the Rider is worth the cost to that customer thereunder.

Section 56-577 A 5 of the Code

Section 56-577 A 5 of the Code provides as follows (emphasis added):

> After the expiration or termination of capped rates, individual retail customers of electric energy within the Commonwealth, regardless of customer class, shall be permitted 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, except for any incumbent electric utility other than 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*.

Under the above statute, Appalachian's customers currently can purchase "electric energy provided 100 percent from renewable energy" from any competitive supplier licensed by the Commission. In this regard, the Company asserts that the Rider, through which it will retire RECs associated with Appalachian's purchase of power from Summersville, is a tariff for "electric energy provided 100 percent from renewable energy."[13] If Appalachian is correct, then its customers will no longer be statutorily permitted to purchase – from competitive suppliers – "electric energy provided 100 percent from renewable energy."

PPVIR asserts, however, that the procurement of RECs through the Rider does not represent "electric energy provided 100 percent from renewable energy."[14] The Company "disagrees with any assertion that RECs are not legitimate representations of renewable energy."[15] In this regard, Staff states that RECs "are legitimate commodities which represent proof that 1 MWh of electricity was generated from an eligible renewable energy resource,"[16] and we note that the United States Environmental Protection Agency defines a REC as follows:

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[6] PPVIR's October 2, 2008 Comments at 2.

[7] *Id.* at 3.

[8] King's October 6, 2008 Comments at 4.

[9] *Id.* at 6.

[10] *See, e.g.,* Application at 3-4; Staff's October 15, 2008 Report at 5.

[11] Appalachian's October 31, 2008 Response at 2.

[12] Staff's October 15, 2008 Report at 4.

[13] Appalachian's October 31, 2008 Response at 3.

[14] *See, e.g.,* Tr. 27-49, 87-90.

[15] Appalachian's October 31, 2008 Response at 4 n.4.

[16] Staff's October 15, 2008 Report at 5.

> Also known as green tags, green energy certificates, or tradable renewable certificates, RECs represent the technology and environmental attributes of electricity generated from renewable sources. [RECs] are usually sold in 1 megawatt-hour (MWh) units. A certificate can be sold separately from the MWh of generic electricity it is associated with. This flexibility enables customers to offset a percentage of their annual electricity use with certificates generated elsewhere.[17]

Appalachian further states that § 56-585.2 A of the Code, which applies to a utility's renewable energy portfolio standard ("RPS") program, includes RECs in the definition of "renewable energy."[18] The Company thus concludes that the "General Assembly recognized the value of RECs as legitimate renewable energy commodities when it allowed companies to meet the requirements of the [RPS] through their purchase."[19]

As noted in our November 3 Order, the Commission's consideration of whether the Rider satisfies the new statute at issue herein, § 56-577 A 5 of the Code, presents an issue of first impression.[20] Specifically, the Company's application presents the following question: *Is a tariff – through which the Company procures and retires RECs on behalf of a customer to account for all of the customer's electricity usage – a "tariff for electric energy provided 100 percent from renewable energy" under § 56-577 A 5 of the Code*? We find herein that it is not.

We first look to the plain language of the statute. For purposes of § 56-577 A 5 of the Code, the term "renewable energy" is defined as follows: "energy derived from sunlight, wind, falling water, sustainable biomass, energy from waste, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas or nuclear power."[21] RECs are neither expressly included, nor excluded, from this definition. Read literally, the statute on its face does not include RECs within the definition of "renewable energy" as that term is used in § 56-577 A 5 of the Code. Thus, even considering the statute in the best light for Appalachian, it is ambiguous as to whether RECs are included as renewable energy.

Next, Appalachian places great weight on the fact that § 56-585.2 A of the Code, which applies to a utility's RPS program, explicitly includes RECs in the definition of "renewable energy." According to the Company, if RECs are acceptable for RPS purposes under § 56-585.2 A of the Code, then RECs must be acceptable for purposes of § 56-577 A 5 of the Code. To the contrary, we find that the explicit inclusion of RECs for RPS purposes in § 56-585.2 A of the Code evidences that the General Assembly was quite aware and capable of explicitly including RECs in a statutory requirement when it so chose. Indeed, the Commission has previously approved an application by the Company for an RPS program that, as permitted by the explicit language of § 56-585.2 A of the Code, included RECs.[22]

Further, the inclusion of RECs in § 56-585.2 A of the Code is explicitly limited to that section. Section § 56-585.2 A begins: "As used *in this section*…" (emphasis added) before it includes RECs in subdivision (iii) thereof as meeting the definition of renewable energy. The General Assembly could have explicitly drafted this section to cross-reference and include RECs in both § 56-577 A 5 as well as § 56-585.2 A of the Code; to the contrary, it explicitly limited RECs to § 56-585.2 A of the Code.

Appalachian also asserts that, even though the Company provides service under the Rider by procuring and retiring RECs, it is providing renewable energy since it is also "buying this hydro power from Summersville," and, thus, "the power from hydro, Summersville Hydro, is coming directly to [Appalachian] of Virginia."[23] Customers, however, are not purchasing electric energy from "Summersville Hydro" under the Rider; rather, these customers are paying for RECs procured from Summersville. That is, Appalachian is buying electric energy from Summersville, but customers are buying RECs from Appalachian. If the Company wanted to offer electric energy provided 100 percent from renewable energy under the current language of §§ 56-576 and 577 A 5 of the Code, it could, for example, contract for power from a renewable facility and allocate such power to retail customers purchasing under a specific rider priced for that purpose. The proposed Rider, in contrast, is not a tariff to sell electric energy from a renewable facility to retail customers.

Finally, RECs are not "electric energy." RECs are certificates with certain attributes, but they are not "electric energy" as that term is used in § 56-577 A 5 of the Code; that is, a tariff that procures and retires certificates on behalf of a customer is not a "tariff for electric energy." Accordingly, absent an unambiguous statutory definition that specifically includes RECs for purposes of § 56-577 A 5 of the Code, we find that a tariff – through which the Company procures and retires RECs on behalf of a customer to account for all of the customer's electricity usage – is not a "tariff for electric energy provided 100 percent from renewable energy."

In sum, Appalachian's customers: (1) may participate in the Company's Renewable Power Rider, wherein the Company will procure and retire RECs associated with Summersville for the monthly purchase option chosen by the customer; and (2) may also continue, under§ 56-577 A 5 of the Code, 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.

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[17] *See* http://epa.gov/greeningepa/glossary.htm#recerts.

[18] Appalachian's October 31, 2008 Response at 4 n.4.

[19] *Id.*

[20] As also noted in the November 3 Order, the Commission is contemporaneously considering a similar issue of first impression as part of an application filed by Virginia Electric and Power Company d/b/a Dominion Virginia Power in Case No. PUE-2008-00044.

[21] Va. Code Ann. § 56-576 (2008).

[22] *Application of Appalachian Power Co. for Approval to Participate in the Virginia Renewable Energy Portfolio Standard Program*, Case No. PUE-2008-00003, Final Order (Aug. 11, 2008).

[23] Tr. 117.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) Appalachian's application is granted to the extent set forth in this Order Approving Tariff and is otherwise denied.

(2) The Renewable Power Rider is approved subject to the requirements set forth in this Order Approving Tariff, effective for service rendered on and after the date of this Order.

(3) Appalachian shall submit its Renewable Power Rider, as approved by this Order Approving Tariff, to the Director of the Commission's Division of Energy Regulation.

(4) The Renewable Power Rider is not a "tariff for electric energy provided 100 percent from renewable energy" under Va. Code § 56-577 A 5.

(5) This matter is dismissed.

Commissioner Shannon participated in this matter.

Commissioner Dimitri did not participate in this matter.

CASE NO. PUE-2008-00058
AUGUST 26, 2008

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY
and
BLUEFIELD GAS COMPANY

For authority to enter into affiliate agreements to provide and receive corporate and operational services under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On July 2, 2008, Appalachian Natural Gas Distribution Company ("Appalachian") and Bluefield Gas Company ("BGC") (collectively "Applicants") filed an application ("Application") with the State Corporation Commission ("Commission") requesting authority to enter into affiliate agreements to provide and receive corporate and operational services under Chapter 4 of Title 56 ("Affiliates Act") of the Code of Virginia ("Code"). Subsequently, the Applicants requested authority for Appalachian to make prospective changes to the allocation methodology it will utilize to distribute corporate service costs.

Appalachian is a Virginia public service corporation that provides natural gas distribution service to approximately 1,400 residential, commercial and industrial customers in and around the Counties of Russell, Dickenson, Buchanan, Wise and Tazewell and the Town of Bluefield in Virginia. Appalachian is a wholly owned subsidiary of ANGD LLC ("ANGD Parent"), an Abingdon, Virginia-based limited liability company jointly owned by John W. Ebert and William L. Clear.

BGC is a West Virginia public service corporation that provides natural gas service to approximately 3,900 customers in and around the City of Bluefield and Mercer County in West Virginia. BGC is a wholly owned subsidiary of ANGD Parent.

Since Appalachian and BGC share the same senior parent company, ANGD Parent, the companies are considered affiliated interests under § 56-76 of the Code. As such, Appalachian and BGC must obtain approval from the Commission pursuant to the Affiliates Act prior to entering into any contract or arrangement between the companies to provide or receive services.

Appalachian traces its origins back to the early 1990's, when it was initially incorporated as Virginia Gas Distribution Company ("VGDC"), a member of the Virginia Gas Companies. After several changes of ownership, ANGD Parent bought VGDC in December 2005 and renamed it Appalachian.[1] In November 2007, Appalachian bought the natural gas distribution utility assets serving the Bluefield, Virginia area from Roanoke Gas Company ("Roanoke Gas") for approximately $3.3 million,[2] and ANGD Parent purchased the common stock of BGC for approximately $9.5 million from Roanoke Gas' parent company, RGC Resources, Inc. In the Order approving Appalachian's purchase of the Bluefield, Virginia assets, the Commission stated that separate approval would be required for any "subsequent financings, affiliate arrangements or agreements, or transfers or changes of control,[3] and directed Appalachian to file within 90 days of the transfer for "Affiliates Act approval of any current or pending arrangements or agreements with [BGC] and [ANGD Parent]."[4]

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[1] *Joint Petition of ANGD LLC and A GL Resources, Inc., NUI Corporation, Virginia Gas Company, and Virginia Gas Distribution Company, For approval of transfer of control under Chapter 5 of Title 56 of the Code of Virginia*, Case No. PUE-2005-00078,2005 S.C.C. Ann. Rep. 471 (Order Granting Approval, December 9, 2005).

[2] *Joint Petition of Roanoke Gas Company and Appalachian Natural Gas Distribution Company, For approval of a change in ownership of utility assets and for issuance of a certificate of public convenience and necessity pursuant to Chapter 5 of Title 56 of the Code of Virginia*, Case No. PUE-2007-00012, 2007 S.C.C. Ann. Rep. 388, (Order Granting Approval, August 21, 2007).

[3] Id., Ordering Paragraph No. 6.

[4] Id., Ordering Paragraph No. 6.

In the instant Application, the Applicants request authority to enter into an agreement ("Agreement No. 1") whereby Appalachian will provide corporate services to BGC and authority to enter into an agreement ("Agreement No. 2") whereby BGC will provide operational services for Appalachian's Bluefield division ("VA Bluefield"), which serves the Town of Bluefield, Virginia, and a portion of Tazewell County, Virginia.

The Applicants represent that, subsequent to this case, Appalachian plans to perform a one-month time sheet analysis to validate its allocation methodology for corporate services, which may lead to prospective changes in its allocation methods. In response to Staff's inquiry, Appalachian states that, in order to lower its filing costs, it is seeking Commission approval of such prospective changes in this case.

The Applicants state that the two agreements also need approval from the West Virginia Public Service Commission ("WV PSC"). An application will be filed with the WV PSC once a decision is reached by the Commission.

Under Agreement No. 1, which is attached as Exhibit B to the Application, Appalachian will provide corporate administrative services to BGC including, but not limited to, executive, administrative, accounting, treasury, information technology support, regulatory, and human resources services. The corporate services will be provided at cost without a return. Any expenses incurred by Appalachian on BGC's behalf will be assigned to BGC and recorded in its accounting records. Likewise, any expenses incurred by BGC on Appalachian's behalf will be assigned to Appalachian and recorded in its accounting records. Expenses incurred by Appalachian on behalf of ANGD Parent subsidiaries that cannot be directly assigned will be allocated to and booked by the subsidiaries according to the allocation methodologies set forth in Attachment A to Agreement No. 1. The primary allocation methodology will be billed volumes, which will be adjusted annually. Either party can terminate Agreement No. 1 upon 60 days notice to the other party and the approval of Appalachian's Board of Directors.

Under Agreement No. 2, which is attached as Exhibit C to the Application, BGC will operate Appalachian's natural gas distribution assets in Tazewell County and the Town of Bluefield, Virginia. BGC will provide operations personnel, tools and equipment and perform all necessary operational functions. The operational services will be provided at cost without a return. Any expenses incurred by BGC on Appalachian's behalf will be assigned to Appalachian and recorded in its accounting records. Likewise, any expenses incurred by Appalachian on BGC's behalf will be assigned to BGC and recorded in its accounting records. Expenses incurred by BGC that cannot be directly assigned to BGC's West Virginia operations will be allocated to and booked by Appalachian according to the allocation methodologies set forth in Attachment A to Agreement No. 2. Either party can terminate Agreement No. 2 upon 60 days notice to the other party.

NOW THE COMMISSION, upon consideration of the Application and representations of the Applicants and having been advised by its Staff, is of the opinion and makes the following findings. Appalachian and BGC represent that Agreement No. I meets BGC's need for corporate administrative services in a cost effective manner given BGC's current size. The Applicants expect that Agreement No. 1 should allow Appalachian to spread corporate services and overhead over all of the ANGD Parent affiliates, which they believe is more cost effective than having each business unit/company set up its own administrative unit.

As for Agreement No. 2, the Applicants represent that it meets Appalachian's need for operational services in a geographic location, Bluefield, Virginia, which is not currently staffed. The Applicants assert that Agreement No. 2 is the most efficient way to supply engineering, operational and customer services to Appalachian's customers in Bluefield, Virginia. In general, we agree with the Applicants' representations. Therefore, we find that Agreement No. 1 and Agreement No. 2 are in the public interest and should be authorized subject to certain modifications, limitations and requirements as outlined below.

First, we observe that neither agreement has a termination date. We have made a practice of limiting the period of approval for major affiliate agreements in recent years because of the dramatic, ongoing changes in the energy industry and the size, complexity and scope of the agreements themselves. We believe that a time limitation is appropriate here, so therefore we will limit the duration of the authority granted for Agreement No. 1 and Agreement No. 2 to five years from the date of the Order in this case.

Second, both Agreement No. 1 and Agreement No. 2 contain some non-specific language concerning expense assignments and cost allocations between Appalachian and BGC. For example, Paragraph (2) of Agreement No. 1 contains the generic statement that "expenses of Appalachian incurred by it on behalf of BGC will be assigned to BGC." Paragraphs (3) and (4) of Agreement No. 1, and Paragraphs (2), (3) and (4) of Agreement No. 2, contain similar language. Our practice is to discourage such general language in affiliate agreements. Therefore, we will limit the authority granted for expense assignments and cost allocations between Appalachian and BGC, except as described below, to expenses and costs and assignment and allocation methods that are specifically identified in the agreements and their supporting attachments. Any expenses and costs and assignment and allocation methods that are not specifically identified will require separate Commission authority.

Third, the Applicants indicate that the vast majority of the charges that will occur under Agreement No. 1 and Agreement No. 2 will be allocated. We prefer more direct charging of affiliate costs. Therefore, we will direct Appalachian and BGC to take steps to increase the percentage of directly charged or assigned affiliate costs under Agreement No. 1 and Agreement No. 2 to the extent that it is reasonably practicable to do so.

Fourth, we find that Appalachian's request for Commission approval to make prospective changes to its methodology for allocating corporate services based on a future time study should be granted. Appalachian's intent in this case is to replace a general allocator (billed volumes) with more specific assignment and allocation methods that should result in a more accurate distribution of corporate administrative costs. In order to have a comprehensive record in this case, we will direct Appalachian to submit to the Commission upon completion of the time study a report summarizing the results of the study, the changes (if any) made to allocation methods, and a copy of the revised Attachment A to Agreement No. 1.

Fifth, the Applicants represent that their proposal to charge cost without a return for both Agreement No. 1 and No. 2 is reasonable because Appalachian and BGC are public service companies whose rates and service are regulated by their respective states. According to Appalachian and BCG, "The charging and paying of some sort of a return over and above the cost of service would unnecessarily inflate or otherwise skew the true cost of providing gas service for each of the utilities." Appalachian also represents that the costs of the operational services provided by BGC to Appalachian under Agreement No. 2 are less than what Appalachian's costs would be on a standalone basis or if Appalachian were to receive the services from a contractor. Therefore, the Applicants assert that the operational services provided under Agreement No. 2 are priced at cost, which is below market. We will authorize the proposed pricing for the agreements in this case subject to normal review and investigation during any prospective rate case proceedings.

Sixth, the Applicants represent that they are members of ANGD Parent's consolidated tax group and that a Chapter 4 filing seeking approval of their consolidated tax arrangement ("CTA") is forthcoming. We remind Appalachian that the CTA is subject to § 56-77 of the Code, which states in part that "no contract or arrangement . . . between a public service company and any affiliated interest shall be valid or effective unless and until it shall have been approved by the Commission."

Finally, we will direct Appalachian to commence submitting an Annual Report of Affiliate Transactions ("ARAT") to the Commission's Director of Public Utility Accounting ("PUA Director").

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Appalachian Natural Gas Distribution Company and Bluefield Gas Company are granted authority to enter into the proposed agreement for Appalachian to provide corporate administrative services to BGC and the proposed agreement for BGC to provide operational services to Appalachian as described herein, subject to the requirements set out herein and consistent with the findings described above.

2) The authority granted herein shall be limited to five years from the date of the Order in this case. Should the Applicants wish to continue Agreement No. 1 and Agreement No. 2 after that date, further Commission approval shall be required.

3) Expense assignments and cost allocations between Appalachian and BGC, except as described in Ordering Paragraph (5) below, shall be limited to expenses and costs and assignment and allocation methods that are specifically identified in Agreement No. 1 and Agreement No. 2 and their supporting attachments.

4) Appalachian and BGC are directed to take steps to increase the percentage of directly charged or assigned affiliate costs under Agreement No. 1 and Agreement No. 2 to the extent that it is reasonably practicable to do so.

5) Appalachian's request for Commission approval to make a prospective change to its methodology for allocating corporate services based on a future time study is granted. Within 60 days of completing the time study, Appalachian shall submit to the Commission's PUA Director a report summarizing the results of the time study, the changes (if any) made to allocation methods, and a copy of the revised Attachment A to Agreement No. 1.

6) The proposed pricing for Agreement No. 1 and Agreement No. 2 is authorized for the purposes of the instant Application subject to normal review and investigation during prospective rate proceedings.

7) Commission approval shall be required for any changes in the terms and conditions of Agreement No. 1 and Agreement No. 2 other than that described in Ordering Paragraph (5), including successors and assigns.

8) Appalachian is directed to file for approval pursuant to Chapter 4 of Title 56 of the Code of any consolidated tax arrangement with ANGD Parent and its affiliates prior to entering into any transactions under such an arrangement.

9) The authority granted herein shall have no ratemaking implications. Specifically, the authority granted herein shall not guarantee the recovery of any costs directly or indirectly related to Agreement No. 1 or Agreement No. 2.

10) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia herein.

11) 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 the Commission.

12) Appalachian shall commence submitting an ARAT to the Commission's PUA Director by no later than May 1 of each year, beginning May 1, 2009, for calendar year 2008, with such submission date subject to administrative extension by the PUA Director. Appalachian shall include in the ARAT the name of each affiliate, a description of each affiliate arrangement or agreement, and a summary of the related affiliate transactions for each agreement that lists the final Uniform System of Accounts account distribution of costs billed to or by Appalachian by month for the preceding calendar year.

13) If Annual and/or General Rate Case Filings are not based on a calendar year, then Appalachian shall include the affiliate information contained in the ARAT in such filings.

14) There appearing to be nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUE-2008-00059
AUGUST 8, 2008

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval to revise its tariff to implement delivery standards and nomenclature consistent with upstream interstate pipelines

ORDER FOR NOTICE AND COMMENT

On July 3, 2008, Columbia Gas of Virginia, Inc. ("Columbia Gas" or the "Company"), filed an application with the State Corporation Commission ("Commission") requesting authority to revise its tariff to implement delivery standards and nomenclature in the Company's tariff, consistent

with the corresponding delivery standards and nomenclature of the three interstate pipelines interconnected to the Company's distribution system. The application further requests that the Commission approve the Company's proposed tariff revisions effective September 1, 2008.

As explained in the Company's application, Columbia Gas takes delivery of natural gas from three interstate pipeline companies, including Columbia Gas Transmission Corporation ("TCO"), Dominion Transmission Incorporated ("DTI"), and Transcontinental Gas Pipe Line Corporation ("Transco"). Each of the interstate pipelines has standards and related nomenclature specific to the transportation of customer-owned gas on their systems.[1] The standards dictate the location on each system where a customer's gas is to be received and delivered by the interstate pipeline.

Columbia Gas currently uses different terminology, such as "operating area," "market area," and "Columbia Gas Transmission Area," to describe delivery points and points of usage for the transportation of customer-owned gas and the transportation of gas by competitive service providers. The Company's proposed tariff revisions generally replace the existing nomenclature with a single common term of "Upstream Pipeline Scheduling Point" or "PSP." A PSP is defined as "(i) the single delivery point or set of delivery points grouped or designated by an upstream pipeline for purposes of scheduling gas supplies for delivery by such upstream pipeline; or (ii) the single delivery point or set of delivery points grouped or designated by Company for operational purposes."

According to the Company's application, the revised tariff language is necessary to ensure consistency between the delivery standards and nomenclature set forth in the Company's tariff and the tariffs of upstream interstate pipelines. The proposed tariff revisions are also prompted by TCO's proposal to implement changes to its Master List of Interconnections ("MLIs"), filed with the Federal Energy Regulatory Commission ("FERC") on June 5, 2008. Under TCO's proposal, the number of MLIs, or delivery points, on its system for scheduling and operational purposes will be increased.[2] TCO's proposal will also increase the number of MLIs in the Company's service territory from six to sixteen and affect the supply scheduling process of the Company's transportation customers and competitive service providers.

NOW THE COMMISSION, upon consideration of the application, is of the opinion and finds that the application should be docketed; that the proposed tariff revisions should be suspended for one hundred fifty (150) days, as authorized by § 56-238 of the Code of Virginia ("Code"); that the Company should provide public notice of its application and prefiled testimony and exhibits in support of its application; that interested persons should be afforded an opportunity to file comments or request a hearing on the Company's application; and that the Commission Staff should investigate the application and file a Report containing its findings and recommendations.

Accordingly, IT IS ORDERED THAT:

(1) The Company's application to revise its tariff to implement delivery standards and nomenclature consistent with the upstream interstate pipelines interconnected to its distribution system be docketed as Case No. PUE-2008-00059.

(2) The proposed revisions to the Company's tariff are hereby suspended pursuant to § 56-238 of the Code for a period of one hundred fifty (150) days from the date the application was filed, to and through November 30, 2008.

(3) On or before September 5, 2008, the Company shall file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, an original and fifteen (15) copies of the testimony, exhibits, and other material supporting its application to revise its tariff.

(4) A copy of the application and this Order shall be made available to interested persons who may obtain copies, at no charge, by making a request in writing to counsel to the Company, James S. Copenhaver, Columbia Gas of Virginia, Inc., 1809 Coyote Drive, Chester, Virginia 23836. Copies are also available for public inspection at the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia 23219, Monday through Friday, 8:15 a.m. to 5:00 p.m. Unofficial copies of the application and the Commission's Orders herein may be downloaded from the Commission's website: htpp://www.scc.virginia.gov/caseinfo.htm.

(5) On or before August 29, 2008, the Company shall complete publication of the following notice to be published on one (1) occasion as display advertising (not classified) in newspapers of general circulation with the service territory of Columbia Gas:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
COLUMBIA GAS OF VIRGINIA, INC., TO REVISE ITS TARIFF
TO IMPLEMENT DELIVERY STANDARDS AND NOMENCLATURE
CONSISTENT WITH THE UPSTREAM INTERSTATE PIPELINES
INTERCONNECTED TO ITS DISTRIBUTION SYSTEM
CASE NO. PUE-2008-00059

On July 3, 2008, Columbia Gas of Virginia, Inc. ("Columbia Gas" or the "Company"), filed an application with the State Corporation Commission ("Commission") requesting authority to revise its tariff to implement delivery standards and nomenclature in the Company's tariff, consistent with the corresponding delivery standards and nomenclature of the three interstate pipelines interconnected to the Company's distribution system. The application further requests that the Commission approve the Company's proposed tariff revisions effective September 1, 2008.

[1] The terms used by DTI to identify where DTI transported supplies are to be delivered are interchangeably referred to as "Delivery Point," "Delivery Location," or "Meter ID." The corresponding terminology used by Transco in its tariff are "Delivery Point" or "Delivery Locations." The terminology used by TCO in its tariff to designate delivery location are "Market Area" or "Master List of Interconnections."

[2] According to TCO's filing at the FERC, increasing the number of MLIs will allow the company to better manage its system and minimize the impact of pipeline constraints on its transportation customers. Currently, when TCO restricts deliveries of gas to a MLI, all transportation customers served within the MLI are affected even if they are served by unconstrained points or pipeline. By increasing the number of MLIs, TCO will be able to better manage its system and not restrict gas deliveries to those transportation customers in non-constrained areas.

As explained in the Company's application, Columbia Gas takes delivery of natural gas from three interstate pipeline companies, including Columbia Gas Transmission Corporation ("TCO"), Dominion Transmission Incorporated ("DTI"), and Transcontinental Gas Pipe Line Corporation ("Transco"). Each of the interstate pipelines has standards and related nomenclature specific to the transportation of customer-owned gas on their systems. The standards dictate the location on each system where a customer's gas is to be received and delivered by the interstate pipeline.

Columbia Gas currently uses different terminology, such as "operating area," "market area," and "Columbia Gas Transmission Area," to describe delivery points and points of usage for the transportation of customer-owned gas and the transportation of gas by competitive service providers. The Company's proposed tariff revisions generally replace the existing nomenclature with a single common term of "Upstream Pipeline Scheduling Point" or "PSP". A PSP is defined as "(i) the single delivery point or set of delivery points grouped or designated by an upstream pipeline for purposes of scheduling gas supplies for delivery by such upstream pipeline; or (ii) the single delivery point or set of delivery points grouped or designated by Company for operational purposes."

According to the Company's application, the revised tariff language is necessary to ensure consistency between the delivery standards and nomenclature set forth in the Company's tariff and the tariffs of upstream interstate pipelines. The proposed tariff revisions are also prompted by TCO's proposal to implement changes to its Master List of Interconnections ("MLIs"), filed with the Federal Energy Regulatory Commission ("FERC") on June 5, 2008. Under TCO's proposal, the number of MLIs, or delivery points, on its system for scheduling and operational purposes will be increased. TCO's proposal will also increase the number of MLIs in the Company's service territory from six to sixteen and affect the supply scheduling process of the Company's transportation customers and competitive service providers.

A copy of the Company's application and the Commission's Order for Notice and Comment ("Scheduling Order") in this proceeding are available, at no charge, by making a request in writing to counsel for the Company, James S. Copenhaver, Columbia Gas of Virginia, Inc., 1809 Coyote Drive, Chester, Virginia 23836. Copies are also available for public inspection at the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia 23219, Monday through Friday, 8:15 a.m. to 5:00 p.m. Unofficial copies of Columbia's application and the procedural order in this proceeding may be downloaded from the Commission's website: http://www.virginia.gov/caseinfo.htm.

The Commission's Scheduling Order, among other things, suspended the proposed tariff provisions for one hundred fifty (150) days, to and through November 30, 2008, and established a procedural schedule for the submission of comments or requests for hearing on the Company's application. Pursuant to the Commission's Scheduling Order, interested persons may submit written comments or requests for hearing on the Company's proposed tariff revisions on or before September 19, 2008. An original and fifteen (15) copies of all such written comments and requests for hearing must be filed with Joel H. Peck, Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Any request for hearing shall state with specificity why the issues raised in the request for hearing cannot be adequately addressed in written comments. If no sufficient request for hearing is received, the Commission may consider the application based on the papers filed without convening a hearing at which oral testimony is received. Persons filing a request for hearing and expecting to participate as a respondent in any hearing that may be scheduled shall also file, on or before September 19, 2008, an original and fifteen (15) copies of a notice of participation with the Clerk of the Commission as required by 5 VAC 5-20-80 B of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* Interested persons should refer to the Commission's Scheduling Order for more information on participation as a respondent.

Interested persons desiring to submit comments electronically may do so on or before September 19, 2008, by following the instructions available at the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

Interested persons shall refer in their comments, requests for hearing, and notices of participation to Case No. PUE-2008-00059 and shall serve a copy upon counsel for the Company at the address set forth above.

Interested persons should consult the Commission's Scheduling Order for further details regarding participation in this proceeding. Unofficial copies of the Company's application, the Commission's Orders entered in this proceeding, the Commission's Rules of Practice and Procedure, as well as other information concerning the Commission and the statutes it administers, may be accessed through the Commission's Document Search Portal at http://www.scc.virginia.gov/caseinfo.htm.

COLUMBIA GAS OF VIRGINIA, INC.

(6) On or before August 29, 2008, Columbia Gas shall serve a copy of this Order on the chairman of the board of supervisors and the county attorney of each county and the mayor or manager of every city and town (or equivalent officials in counties, cities, and towns having alternate forms of government) in which the Company offers service. Service shall be made by first-class mail or personal delivery to the customary place of business or to the residence of the person served.

(7) On or before September 12, 2008, Columbia Gas shall file with the Clerk of the Commission proof of notice and service as required herein.

(8) On or before September 19, 2008, interested persons may submit written comments or requests for hearing on the application to revise the Company's tariff by filing an original and fifteen (15) copies of such comments or requests with Joel H. Peck, Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Any request for hearing shall state with specificity why the issues raised in the request for hearing cannot be adequately addressed in written comments. If no sufficient request for hearing is received, the Commission may consider the proposed tariff changes based upon the papers filed herein without convening a hearing at which oral testimony is received. Interested persons shall refer in their comments or requests for hearing to Case No. PUE-2008-00059 and shall serve a copy upon counsel for Columbia Gas at the address set forth in Ordering Paragraph (4) above.

(9) Interested persons desiring to submit comments electronically may do so on or before September 19, 2008, by following the instructions available at the Commission's website: http//www.scc.virginia.gov/caseinfo.htm.

(10) On or before September 19, 2008, any person filing a request for hearing and expecting to participate as a respondent in any hearing that may be scheduled in this matter shall file an original and fifteen (15) copies of a notice of participation as required by 5 VAC 5-20-80 B of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* All notices of participation shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (8) above. Copies of any notice of participation shall refer to Case No. PUE-2008-00059 and shall simultaneously be served on counsel for the Company at the address set forth in Ordering Paragraph (4) above.

(11) On or before October 24, 2008, the Staff shall investigate the proposed revisions to the Company's tariff and present its findings and recommendations in a Report, or testimony if appropriate, filed with the Clerk of the Commission and shall send a copy to counsel for Columbia Gas and each respondent.

(12) On or before October 31, 2008, Columbia Gas shall file with the Clerk of the Commission, at the address set forth in Ordering Paragraph (8) above, an original and fifteen (15) copies of any response, or testimony if appropriate, the Company expects to introduce in rebuttal. The Company shall also serve a copy of such response or rebuttal testimony upon the Staff and each respondent.

(13) Columbia Gas and each respondent shall respond to interrogatories and other data requests within seven (7) calendar days after receipt of the same. Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure.

CASE NO. PUE-2008-00059
NOVEMBER 18, 2008

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval to revise its tariff to implement delivery standards and nomenclature consistent with upstream interstate pipelines

FINAL ORDER

On July 3, 2008, Columbia Gas of Virginia, Inc. ("Columbia Gas" or the "Company"), filed an application with the State Corporation Commission ("Commission") requesting authority to revise its tariff to implement delivery standards and nomenclature in the Company's tariff, consistent with the corresponding delivery standards and nomenclature of the three interstate pipelines interconnected to the Company's distribution system. The application further requests that the Commission approve the Company's proposed tariff revisions effective September 1, 2008.

As explained in the Company's application, Columbia Gas currently takes delivery of natural gas from three interstate pipeline companies, including Columbia Gas Transmission Corporation ("TCO"), Dominion Transmission Incorporated ("DTI"), and Transcontinental Gas Pipe Line Corporation ("Transco"). Each of the interstate pipelines has standards and related nomenclature specific to the transportation of customer-owned gas on their systems.[1] The standards dictate the location on each system where a customer's gas is to be received and delivered by the interstate pipeline.

Columbia Gas currently uses different terminology, such as "operating area," "market area" and "Columbia Gas Transmission Area," to describe delivery points and points of usage for the transportation of customer-owned gas and the transportation of gas by competitive service providers. The Company's proposed tariff revisions generally replace the existing nomenclature with a single common term of "Upstream Pipeline Scheduling Point" or "PSP." A PSP is defined as "(i) the single delivery point or set of delivery points grouped or designated by an upstream pipeline for purposes of scheduling gas supplies for delivery by such upstream pipeline; or (ii) the single delivery point or set of delivery points grouped or designated by Company for operational purposes." According to the Company's application, the revised tariff language is necessary to ensure consistency between the delivery standards and nomenclature set forth in the Company's tariff and the tariffs of upstream interstate pipelines.

On August 8, 2008, the Commission entered an Order for Notice and Comment ("Scheduling Order") that, among other things, docketed the Company's application, directed the Company to provide public notice of its application and this proceeding; suspended the proposed tariff revisions for one hundred and fifty (150) days, to and through November 30, 2008; allowed interested parties to file comments or requests for hearing on the application; and established dates for the filing of notices of participation and a Staff Report.

On September 19, 2008, Hess Corporation filed a Notice of Participation in this proceeding but did not file any comments, testimony, or a request for hearing. No other interested person filed a notice of participation in this proceeding.

[1] The terms used by DTI to identify where DTI transported supplies are to be delivered are interchangeably referred to as "Delivery Point," "Delivery Location," or "Meter ID." The corresponding terminology used by Transco in its tariff are "Delivery Point" or "Delivery Locations." The terminology used by TCO in its tariff to designate delivery locations are "Market Area" or "Master List of Interconnections."

On October 27, 2008, the Commission Staff filed a Report addressing the Company's application.[2] The Staff agreed that the Company's proposed tariff revisions will make the delivery standards and nomenclature found in Columbia's tariff more consistent with the corresponding delivery standards and nomenclature of the three interstate pipeline companies interconnected to the Company's distribution system. Accordingly, "the Staff is not opposed to the Company's request in this case."[3]

On October 28, 2008, the Company filed its Reply Comments. The Company asserted that its proposed tariff modifications are in the public interest and noted that no interested party or Staff opposed the Company's application. Accordingly, the Company requested that the Commission approve the modified tariff sheets attached as Exhibit A to its application, effective December 1, 2008.

NOW THE COMMISSION, upon consideration of the application, the Company's testimony, the Staff Report, the Company's Reply Comments, and the applicable law, is of the opinion and finds that the Company's application should be granted. The Commission concurs with the Staff's findings that the proposed tariff revisions will make the delivery standards and nomenclature found in the Company's tariff consistent with the corresponding delivery standards and nomenclature of the upstream interstate pipelines interconnected to the Company's distribution system. We will, therefore, approve the Company's application.

Accordingly, IT IS ORDERED THAT:

(1) The Company's application to revise its tariff to implement delivery standards and nomenclature consistent with the upstream interstate pipelines interconnected to its distribution system is granted.

(2) The Company shall file revised tariff pages containing the proposed tariff revisions contained in its application, effective for service rendered on and after December 1, 2008.

(3) This proceeding be dismissed and the papers herein placed in the Commission's file for ended causes.

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[2] The Commission's Scheduling Order directed the Staff to file its Report on or before October 24, 2008. However, due to an administrative oversight, the Staff did not file its Report until October 27, 2008. On November 4, 2008, the Commission entered an Order Granting the Commission's Staff's Motion to Accept Late Filed Staff Report.

[3] Staff Report at 4.

CASE NO. PUE-2008-00060
DECEMBER 23, 2008

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval to implement a natural gas conservation and ratemaking efficiency plan including a decoupling mechanism and to record accounting entries associated with such mechanism

ORDER APPROVING NATURAL GAS CONSERVATION AND RATEMAKING EFFICIENCY PLAN

On July 3, 2008, Virginia Natural Gas, Inc. ("VNG" or "Company"), filed with the State Corporation Commission ("Commission") an Application pursuant to the recently enacted Natural Gas Conservation and Ratemaking Efficiency Act ("Act"), § 56-600 *et seq*. of the Code of Virginia ("Code"), seeking approval to implement a natural gas conservation and ratemaking efficiency plan, which includes a decoupling mechanism, and to record accounting entries associated with such mechanism.

As set forth in the Application, the Company's proposed conservation and ratemaking efficiency plan has two principal components: (i) an Energy Conservation Plan ("ECP") to promote conservation and efficiency; and (ii) a Revenue Normalization Adjustment, Rider D ("RNA Rider" or "Rider"), which is a natural gas decoupling mechanism that provides for a sales adjustment to customers' monthly bills. The Application seeks: (1) approval of the ECP and RNA Rider effective January 1, 2009; (2) approval to capitalize the program costs (including capital costs) and to defer such costs pending the appropriate cost of service treatment, including recovery in rates, until the expiration of the Company's performance-based regulation plan ("PBR Plan") period;[1] and (3) authority to begin recording accounting entries associated with the RNA Rider decoupling mechanism effective January 1, 2009.

VNG states in the Application that its proposal does not result in a shift in the annualized allowed distribution revenue between any rate classes and maintains the non-gas revenue per customer within the rate classes established in the Company's PBR Plan. Over the initial three-year term, the Company proposes to spend $7.5 million in these programs (including the cost of capital). For that expenditure, the Company asserts that its customers can save $39.5 million over a 10-year period.[2]

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[1] The Commission approved VNG's PBR Plan in 2006. *See Application of Virginia Natural Gas, Inc., For approval of a performance based rate regulation methodology pursuant to Virginia Code § 56-235.6, and General Rate Case Filing of Virginia Natural Gas, Inc., For investigation of justness and reasonableness of current rates, charges, and terms and conditions of service in compliance with prior Commission Order*, Case Nos. PUE-2005-00057 and PUE-2005-00062, 2006 SCC Ann. Rept. 341 (July 24, 2006) ("PBR and Rate Case Order").

[2] *See* Exh. 2 (Gidley direct) at 6.

The Company asserts that its proposed decoupling mechanism breaks the link between the volume of sales and the recovery of fixed costs and allows for an increased focus by local distribution companies on energy efficiency and conservation measures. Specifically, the RNA Rider is designed to separate revenues from throughput, enabling VNG to mitigate the impact of declining customer usage and to promote energy efficiency and conservation while recovering its fixed costs. According to VNG, widespread conservation would diminish gas demand and, if significant enough, could dampen natural gas commodity prices. For individual customers, the Application states that any lowering of commodity volumes consumed will result in cost avoidance.

As set forth in the Application, the Company's ECP proposal included the following energy conservation initiatives:

- *Seasonal Check-Up Program*: $25 customer incentive for check-up or credit toward a programmable thermostat; recommended 21-point inspection and filter examination;
- *Low-Income Home Weatherization Program*: Individual home weatherization at no cost to qualified individuals; $1,650 per home; program to be administered in partnership with current providers of low-income weatherization programs;
- *Energy Efficient Tank Water Heater Program*: $250 incentive; installation of a tank-style natural gas water heater with an energy factor of 0.62 or greater;
- *Tankless Water Heater Program*: $500 incentive; installation of a tankless natural gas water heater with an energy factor of 0.82 or greater;
- *Space Heating Program*: $500 incentive; installation of a 90%+ Efficient Natural Gas Furnace;
- *Pilot ENERGY STAR® Residential New Construction Program*: Natural gas water heater and natural gas furnace incentives plus a $250 incentive to be applied against the cost of the ENERGY STAR® inspections, testing, and modeling; a pilot program to encourage the installation of highly energy efficient ENERGY STAR® rated equipment in residential new construction rather than the standard less-costly and less-efficient equipment;
- *Community Outreach and Customer Education Program*: A broad-based energy conservation education program specifically related to each of the above programs and directed at VNG's customers.[3]

The Company allocates the annual program costs among the above programs and requests "the ability to be flexible and transfer funds from one component to another if it determines that would be more effective or if participation in one of the components is greater than anticipated, ..."[4] The annual program costs also include "$8,000 for the administrative cost related to the processing of the incentive-related payments," and the Company proposes "to defer the cost related to the annual independent verification of the net benefits . . . as required by the new legislation, and other incremental ECP costs[, which] are not expected to exceed $25,000."[5] Finally, the Application requests authority to capitalize the program costs (including capital costs) and to defer such costs pending the appropriate cost of service treatment, including recovery in rates, until the expiration of VNG's PBR Plan period on August 1, 2011, during which time the Company's base rates are frozen pursuant to the Commission's decision in Case Nos. PUE-2005-00057 and PUE-2005-00062.

On July 14, 2008, the Commission issued an Order for Notice and Hearing that, among other things, directed the Company to provide notice of its Application, established a procedural schedule for this case, and scheduled a public hearing to receive testimony from members of the public and evidence on the Application. The Commission subsequently extended the procedural schedule in response to a motion filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). The Commission received written comments from: the New Kent County Board of Supervisors (opposing a rate increase); the Natural Resources Defense Council ("NRDC") (supporting efforts to implement decoupling and energy efficiency programs); and the Virginia Interfaith Center for Public Policy ("Center") (supporting the Application).

On October 14, 2008, the Commission convened a public hearing for the purpose of receiving testimony from public witnesses, and the following testified as public witnesses thereat: Brandi Colander on behalf of NRDC; and Rev. C. Douglas Smith on behalf of the Center.

On October 22, 2008, VNG filed a Proposed Stipulation and Recommendation between VNG and Consumer Counsel.

On October 23, 2008, the Commission convened a public evidentiary at which the following participated and presented one or more witnesses: VNG; Consumer Counsel; and the Commission's Staff ("Staff").

On October 29, 2008, VNG filed a Proposed Stipulation and Recommendation (REVISED) ("Revised Stipulation") between VNG and Consumer Counsel, as had been discussed during the October 23 hearing. The Revised Stipulation includes the following modifications to the Company's proposed conservation and ratemaking efficiency plan:

1. The VNG Community Outreach and Customer Education Program will include, through VNG bill inserts and/or other media materials, energy efficiency and conservation educational information targeted to all VNG residential customers throughout each year of the [ECP]. The Company will also make available to every VNG residential customer a $4.00 coupon each year for replacement of an air filter through a supplier with whom VNG will partner (*e.g.*, Home Depot, Sears, *etc.*), with the expectation of attaining

[3] Exh. 5 (France direct), Attach. CJF-1.

[4] Exh. 6 (Hickerson direct) at 6.

[5] *Id.*

high customer participation. The total cost of all (ECP) programs will not change. Program costs for the air filter coupon will be included as part of the Community Outreach and Customer Education spending.

2. An Energy Conservation and Efficiency Advisory Group will be formed (the composition of which will be mutually agreed upon by VNG, the Commission and Consumer Counsel), which will meet periodically to evaluate, review, and recommend adjustments to VNG's conservation and energy efficiency programs (*i.e.*, ECP), including items such as, but not limited to: evaluating results, customer behavior and additional needs of the customers; reviewing program participation, public perception, attendance at outreach meetings, and participation on the Company's website; and recommending new conservation and efficiency technology and hotline telephone numbers to provide conservation advice, new and revised conservation education programs, forums, potential partnerships that should be explored for increased outreach, and change in media/messaging based on review of results.

3. The Company will also implement a programmable thermostat program in which the Company will partner with a supplier to make thermostats available to a group of customers at wholesale prices by taking advantage of bulk purchasing. The Company will provide $25 per customer towards the purchase of these thermostats. The Company will spend $125,000 on this program. The total cost of all (ECP) programs will not change. Program costs will be reallocated as shown on Exhibit A [to the Revised Stipulation]. In addition, as described in the seasonal check up program included in VNG's Application, customers would still be eligible to receive $25 toward the purchase of a programmable thermostat if they choose to purchase a model other than what the Company provides under the program described in this paragraph of the Stipulation.

4. In compliance with the Va. Code § 56-602, VNG will, on an annual basis, file an annual report with Commission Staff showing the year-over-year weather-normalized use of natural gas on an average customer basis for the Residential Customer Class and an independently-verified report of the economic benefits created by the conservation and energy efficiency programs (*i.e.*, ECP). Such report will include the findings and recommendations of the Energy Conservation and Efficiency Advisory Group, including cost benefit analysis of the conservation and energy efficiency programs (*i.e.*, ECP), participation rates, an effectiveness test comparing results to a non-participating control group, and expected program benefits for the next program year.

5. The [plan] shall be limited to an initial period of not more than 3 years from the effective date approved by the Commission. If VNG desires to continue the [plan] after the 3-year period, it will be required to seek further authority to do so from the Commission.

6. Nothing herein shall prevent the Energy Conservation and Efficiency Advisory Group from proposing mutually agreeable changes to the ECP within the 3-year period.

7. The Company shall not earn a return or recover any form of carrying costs on deferred incremental costs incurred within the 3-year period for its conservation and energy efficiency programs. The undersigned parties agree that the Company's proposal as modified herein complies with the definition "Cost-effective conservation and energy efficiency program" for purposes of recovery of deferred incremental costs pursuant to Va. Code § 56-602.D. The ECP costs, excluding carrying costs, shall be included in VNG's next rate proceeding as an expense for recovery over an amortized period. The deferred ECP costs will not be classified as rate base in VNG's next rate proceeding.[6]

On November 26, 2008, VNG, Consumer Counsel, and Staff filed post-hearing briefs.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that a conservation ratemaking and efficiency plan as permitted by § 56-600 *et seq*. of the Code is approved as set forth in this Final Order. We approve the Revised Stipulation entered into by VNG and Consumer Counsel and, consistent with the Revised Stipulation, we (1) direct a reallocation of the program costs among the ECP programs to ensure compliance with the Act, and (2) do not increase the *total* cost to the Company of all ECP programs.

This is the first case under the Act. We find that the conservation ratemaking and efficiency plan, as defined by the provisions of the Revised Stipulation and the requirements of this Final Order ("Plan"), satisfies the statutory requirements of the Act.

Code of Virginia

Section 56-602 A of the Code provides in part as follows:

> Notwithstanding any provision of law to the contrary, each natural gas utility shall have the option to file a conservation and ratemaking efficiency plan as provided in this chapter. Such a plan may include one or more residential, small commercial, or small general service classes, but shall not apply to large commercial or large industrial classes of customers. Such plan shall include: (i) a normalization component that removes the effect of weather from the determination of conservation and energy efficiency results; (ii) a decoupling mechanism; (iii) one or more cost-effective conservation and energy efficiency programs; (iv) provisions to address the needs of low-income or low-usage residential customers; and (v) provisions to ensure that the rates and service to non-participating classes of customers are not adversely impacted. Such plan may also include provisions for

[6] Exh. 3 (Revised Stipulation) at 1-4.

> phased or targeted implementation of rate or tariff design changes, if any, or conservation and energy efficiency programs.

Section 56-602 B of the Code directs in part as follows:

> The Commission shall approve or deny, within 180 days, a natural gas utility's initial application for any revenue-neutral conservation and ratemaking efficiency plan that allocates annual per-customer fixed costs on an intra-class basis in reliance upon a revenue study or class cost of service study supporting the rates in effect at the time the plan is filed. A plan filed pursuant to this subsection shall not require the filing of rate case schedules. . . . The Commission shall approve such a plan . . . if it finds that the plan's . . . proposed decoupling mechanism is revenue-neutral and is otherwise consistent with this chapter.

Section 56-600 of the Code includes definitions of some of the terms used above, including the following:

> '*Allowed distribution revenue*' means the average annual, weather-normalized, nongas commodity revenue per customer associated with the rates in effect as adopted in the applicable utility's last Commission-approved rate case or performance-based regulation plan, multiplied by the average number of customers served.
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> '*Conservation and ratemaking efficiency plan*' means a plan filed by a natural gas utility pursuant to this chapter that includes a decoupling mechanism.
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> '*Cost-effective conservation and energy efficiency program*' means a program approved by the Commission that is designed to decrease the average customer's annual, weather-normalized consumption or total gas bill, for gas and nongas elements combined, or avoid energy costs or consumption the customer may otherwise have incurred, and is determined by the Commission to be cost-effective after analyzing such program using the Total Resource Cost Test, the Societal Test, the Program Administrator Test, the Participant Test, the Rate Impact Measure Test, and any other test the Commission reasonably deems appropriate. The Commission may determine the weight to be given to a test. Without limitation, rate designs or rate mechanisms, customer education, customer incentives, and weatherization programs are examples of conservation and energy efficiency programs that the Commission may consider.
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> '*Decoupling mechanism*' means a rate, tariff design or mechanism that decouples the recovery of a utility's allowed distribution revenue from the level of consumption of natural gas by its customers, including (i) a mechanism that adjusts actual nongas distribution revenues per customer to allowed distribution revenues per customer, such as a sales adjustment clause, (ii) rate design changes that substantially align the percentage of fixed charge revenue recovery with the percentage of the utility's fixed costs, such as straight fixed variable rates, provided such mechanism includes a substantial demand component based on a customer's peak usage, or (iii) a combination of clauses (i) and (ii) that substantially decreases the relative amount of nongas distribution revenue affected by changes in per customer consumption of gas. . . .
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> '*Revenue-neutral*' means a change in a rate, tariff design or mechanism as a component of a conservation and ratemaking efficiency plan that does not shift annualized allowed distribution revenue between customer classes, and does not increase or decrease the utility's average, weather-normalized nongas utility revenue per customer for any given rate class by more than 0.25 percent when compared to (i) the rate, tariff design or mechanism in effect at the time a conservation and ratemaking efficiency plan is filed pursuant to this chapter or (ii) the allocation of costs approved by the Commission in a rate case using the cost of service methodology set forth in § 56-235.2 or a performance-based regulation plan authorized by § 56-235.6, where a plan is filed in conjunction with such case.

Section 56-602 E of the Code mandates as follows:

> The Commission shall require every natural gas utility operating under a conservation and ratemaking efficiency plan approved pursuant to this chapter to file annual reports showing 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.

Conservation and Ratemaking Efficiency Plan

Both parts of the Plan - *i.e.*, the ECP and the RNA Rider - apply only to VNG's residential customers served under Rate Schedule 1 (Residential Firm Gas Sales Service) and Rate Schedule 3 (Residential Air Conditioning Firm Gas Sales Service).[7] Accordingly, the Plan complies with the requirement in § 56-602 A of the Code that "[s]uch a plan may include one or more residential, small commercial, or small general service classes, but shall not apply to large commercial or large industrial classes of customers."

Conservation and energy efficiency programs

As noted above, the first principal component of the Plan is the ECP, which contains the Company's proposed conservation and energy efficiency programs.

[7] *See, e.g.,* Exh. 6 (Hickerson direct), Attach. ARH-1 at 1.

Normalization component

As required by § 56-602 A (i) of the Code, the Plan includes "a normalization component that removes the effect of weather from the determination of conservation and energy efficiency results." VNG explains as follows:

> The Company will . . . compute the weatherized usage and revenue that will be used in the determination of the conservation and energy efficiency results. In addition, we will track, on an individual premise basis, the consumption and revenue for each premise that participates in any component of the ECP (the Company's initiatives to encourage conservation and efficiency). The usage and revenue associated with each of these premises will be weather normalized to allow for the effectiveness of the respective plans to be evaluated on a component-by-component basis.[8]

Low-income or low-usage residential customers

As required by § 56-602 A (iv) of the Code, the Plan includes "provisions to address the needs of low-income or low-usage residential customers." The Plan, as proposed and approved herein, includes a Low-Income Home Weatherization Program that, among other things: (1) will be administered in partnership with current providers of low-income weatherization programs; (2) will provide individual home weatherization at no cost to qualified individuals at a value of up to $1,646 per home; (3) will have a total program cost of $372,075; and (4) will serve at least 226 low-income households.[9]

Cost-effective conservation and energy efficiency programs

Section 56-602 A (iii) of the Code states that the Plan "shall include . . . one or more *cost-effective* conservation and energy efficiency programs" (emphasis added). As noted above, the Act includes a definition for a "cost-effective conservation and energy efficiency program."[10] That definition, among other things, requires the Commission to determine whether such program is cost-effective after analyzing the program using several named tests "and any other test the Commission reasonably deems appropriate."[11] In addition, the Act does not require that a program pass any or all of the tests and, further, provides that "[t]he Commission may determine the weight to be given to a test."[12]

In this regard, the ECP passes all the named tests except the Rate Impact Measure Test ("RIM Test").[13] The RIM Test generally measures the rate impact on residential customers that do not participate in the ECP and, thus, is sometimes referred to as the "Non-Participant Test."[14] Staff explained that, under VNG's own analysis included in its Application, approximately 96% of residential customers will be *negatively* impacted by the ECP in any given year - *i.e.*, 96% could pay higher bills than they otherwise would have absent the ECP.[15] Indeed, Consumer Counsel explains that the ECP requires "non-participating [residential] ratepayers to pay for the monetary benefits received only by the program's participants. . . ."[16]

This disparity, however, highlights one of the ratemaking premises reflected in the Act: customers in a rate class who do not conserve (*i.e.*, assumed non-participants) may pay more in order for the Company to recoup the revenue lost from those who conserved. This policy, built into the statute, will necessarily make it difficult for many conservation programs to meet the RIM Test. Consumer Counsel explains this by noting that, under the Act, there will be "disparate impact" between participants and non-participants in a rate class, and that the Commission should determine whether such impact "is reasonable or not."[17] Thus, Consumer Counsel "*cautions* the Commission against applying the RIM Test in a manner that could result in adopting a policy that *no* conservation and energy efficiency programs as envisioned by the Act would *ever* be approved."[18]

The Act also permits the Commission to analyze the ECP using "any other test the Commission reasonably deems appropriate."[19] The results of the RIM Test highlight the limited number of residential customers that are expected to take part in the ECP as proposed in the Application. Thus, we find

[8] Exh. 6 (Hickerson direct) at 14-15.

[9] *See, e.g.,* Exh. 5 (France direct) at 8-9; Exh. 20 (France rebuttal) at 4-5; Exh. 3 (Revised Stipulation), Exhibit A.

[10] Va. Code § 56-600.

[11] *Id.*

[12] *Id.*

[13] *See, e.g.,* VNG's November 26, 2008 post-hearing brief at 35-37; Staff's November 26, 2008 post-hearing brief at 6-8, 14-15; Consumer Counsel's November 26, 2008 post-hearing brief at 3-5.

[14] *See, e.g.,* Exh. 8 (Watkins direct) at 5-6; Exh. 14 (Walker direct) at 8.

[15] *See* Exh. 14 (Walker direct) at 9.

[16] Exh. 8 (Watkins direct) at 7.

[17] Consumer Counsel's November 26, 2008 post-hearing brief at 6.

[18] *Id.* (emphasis added). Although passage of the RIM Test is not a statutory prerequisite for approval, VNG (1) agrees that the Commission should not ignore the rate impact on non-participants, which VNG estimates at less than $0.72 per month, and (2) notes that the Act specifically permits "targeted" implementation of such programs. VNG's November 26, 2008 post-hearing brief at 35-36.

[19] Va. Code § 56-600.

that it is reasonably appropriate to consider the number of customers targeted, and the type of programs that they are targeted with, as part of the ECP.[20] In this regard, we conclude as follows: (1) that for the Plan to be cost effective under the Act, the annual funds proposed by the Company should be allocated in a manner that appreciably increases the realistically possible number of participants in significant conservation measures; and (2) that this shall be accomplished by increasing the allocation of funds for the Programmable Thermostat Program resulting in a total allocation as set forth below. This reallocation of funds should, among other things, help to reduce the potential number of non-participants that will be required to pay for this Plan, but that gain no benefit thereunder.

Accordingly, the ECP shall reflect the following allocation:

Community Outreach and Customer Education Program
Annual Cost: $750,000
Incentive: --
Number of Participants: --

Programmable Thermostat Program
Annual Cost: $625,000
Incentive: $25
Number of Participants: 25,000

Low-Income Home Weatherization Program
Annual Cost: $372,075
Incentive: $1,646
Number of Participants: 226

Seasonal Check-Up Program
Annual Cost: $188,750
Incentive: $25
Number of Participants: 7,550

Tank Water Heater Program
Annual Cost: $26,500
Incentive: $150
Number of Participants: 177

Tankless Water Heater Program
Annual Cost: $98,000
Incentive: $500
Number of Participants: 196

Space Heating Program
Annual Cost: $98,000
Incentive: $500
Number of Participants: 196

ENERGY STAR® Residential New Construction Program
Annual Cost: $5,000
Incentive: $250
Number of Participants: 20

This reallocation does not exceed the *total* cost of the ECP programs contained in the Revised Stipulation and is consistent with the Revised Stipulation. We find that, at this time, the above allocation is necessary to make the ECP "cost-effective" under the Act and to address the potential deficiencies in the Plan identified by the RIM Test. We recognize, as did VNG, that it may be reasonable to transfer funds from one program to another after gaining actual experience with the ECP, without increasing the total cost of all programs.[21] Furthermore, the Revised Stipulation provides that the Energy Conservation and Efficiency Advisory Group (created as part of the Revised Stipulation) will evaluate and recommend changes to the ECP programs during the three-year term of the Plan. Accordingly, while we direct the cost allocations set forth above at this time, we do not preclude modifications thereto after the first year of the Plan. Thus, in accordance with the Revised Stipulation, the reallocation directed herein may be reviewed by the Energy Conservation and Efficiency Advisory Group, and requests for any further reallocations of ECP program costs during the life of the Plan may be made to this Commission by that group.

Decoupling mechanism

As noted above, the second principal component of the Plan is the RNA Rider, which represents the Company's proposed decoupling mechanism under § 56-602 A (ii) of the Code. We find that the RNA Rider, which is a sales adjustment clause, complies with the specific provisions of the Act and, as required by § 56-602 B of the Code, is otherwise consistent with the provisions of the Act.

[20] We recognize that the Revised Stipulation, which includes a $4.00 air filter coupon (to be paid out of the funds allocated to the Community Outreach and Customer Education Program) and a Programmable Thermostat Program for 5,000 customers, should increase participation in the ECP. *See* Exh. 3 (Revised Stipulation).

[21] *See* Exh. 6 (Hickerson direct) at 6.

Sales adjustment clause

Staff opposed the form of the Rider, preferring that such a Rider, if any, be in the form of a change in rate design and not a sales adjustment clause.[22] This position, however, is contrary to the explicit language of the statute permitting the decoupling mechanism to take the form of a sales adjustment clause. Specifically, as permitted by the Act, the Rider is a "mechanism that decouples the recovery of a utility's allowed distribution revenue from the level of consumption of natural gas by its customers, including (i) a mechanism that adjusts actual nongas distribution revenues per customer to allowed distribution revenues per customer, such as a *sales adjustment clause*."[23]

Customer classes

As required by § 56-602 A (v) of the Code, the Plan includes "provisions to ensure that the rates and service to non-participating classes of customers are not adversely impacted." The Act describes "classes of customers" in terms of "residential, small commercial, . . . small general service classes, [and] large commercial or large industrial classes of customers."[24] The Plan only applies to the residential class of customers, and the rates and service to "non-participating classes of customers" - *i.e.*, small commercial, small general service, large commercial, and large industrial classes - are not impacted, adversely or otherwise, by the Plan.[25]

In this regard, we reject Staff's proposition that customer classes - under the express terms of the Act - could mean something other than the residential, small commercial, small general service, large commercial, and large industrial customer classes.[26] Rather, we agree with Consumer Counsel's explanation as follows:

> The statute speaks in terms of the residential, small commercial, small general service, large commercial, and large industrial classes of customers. The entire residential class of customers - Schedules 1 and 3 - is included under VNG's proposed [Plan]. The small commercial and small general service classes are legally eligible to be included in a [Plan], but under VNG's proposed plan those classes are not included. Thus, in this instance, Consumer Counsel understands subdivision (v) to require that rates and service under VNG's [Plan] applicable to the residential class of customers not adversely impact the small commercial or small general service classes of customers, as well as the large commercial and large industrial classes of customers.[27]

Thus, contrary to Staff's suggestion, which diverges from the plain language of the Act, the Act does not permit the Commission to create subsets of classes within the residential class as identified by statute.

Revenue-neutral

Similarly, as required by the Act's definition of "revenue-neutral," the RNA Rider "does not shift annualized allowed distribution revenue between *customer classes*."[28] No revenue is shifted between customer classes; the ECP and the Rider only apply to the residential class of customers.

Next, as also required by the Act's definition of "revenue-neutral," the RNA Rider "does not increase or decrease the utility's average, weather-normalized nongas utility revenue per customer for any given rate class by more than 0.25 percent when compared to (i) the rate, tariff design or mechanism in effect at the time a conservation and ratemaking efficiency plan is filed pursuant to this chapter."[29] As noted by VNG, the "rates in effect at the time VNG filed its Plan were adopted by the Commission in the Company's PBR Plan Proceeding."[30] Under the PBR Plan, VNG's average, weather-normalized nongas utility revenue per customer for the residential class is $223.68, and the RNA Rider is designed to ensure that such revenue per customer remains at $223.68.[31]

Staff asserts, nonetheless, that the Rider is not revenue-neutral. The RNA Rider, as required by the Act, is based on the PBR Plan that, in turn, is based on usage for the 12 months ending March 2005.[32] Staff explains that usage during that 12-month period was higher than any subsequent 12-month period.[33] For example, Staff illustrates that if the RNA Rider was in effect during 2006 and 2007 - without the ECP program - VNG's revenues would have

[22] *See, e.g.,* Tr. 233-234.

[23] Va. Code § 56-600 (emphasis added).

[24] Va. Code § 56-602 A.

[25] *See, e.g.,* Exh. 6 (Hickerson direct) at 18.

[26] *See, e.g.,* Tr. 275-279.

[27] Consumer Counsel's November 26, 2008 post-hearing brief at 7.

[28] Va. Code § 56-600 (emphasis added).

[29] Va. Code § 56-600. Contrary to Staff' suggestion, subsection (ii) of the definition of "revenue-neutral" in § 56-600 of the Code is inapplicable herein, because the Plan was not "filed in conjunction with" a rate case or PBR plan.

[30] VNG's November 26, 2008 post-hearing brief at 9.

[31] *See, e.g.,* Exh. 16 (Hickerson rebuttal) at 3-4; VNG's November 26, 2008 post-hearing brief at 11-12.

[32] *See, e.g.,* Exh. 14 (Walker direct) at 15.

[33] *Id.*

increased by over 5%; that is, customers would have paid over 5% more than they actually paid during 2006 and 2007 if the RNA Rider was in effect.[34] We must reject Staff's conclusion as a matter of law. The Act explicitly defines "revenue-neutral" as applied above, and Staff's analysis does not comply with such definition.

Efficiency targets and penalties for poor performance

VNG states that the Natural Resources Defense Council ("NRDC") "has filed comments in this proceeding supporting the Company's decoupling and conservation plan. . . ."[35] The NRDC, however, testified at the hearing that it is not familiar with the specific conservation programs proposed by VNG in its Application.[36] The NRDC also asserts that in conjunction with the benefits received by the Company through the decoupling mechanism, the Plan also should include energy "efficiency targets" for VNG and should reflect "penalties for poor performance" by VNG under the ECP.[37] Staff similarly suggests that the decoupling mechanism be linked to the amount of conservation achieved under the ECP.[38] The Company, however, asserts that "[d]ecoupling revenue should not be directly tied to conservation,"[39] and "[decoupling revenue to VNG] is not a reward for conservation. . . ."[40] In this regard, the Company is correct that the Act does not require the linkage recommended by the NRDC and Staff. Although the NRDC asserts that such efficiency targets and penalties for poor performance should be part of any successful decoupling program, the Act includes no provision for such penalties and does not tie the definition of "decoupling mechanism" to any amount of conservation. Accordingly, we must deny the NRDC's and Staff's recommendations in this regard.

Bills

Staff states that: (1) the RNA Rider represents VNG's "third adjustment to the bills of its residential customers;" (2) the two current adjustments are to reflect (a) normal weather (*i.e.*, a weather normalization adjustment ("WNA")), and (b) purchased gas costs; and (3) the "layering of rate adjustments can give rise to billing errors and increased customer confusion."[41]

In this regard, we note that the RNA Rider adjustment (i) is a monthly adjustment, and (ii) can represent either a credit or a surcharge to the customer's bill. Similarly, the WNA (i) is a monthly adjustment, and (ii) can represent either a credit or a surcharge to the customer's bill. Further, the Commission requires VNG to list the impact of the WNA as a separate line item on the customer's monthly bill; this provides a reasonable level of billing transparency and assists in identifying the individual bill impact of the WNA program. We likewise find that VNG shall list the impact of the RNA Rider adjustment as a separate line item on the customer's monthly bill. As with the WNA, we find that the risk of confusion from a separate line item is outweighed by the value to customers of billing transparency.

Reports

As required by § 56-602 E of the Code, VNG will file annual reports "'showing 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.'"[42] We further note that the Plan, as approved herein, includes the following provision:

> In compliance with the Va. Code § 56-602, VNG will, on an annual basis, file an annual report with Commission Staff showing the year-over-year weather-normalized use of natural gas on an average customer basis for the Residential Customer Class and an independently-verified report of the economic benefits created by the conservation and energy efficiency programs (*i.e.*, ECP). Such report will include the findings and recommendations of the Energy Conservation and Efficiency Advisory Group, including cost benefit analysis of the conservation and energy efficiency programs (*i.e.*, ECP), participation rates, an effectiveness test comparing results to a non-participating control group, and expected program benefits for the next program year.[43]

PBR Plan

Consumer Counsel and Staff note the potential conflict between the Plan and VNG's existing PBR Plan as approved by the Commission.[44] The Company, however, correctly points out that the Act explicitly permits VNG to implement a conservation and ratemaking efficiency plan regardless of

[34] *See* Exh. 14 (Walker direct) at 15-16.

[35] VNG's November 26, 2008 post-hearing brief at 41.

[36] Tr. 13-14.

[37] *See, e.g.,* Tr. 10-12; NRDC's October 8, 2008 comments at 3.

[38] *See, e.g.,* Exh. 12 (Spinner direct) at 20-21; Exh. 14 (Walker direct) at 20-21.

[39] *See* VNG's November 26, 2008 post-hearing brief at 21 (typeface modified).

[40] *Id.* at 22.

[41] Exh. 14 (Walker direct) at 26.

[42] *See, e.g.,* VNG's November 26, 2008 post-hearing brief at 39-40.

[43] Exh. 3 (Revised Stipulation) at 3-4.

[44] *See, e.g.,* Exh. 8 (Watkins direct) at 15-16; Exh. 14 (Walker direct) at 16.

whether the Company is operating under a Commission-approved PBR Plan.[45] Section 56-601 B of the Code provides as follows: "Natural gas utilities are authorized pursuant to this chapter to file natural gas conservation and ratemaking efficiency plans that implement alternative natural gas utility rate designs and other mechanisms, in addition to . . . performance-based regulation plans authorized by § 56-235.6." Moreover, as noted above, § 56-602 A of the Act further states as follows: "Notwithstanding any provision of law to the contrary, each natural gas utility shall have the option to file a conservation and ratemaking efficiency plan as provided in this chapter." Accordingly, we find that VNG's existing PBR Plan does not stand as a legal impediment to implementation of the Plan herein.

At the same time, we must also acknowledge that the Plan will necessarily change the amount that VNG's customers otherwise would have paid for non-gas service under the PBR Plan as approved by the Commission.[46] In the PBR and Rate Case Order, the Commission found that VNG's annual revenues needed to be *reduced* by approximately $9.83 million in order for rates to be considered "just and reasonable."[47] The Commission, however, did not order a rate decrease but, rather, approved the existing PBR Plan that, among other things: (1) requires VNG to construct a pipeline from its northern system that will cross the James River/Hampton Roads Channel and tie into VNG's distribution system in Norfolk to allow for the physical flow of gas from the northern system to the southern system ("HRX Pipeline"); and (2) freezes VNG's non-gas rates for five years (August 1, 2006, to July 31, 2011).[48]

The Commission approved the rates in the PBR Plan[49] because we found that those rates complied with the specific requirements of the PBR statute; to wit, we found that the PBR Plan did "not result in excessive rates" under § 56-235.6 B of the Code "when compared to the benefits" to customers under the PBR Plan, which included the Company's commitment to construct the HRX Pipeline (a commitment that VNG has kept)[50] and the projected long-term cost savings to customers over the life of the HRX Pipeline.[51] Thus, having found that VNG's annual non-gas revenues should be reduced by $9.83 million, allowing non-gas rates to remain unchanged through the five-year PBR Plan period was a necessary and obviously critical component of our approval of that plan.

Indeed, in seeking approval of the PBR Plan, the Company repeatedly assured the Commission that VNG's customers would be assured of "rate certainty" for the non-gas portion of service for the five-year life of the PBR Plan.[52] The Commission relied upon such representations in approving the PBR Plan and, further, explained that rates would be reduced by $9.83 million if the PBR Plan was ever withdrawn or terminated.[53] That reliance, however, apparently was misplaced since, upon implementation of the Plan, the price paid by many - if not all - residential customers for non-gas service may likely increase.

First, as discussed above, the Plan is structured so that the Company is guaranteed to recover the average, weather-normalized non-gas utility revenue per customer that is reflected in the PBR Plan. While we conclude that the RNA Rider is "revenue-neutral" as that term is defined by the Act, the Rider is by no means "revenue-neutral" in terms of its likely actual effect on individual customers. The Plan is structured so that VNG is guaranteed to recover a certain amount of revenue from the residential class, regardless of how much natural gas the class uses as a whole. This is accomplished, through the Rider, by effectively increasing rates to all members of the residential class, via a "sales adjustment" when sales volumes decline, in order to meet VNG's guaranteed revenue for that class.[54] As a result, all customers - whether or not they decrease their individual natural gas usage - end up paying more to VNG for the non-gas portion of their bills.

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[45] *See* VNG's November 26, 2008 post-hearing brief at 8-9.

[46] For example, while the Commission does not currently intend to re-open the PBR Plan for further evaluation, we recognize that the PBR statute directs that the Commission may "alter, amend or revoke" a previously approved PBR Plan if it finds, among other things, that:

> (iv) the performance-based form of regulation is resulting in rates that are excessive compared to a gas utility's or electric utility's cost of service and any benefits that accrue from the performance-based plan; (v) the terms ordered by the Commission in connection with approval of a gas utility's or electric utility's implementation of a performance-based form of regulation have been violated; or (vi) the performance-based form of regulation is no longer in the public interest.

Va. Code § 56-235.6 C.

[47] *See* PBR and Rate Case Order, 2006 SCC Ann. Rept. at 347.

[48] *Id.*

[49] Commissioner Jagdmann did not participate in the PBR and Rate Case Order.

[50] *See, e.g.,* VNG's November 12, 2008 Report of Action in Case No. PUE-2005-00057.

[51] *See* PBR and Rate Case Order, 2006 SCC Ann. Rept. at 349.

[52] *See, e.g.*, the following statements from VNG in Case No. PUE-2005-00057: "The PBR Plan freezes VNG's [non-gas] rates at their 1996 level until 2011. This provides continued stable rates [over the five-year PBR period] - a guarantee of 14 years of stable base rates . . ." (Application at 9); "[The five-year rate freeze] provide[s] rate certainty for our customers for at least five years" (January 27, 2006 Statement of VNG President Henry P. Lingenfelter at 6 (emphasis added)); "[A]ll parties to the [PBR] case have agreed to the current rates for a five-year period" (VNG's January 30, 2006 Reply at 6); and "[The five-year rate freeze] provid[es] rate certainty to all VNG customers for at least five years" (VNG's January 30, 2006 Reply at 4 (emphasis added)).

[53] *See* PBR and Rate Case Order, 2006 SCC Ann. Rept. at 349 ("If the PBR Plan is withdrawn or terminated, and absent a subsequent rate case or performance based ratemaking methodology, VNG's rates shall be established in accordance with the revenue requirements and rate design found just and reasonable by the Commission under § 56-235.2 A of the Code in Case No. PUE-2005-00062.").

[54] Conversely, VNG asserts that customers would receive a credit under the RNA Rider if the revenue per customer exceeds that reflected in the PBR Plan. *See* Exh. 16 (Hickerson rebuttal) at 12.

The Company acknowledges that, under its Plan, the bill increases to individual customers are not directly tied to any particular conservation targets or savings, such as, *e.g.*, when VNG states that "decoupling revenue [to VNG] should not be directly tied to conservation"[55] savings to customers, and "[decoupling revenue to VNG] is not a reward for conservation . . . ."[56] Moreover, when VNG states that the Act "allows cost shifting on an intra-class basis,"[57] it recognizes that individual VNG residential ratepayers may pay more than they are currently paying under the PBR Plan rate structure, even if they reduce their consumption of natural gas or already use relatively little gas.

Second, and as also explained above, the RNA Rider is based on the usage and revenue reflected by the PBR Plan. This PBR Plan revenue is based on historical customer usage for the 12 months ending March 2005, and Staff explains that "there has been no single consecutive 12-month period when actual usage conditions were higher than the [RNA Rider] targets since March 2005."[58] For example, in 2006 and 2007 the average usage was less than that for the 12 months ending March 2005. As a result, if the RNA Rider was in effect during 2006 and 2007, residential customers would have seen a "sales adjustment" under the Rider in order to increase VNG's revenues. In other words, if the RNA Rider was in effect during 2006 and 2007, residential customers' bills would have been *higher* than they actually were in 2006 and 2007 under the PBR Plan - and this is without any ECP programs.[59] Thus, the implementation of the RNA Rider clearly may increase residential customers' bills from what they otherwise would have been under the PBR Plan.

VNG asserts, however, that this result from the Rider is not technically a *rate increase* but, rather, represents a *sales adjustment* as permitted by the Act. VNG claims that a "sales adjustment clause" - such as the RNA Rider - which increases a customer's bill pursuant to the Act is not the same thing as a rate increase because the "sales adjustment clause allows [VNG] to obtain its 'allowed distribution revenue' without changing its rates."[60] While we find that VNG is technically correct in its legal interpretation of a "sales adjustment clause" under the Act, we also recognize that this technical ratemaking distinction is likely of little comfort to ratepayers. If a customer's bill goes up, calling it a *sales adjustment* – as opposed to a *rate increase* – does not change the fact that the customer's bill is higher than it otherwise would have been.[61] As a result, we must acknowledge that while customers' "rates" technically may not change as a matter of legal analysis under the Act, the actual effect of VNG's sales adjustment clause (*i.e.*, the RNA Rider) may be increases in many customers' bills versus what they would have been under the PBR Plan, which we approved in 2006 with the expectation that we were ensuring "rate certainty" as represented by VNG.

Accordingly, while we approve the Plan herein pursuant to the Act, we must acknowledge that the ultimate price that VNG's residential customers will pay for non-gas service under the Plan may be higher than the frozen rates established by the Commission in the PBR Plan. This is especially relevant at a time of economic hardship when many of VNG's customers are struggling to pay their monthly bills and may be facing tremendous uncertainty about their employment security.[62]

Projected Savings from the Plan

VNG's customers who participate in the conservation measures proposed in the Plan can save money on the volumetric portion of their bills through reduced consumption. Quantifying total net savings for customers with accuracy is difficult, however. In this regard, we find VNG's claim that its customers, over a 10-year period, can save as much as $39.5 million from the Plan as proposed to be speculative.[63] While the *costs* to customers of the ECP will be definite, and price increases for non-gas service under the RNA Rider are probable, as explained above, attempting to quantify net *savings* from the Plan is an exercise dependent upon a myriad of changing factors, including the *future* behavior of customers and the *future* price of natural gas.

We note that on the date that VNG filed this Application (July 3, 2008), the price of natural gas at Henry Hub was $13.31 per MMBtu; by December 1, 2008, the price had plunged to $6.43,[64] a drop of *more than 50%* in just a few months. Whether prices will remain this low, go even lower, or skyrocket in the future is unknowable. In addition, while some of the recent drop in natural gas prices may be attributable to the worldwide decline in demand for all energy commodities because of the global economic crisis, there may also be reason to speculate that the natural gas markets in the United States are seeing the effects of substantial increases in domestic sources of supply, for example, from the Barnett field in Texas. There is also reportedly huge potential from the Marcellus Shale field in the Appalachian Basin.[65] The quantity of savings to customers on the volumetric portion of their bills from

[55] VNG's November 26, 2008 post-hearing brief at 21.

[56] *Id.* at 22.

[57] *Id.*

[58] Exh. 14 (Walker direct) at 15.

[59] *See, e.g.,* Exh. 14 (Walker direct) at 15; Exh. 8 (Watkins direct) at 17-19.

[60] VNG's November 26, 2008 post-hearing brief at 17 (quoting Va. Code § 56-600). *See also id.* at 9-13.

[61] In other words, it is possible that a particular customer's bill could be higher for an equivalent amount of natural gas consumed. This higher cost per unit of consumption would typically be considered a rate increase.

[62] As recently reported in the Wall Street Journal: "One in five U.S. households was behind on its utility bills coming out of last winter, a new survey concludes, raising fears that the current heating season could be even worse. One in 20 households had its utility service terminated in 2007." Rebecca Smith, *One in Five Households Fell Behind on Utility Bills Last Winter*, WALL STREET JOURNAL, December 17, 2008, at A6 (discussing a survey by the National Association of Regulatory Utility Commissioners).

[63] *See* Exh. 2 (Gidley direct) at 6 ("For that level of expenditure [$7.5 million for the conservation programs, including the cost of capital], our customers can save up to $39.5 million over a 10-year period. *That is a permanent, sustainable savings that provides significant value to our customers*" (emphasis added).).

[64] *See, e.g.,* ICE Day Ahead Natural Gas Price Report published by ICE Data (https://www.theice.com/marketdata/ reportcenter/reports.htm).

[65] This potential "super giant" gas field extends from far southwest Virginia through West Virginia, Ohio, Pennsylvania, and New York. *See, e.g.,* http://geology.com/articles/marcellus-shale.shtml.

reduced consumption obviously moves in concert with gas prices. There are, of course, other factors, such as finite pipeline capacity or the possibility of continued dollar devaluation in the future, that could put upward pressure on prices and increase savings from reduced consumption.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) A three-year conservation ratemaking and efficiency plan, as permitted by § 56-600 *et seq*. of the Code of Virginia, is approved as set forth in this Order Approving Natural Gas Conservation and Ratemaking Efficiency Plan and shall become effective on January 1, 2009.

(2) The Revised Stipulation is approved as set forth herein.

(3) The ECP program costs shall be allocated as set forth herein.

(4) This matter is dismissed.

Commissioner Morrison participated in this matter.

Commissioner Dimitri did not participate in this matter.

CASE NO. PUE-2008-00061
NOVEMBER 26, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of revising the rules of the State Corporation Commission governing Retail Access to Competitive Energy Services

ORDER REVISING REGULATIONS

The Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules"), 20 VAC 5-312-10 *et seq*., were adopted in 2001[1] and last revised in 2003.[2] Additionally, the Rules Governing Exemptions to the Minimum Stay Requirements and Wires Charges, set forth in 20 VAC 5-313-10 *et seq*., were adopted in 2006 as transitory regulations promulgated to be in addition to the existing Retail Access Rules.[3]

On July 29, 2008, the Commission entered an Order For Notice of Proceeding To Consider Revisions to the Commission's Rules Governing Retail Access to Competitive Energy Services ("July 29, 2008 Order") to revise the Retail Access Rules in order to reflect statutory changes made to the Virginia Electric Utility Restructuring Act,[4] §§ 56-576 *et seq*. of the Code of Virginia ("Code") by the Virginia General Assembly regarding retail access to electric energy services within the Commonwealth.[5] The July 29, 2008 Order attached draft revisions ("Proposed Rules") prepared by the Commission Staff ("Staff"), directed that notice of the Proposed Rules be given to the public, and provided an opportunity for interested persons to file comments on, propose modifications and supplements to, and request a hearing on the Proposed Rules.

Pursuant to the July 29, 2008 Order, comments were due by September 22, 2008. The Commission received comments from Appalachian Power Company ("APCo"), Virginia Electric Cooperatives,[6] Virginia Electric and Power Company ("Virginia Power"), and Columbia Gas of Virginia, Inc. ("CGV"). None of the parties filing comments requested a hearing on the proposed revisions. However, Virginia Power requested an opportunity to file reply comments on or before October 15, 2008, in order to address any issues in the comments filed by others or in the Staff Report scheduled to be filed on October 6, 2008. On October 3, 2008, Robert A. Vanderhye filed with the Commission a request that comments he had filed in another Commission proceeding[7] be considered in this case, and that a hearing on the Proposed Rules be held by the Commission. Mr. Vanderhye requested that the hearing be

[1] Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of establishing rules for retail access, Case No. PUE-2001-00013, 2001 S.C.C. Ann. Rep. 536 (Final Order, June 19, 2001).

[2] Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter concerning the aggregation of retail electric customers under the provisions of the Virginia Electric Utility Restructuring Act, Case No. PUE-2002-00174, 2003 S.C.C. Ann. Rep. 371 (Order Adopting Revised Regulations, April 9, 2003).

[3] Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of establishing rules and regulations pursuant to the Virginia Electric Utility Restructuring Act for exemptions to minimum stay requirements and wires charges, Case No. PUE-2004-00068, 2006 S.C.C. Ann. Rep. 303 (Order on Motion and Adopting Rules and Regulations, January 4, 2006).

[4] Title changed to Virginia Electric Utility Regulation Act pursuant to Chapter 883 of the 2008 Virginia Acts of Assembly.

[5] See Chapters 888 and 933 of the 2007 Virginia Acts of Assembly.

[6] Filing jointly the Virginia Electric Cooperatives are: A&N Electric Cooperative, BARC Electric Cooperative, Central Virginia Electric Cooperative, Community Electric Cooperative, Craig-Botetourt Electric Cooperative, Mecklenberg Electric Cooperative, Northern Neck Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, and Southside Electric Cooperative, and the Virginia, Maryland, & Delaware Association of Electric Cooperatives.

[7] Application of Virginia Electric and Power Company d/b/a Dominion Virginia Power, For approval of its Renewable Energy Tariff, Case No. PUE-2008-00044.

scheduled after a decision has been reached in Case No. PUE-2008-00044, and another Commission proceeding,[8] asserting that the decisions reached in these cases will have a bearing on any changes to the Retail Access Rules. The Staff filed a Report on October 6, 2008, as directed by July 29, 2008 Order, summarizing the comments filed by APCo, the Virginia Electric Cooperatives, Virginia Power, and CGV, and making further revisions to the Proposed Rules, where necessary, in response to the comments filed on September 22, 2008.[9]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the regulations attached hereto should be adopted effective January 1, 2009.

In the revisions to the Code enacted under Chapters 888 and 933 of the 2007 Virginia Acts of Assembly, the General Assembly, *inter alia*, moved the expiration of capped rates to December 31, 2008, and limited the ability of most consumers to purchase electric generation service from competing suppliers thereafter. Residential retail consumers will have the ability to engage in a choice of competitive generation suppliers only if the incumbent electric utility does not offer an approved tariff for electric energy provided 100 percent from renewable energy. Large customers exceeding 5 MW in demand maintain the ability to shop among competitive suppliers, and nonresidential customers may seek to aggregate load up to the 5 MW threshold in order to use a competitive supplier. Accordingly, it is necessary for the Commission to revise the Retail Access Rules effective January 1, 2009, in order to have the Commission's rules and regulations properly tailored to the new regulatory paradigm prescribed by the Virginia General Assembly.

The July 29, 2008 Order provided Proposed Rules which were developed by the Staff to incorporate changes to the Retail Access Rules necessitated by the statutory changes described above. APCo, the Virginia Electric Cooperatives, Virginia Power, and CGV provided comments on the Staff's Proposed Rules, and proposed several modifications of their own, which, as will be discussed below, are adopted or rejected by this Order.

The Virginia Electric Cooperatives and Virginia Power each proposed modifications to 20 VAC 5-312-10, the "Applicability; definitions" section of the Retail Access Rules. The Virginia Electric Cooperatives suggest stating that the regulations do not apply to a utility that offers a 100% renewable energy tariff option and has no customers meeting the load threshold.[10] We find that this modification is unnecessary. As drafted, the regulations attached hereto will operate so as to cover the various scenarios provided by the statute. As noted in the Staff Report, certain rules refer to "eligible customers" to recognize that specific regulations are not applicable to, for example, residential customers, if the Commission has approved a tariff for electric energy provided 100% from renewable energy.[11] Virginia Power suggests that certain definitions be changed to reflect that they are only applicable to natural gas customers.[12] We find that these proposed changes are unnecessary. For example, as noted in the Staff Report, while the 2007 statutory changes eliminated electric utilities' obligation to provide consolidated billing, the regulations have been revised to reflect that consolidated billing is no longer mandatory.[13] Thus, consistent with the natural gas utilities' present practice, the utilities' tariffs, as approved by the Commission, will determine billing options.

Virginia Power, CGV, and the Virginia Electric Cooperatives each proposed additional modifications to 20 VAC 5-312-20, the "General provisions" section of the Retail Access Rules. CGV suggested several technical corrections to this section, including the need for subsection N to use the gas measurement term "MCF" in addition to the electric terms MW or kWh. The Staff Report included these technical corrections in the revisions to the Proposed Rules, and we adopt them herein.

The Virginia Electric Cooperatives seek an addition to subsection F of 20 VAC 5-312-20 to reflect what they perceive as a statutory obligation under § 56-577 A 5 of the Code for competitive suppliers that provide electricity supply service to individual retail customers to provide only 100 percent renewable energy, unless such customers can shop under § 56-577 A 3 or A 4.[14] Similarly, APCo requested as part of this rulemaking that the Commission affirm that Code § 56-577 A 5 establishes that if a local distribution company offers an approved tariff for electric energy provided 100 percent from renewable energy, other competitive providers are prevented from offering all renewable energy products within that service area and may not offer a mix of 50 percent from renewable sources and 50 percent from traditional sources.[15] We find it unnecessary to restate the statute in these rules or to address the interpretation requested by the Virginia Electric Cooperatives and APCo.

Virginia Power proposed several modifications to 20 VAC 5-312-20 on the basis that this rule applied only to natural gas local distribution companies going forward. For the same reasons discussed above, we find these proposed changes unnecessary. With regard to the reporting requirements in subsections M and N of 20 VAC 5-312-20, as set forth initially by the Staff in the Proposed Rules, the reporting requirement is activated "[u]pon enrollment of a customer to receive competitive supply service." We find this sufficient to address Virginia Power's concern that the reporting requirements will have little value given the very limited access to retail choice.[16] Finally, as acknowledged in the Staff Report, 20 VAC 5-312-20 preserves the right of any electric or natural gas utility to request a waiver of any provision believed to be unwarranted or cause harm or hardship to such utility.[17]

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[8] Application of Appalachian Power Company, For approval of Renewable Power Rider, Case No. PUE-2008-00057.

[9] The Staff Report notes the filing of the requests of Mr. Vanderhye on October 2, 2008, but neither addresses the comments referenced therein or the late-filed request for a hearing.

[10] Virginia Electric Cooperatives Comments at 4, fn 6 (suggesting, "[i]f the local distribution company has an approved tariff for electric energy provided 100% from renewable energy pursuant to Va. Code § 56-577(A)(5), and no customers meeting the requirements of Va. Code § 56-577(A)(3) or (A)(4), then the provisions of this Chapter shall not apply.")

[11] Staff Report at 5.

[12] Virginia Power Comments at 5-6 (proposing changes to "Bill ready," "Consolidated billing," "Nonbilling party," and "Rate ready").

[13] Staff Report at 8.

[14] Virginia Electric Cooperatives Comments at 8.

[15] APCo Comments at 2.

[16] Virginia Power Comments at 7.

[17] Staff Report at 5.

Virginia Power and the Virginia Electric Cooperatives each proposed additional modifications to 20 VAC 5-312-60, the "Customer information" section of the Retail Access Rules. Virginia Power asserts that it would be burdensome to continually update its mass list of eligible customers every time a competitive service provider requests a list.[18] Virginia Power's proposed solution is to require electric local distribution companies to provide the mass list once annually.[19] As revised by the Staff in the initial Proposed Rules, the original regulations have been amended to require the local distribution companies to update or replace their list of eligible customers annually. This annually updated list would be provided upon request of a competitive service provider. Hence, there is no burden placed upon local distribution companies to update their list every time a competitive service provider makes a request. The Staff Report notes that as revised, creation of the mass list is not necessary until a list is requested by a competitive service provider.[20] We find that the revisions to this section set forth in the Proposed Rules by Staff adequately address this concern raised by Virginia Power.

The Virginia Electric Cooperatives proposed to define who "eligible customers" are in greater detail. We find this proposal to be unnecessary. Whether a customer is "eligible" or not is determined by the customer's class and size, and the renewable energy offerings by its incumbent provider, as stated in the Code.

Virginia Power, APCO, and the Virginia Electric Cooperatives each expressed concern regarding the revisions to 20 VAC 5-312-80 Q, as initially drafted by the Staff, regarding "minimum stay" obligations.[21] In its Staff Report, the Staff acknowledged the potential for confusion in the revised language concerning the rules governing the minimum stay requirements and offered further clarification to those rules.[22] As adopted herein, the 12-month minimum stay requirement applies to any electric customer with an annual peak demand of 500 kW or greater. This is the same threshold that existed in this regulation prior to this proceeding. Subsection Q is further revised to account for the statutory revisions regarding 5 MW and aggregated nonresidential retail customers set out in Code § 56-577 requiring either a five-year notice or Commission permission to return to tariffed rates. The 12-month minimum stay period retained herein applies to returning 5 MW and aggregated nonresidential retail customers, as required by § 56-577 A 3 C of the Code. Likewise, retained from the current Retail Access Rules as set out in 20 VAC 5-313-20[23] is the alternative for returning customers to pay market-based rates in order to avoid the obligation of a minimum stay requirement.

Virginia Power also proposed in its comments an expansion of the minimum stay period from one year to five years for 5 MW or aggregated nonresidential retail customers.[24] This proposal is based upon the hypothetical that if several large industrial customers return to service and leave within a year, then the utility may have started on construction of a new generation facility to meet those needs. According to Virginia Power, to allow customers with substantial electric energy requirements to jump on and off the system may do harm to customers who do not leave.[25] We find nothing in the present enactments that necessitates an expansion of the minimum stay requirement from one to five years. The new provisions in § 56-577 requiring a five-year notice before a large or aggregated customer can return to the electric incumbent without Commission approval provides the electric incumbent and its non-shopping customers more protection than existed prior to these statutory changes. We therefore decline to adopt Virginia Power's proposed five-year minimum stay period.

CGV proposed to amend subsection F of 20 VAC 5-312-80 as it relates to customers currently receiving service from a competitive service provider. CGV's proposed modification would require the local distribution company to reject a provider enrollment submitted by a new shopping customer's provider unless it has received a timely cancellation from the present provider.[26] As noted in the Staff Report, we have received complaints from customers whose desire to switch to a new competitive service provider has been hampered.[27] The Staff asserts that the present provisions adequately address this issue concerning multiple enrollments, *i.e.*, if two or more enrollments are received during the monthly enrollment period then the utility is to process the first and reject all others. However, when a new monthly enrollment period begins upon the next meter read, the customer is free to choose another competitive service provider.[28] We agree with the Staff that a customer's right to choose a new provider should not be denied because the current provider has not submitted a cancellation to the local distribution company.

Virginia Power proposed that subsection E of 20 VAC 5-312-80 be further revised to be applicable to only natural gas customers.[29] The Staff did not agree, but did note that a change was warranted, modifying the Proposed Rules, as attached to the Staff Report, to ensure that the regulation applies to only those with "eligible" customers.[30] We find that the Staff adequately addresses this concern.

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[18] Virginia Power Comments at 7.

[19] *Id.* at 8.

[20] Staff Report at 7.

[21] Virginia Power Comments at 10; APCo Comments at 1-2; Virginia Electric Cooperatives Comments at 8-9.

[22] Staff Report at 6.

[23] "Exemption to minimum stay provisions."

[24] Virginia Power Comments at 11.

[25] *Id*.

[26] CGV Comments at 3.

[27] Staff Report at 8.

[28] *Id.* at 9.

[29] Virginia Power Comments at 8.

[30] Staff Report at 8.

CGV suggested that provisions of 20 VAC 5-312-90, the "Billing and payment" section of the Retail Access Rules, be further modified to reflect the repeal of the statutory requirement to offer consolidated billing.[31] Likewise, and consistent with its earlier approach, Virginia Power proposed to modify the regulation to have it apply to natural gas local distribution companies only.[32] The Staff agreed with CGV that the statutory obligation to provide for consolidated billing has been removed.[33] The language proposed by the Staff establishes that, consistent with the natural gas utilities' present practice, the utilities' tariff as approved by the Commission will determine billing options. We adopt the Staff's revisions to 20 VAC 5-312-90 A.

Virginia Power also proposed that a provision be added to this section which would require competitive service providers to support aggregating nonresidential retail customers to the extent necessary to comply with the petition and reporting requirements of § 56-577 A 4 of the Code.[34] We find that we need not adopt such a regulation at this time. Section 56-577 A 4 b of the Code requires the Commission to impose reasonable periodic monitoring and reporting obligations in granting a petition to aggregate load. This should be sufficient to address any reporting requirements that might be addressed in a regulation. Furthermore, as § 56-577 A 4 of the Code permits certain customers to petition "for permission to aggregate or combine their demands . . . so as to become qualified to purchase electric energy from any supplier. . . ," the statute on its face does not require the participation of the competitive service provider in the petitioning process.

Finally, we deny Virginia Power's request for an opportunity to file reply comments, and the late-filed request for a hearing submitted by Robert A. Vanderhye,[35] as unnecessary for interested persons to comment upon, and for the Commission to consider adoption of, the revised rules herein.

Accordingly, IT IS ORDERED THAT:

(1) The current Rules Governing Retail Access to Competitive Energy Services 20 VAC 5-312-10 *et seq*., and the Rules Governing Exemptions to the Minimum Stay Requirements and Wires Charges, 20 VAC 5-313-10 *et seq.,* are hereby revised and adopted as attached to this Order, effective as of January 1, 2009.

(2) A copy of this Order with a copy of the rules adopted herein shall be forwarded to the Virginia Register of Regulations for publication.

(3) The request by Virginia Power for an opportunity to file reply comments is hereby denied.

(4) The late-filed request by Robert A. Vanderhye for a hearing on the revisions to the Retail Access Rules is hereby denied.

(5) There being nothing further to come before the Commission, this case shall be removed from the Commission's docket of active proceedings and the papers filed herein placed in the file for ended causes.

Commissioner Dimitri did not participate in this matter.

NOTE: A copy of Attachment A entitled 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.

[31] CGV Comments at 3-4.

[32] Virginia Power Comments at 13-14.

[33] Staff Report at 8.

[34] Virginia Power Comments at 15.

[35] Mr. Vanderhye's request for a hearing on related issues in Case Nos. PUE-2008-00044 and PUE-2008-00057 was granted. Hearings in these two cases were held on November 12, 2008.

CASE NO. PUE-2008-00062
JULY 30, 2008

APPLICATION OF
ROANOKE GAS COMPANY

For authority to incur short-term debt

ORDER GRANTING AUTHORITY

On July 7, 2008, Roanoke Gas Company ("Roanoke" or "Company") filed an application with the Virginia State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia for authority to incur short-term debt. The proposed amount of short-term debt exceeds the twelve percent of capitalization as defined in § 56-65.1 of the Code of Virginia. The Company has paid the requisite fee of $250.

Roanoke requests authority to incur short-term debt in an aggregate amount not to exceed $30,000,000 over a three-year period commencing October 1, 2008, and ending September 30, 2011[1]. The indebtedness will be either in the form of issued negotiable notes or temporary draws on its

[1] By Order Granting Authority entered on April 25, 2006 in Case No. PUE-2006-00049, the Commission authorized Roanoke Gas Company to borrow up to $25,000,000 through June 30, 2009.

short-term line of credit. All borrowing will be maturing 12 months or less from the date of issuance. Applicant estimates that its borrowing rate will be at or below published prime rates. The borrowing rate will vary with market conditions, the form of indebtedness, and the related term to maturity. Short-term notes will be issued with a maturity of either 30, 60, or 90 days. Applicant states that borrowings under its line of credit are currently priced at the 30-day London Interbank Offered Rate (LIBOR) plus 50 basis points.

The proceeds from the short-term borrowings will be used mainly to fund Roanoke's gas inventory purchases. In addition, Applicant states that it may use its short-term borrowings to find capital expenditures temporarily until permanent financing can be obtained.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, as we have noted, by the authority granted in Case No. PUE-2006-00049, the Company is authorized to issue up to $25,000,000 in short-term debt through June 30, 2009. Therefore, in order to avoid duplicative authority, the authority granted in Case No. PUE-2006-00049 shall be superseded by the authority granted herein commencing on October 1, 2008. Accordingly,

IT IS ORDERED THAT:

1) Roanoke is hereby authorized to incur up to $30,000,000 in short-term debt from October 1, 2008, through September 30, 2011, under the terms and conditions and for the purposes set forth in the application.

2) The authority granted herein shall supersede and supplant the authority granted in Case No. PUE-2006-00049 on October 1, 2008.

3) On or before July 31st and January 31st of each year, beginning 2009 and ending 2011, Applicant shall file a Report of Action. Such report shall include the daily balance of short-term debt outstanding during the semi-annual period ending in June and December, respectively, and a schedule of issuances including the type, lending institution, amount, date of issuance, interest rate, maturity, average daily balance and maximum outstanding balance for each month, and any commissions or bank line of credit fees paid in connection with the short-term borrowings.

4) On or before January 31, 2012, Applicant shall file a final Report of Action providing the information outlined in ordering paragraph (3).

5) The authority granted herein shall have no implications for ratemaking purposes.

6) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUE-2008-00065
AUGUST 20, 2008

APPLICATION OF
SKYLINE WATER CO., INC.

For changes in rates, charges, rules and regulations

PRELIMINARY ORDER

Pursuant to requirements set out in the Small Water or Sewer Public Utility Act (§ 56-265.13:1 et. seq. of the Code of Virginia ("the Code")), Skyline Water Co., Inc. ("Skyline" or "the Company") sent notice by July 14, 2008, to both its customers and the State Corporation Commission (the "Commission"), through the Division of Energy Regulation, of its intent to increase water rates effective for service rendered on and after September 1, 2008.[1] In this notice, Skyline requested that the Commission schedule a hearing.

On August 4, 2008, the Staff of the Commission ("Staff") filed a Motion for Preliminary Order. In that motion, the Staff noted that Skyline's application failed to indicate how the Company's proposed rate increase would affect annual revenues. After reviewing the financial data included with Skyline's application, the Staff determined that the proposed rate increase would increase annual revenues by more than 50 percent. An increase in annual revenues by 50 percent or more triggers requirements set out in § 56-265.13:6 C of the Code, including a requirement that the utility file the financial data required by 20 VAC 5-200-40 of the Commission's Rules Implementing the Small Water or Sewer Public Utility Act when it provides notice to the Staff. As the requisite financial data was not filed with the notice dated July 14, 2008, in the present case the Staff determined that Skyline's initial application was incomplete.[2] The Staff requested that the Commission order Skyline to file the financial data required by 20 VAC 5-200-40 on or before August 29, 2008. The Staff further asked the Commission to suspend Skyline's proposed rate increase for a period of sixty (60) days from September 1, 2008, thereafter making any increases interim, subject to refund with interest, and holding any funds produced by increases in rates, fees and charges in escrow until the Commission renders its decision.

On August 11, 2008, the Commission issued an Order on Motion, which ordered Skyline to file any response to the Staff's Motion for Preliminary Order on or before August 15, 2008, and further ordered the Staff to file any reply to the Company's response on or before August 19, 2008. Skyline did not file any response to the Staff's Motion for Preliminary Order on or before August 15, 2008.

NOW THE COMMISSION, having considered the matter, is of the opinion that Skyline should file the financial data required by 20 VAC 5-200-40 on or before August 29, 2008. Moreover, pursuant to § 56-265.13:6 of the Code, Skyline's proposed rate increase should be suspended for a period of sixty (60) days. Thereafter, any increased rates or fees will be interim, subject to refund with interest from the date the rate increase goes into

[1] Skyline notified its customers on July 1, 2008, of its intent to increase rates for service rendered on and after September 1, 2008. However, Skyline failed to notify the State Corporation Commission of its intent to increase rates, as is required by § 56-265.13:5 B of the Code of Virginia, until July 14, 2008.

[2] A Memorandum of Incompleteness was filed on July 31, 2008.

effect until such time as the Commission enters a final decision in this proceeding, and all increased rates, fees and charges will be held in escrow until the Commission renders its decision.

The Commission further opines that, pursuant to § 56-265.13:6 of the Code, a hearing on the Company's proposed rate increase should be ordered. Pursuant to Rule 5 VAC 5-20-120 A of the Commission's Rules of Practice and Procedure, this matter is assigned to a Hearing Examiner to conduct all further proceedings. The Hearing Examiner shall schedule a hearing as provided by § 56-265.13:6 of the Code, establish a procedural schedule, and provide for notice to customers.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUE-2008-00065.

(2) Skyline shall file the financial data required by 20 VAC 5-200-40 on or before August 29, 2008. If Skyline fails to file the required financial data on or before August 29, 2008, the Commission will entertain further motions at that time.

(3) The increase in the Company's rates is hereby suspended for a period of sixty (60) days from September 1, 2008, or through October 31, 2008. Thereafter, any increased rates or fees will be interim, subject to refund with interest from the date the rate increase goes into effect until such time as the Commission enters a final decision in this proceeding, and all increased rates, fees, and charges will be held in escrow until the Commission renders its decision.

(4) Pursuant to 5 VAC 5-20-120 A of the Commission's Rules of Practice and Procedure, a Hearing Examiner is appointed to conduct all further proceedings in this matter.

(5) This matter shall be continued subject to further order of the Commission.

CASE NO. PUE-2008-00066
DECEMBER 23, 2008

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of revising the rules of the State Corporation Commission governing applications to construct and operate electric generating facilities

ORDER ADOPTING REGULATIONS

On July 25, 2008, the State Corporation Commission ("Commission") entered an Order for Notice and Comment in this docket ("Order") establishing a proceeding to revise the Commission's rules governing applications to construct and operate electric generating facilities, ("Generation Rules" or "Rules").[1] Proposed revisions to the Generation Rules ("Proposed Amendments") prepared by the Commission Staff ("Staff") were appended to the Order.

The Order permitted interested persons to submit, on or before September 26, 2008, (i) comments concerning the Proposed Rules, and (ii) a request for hearing on the Proposed Amendments. The Order further permitted the Staff to file on or before November 5, 2008, a report with the Clerk of the Commission concerning the comments submitted to the Commission ("Staff Report").

Comments concerning the Proposed Amendments were timely received from (i) Virginia Electric and Power Company d/b/a Dominion Virginia Power ("DVP" or "Virginia Power"); (ii) Appalachian Power Company ("Appalachian" or "APCo"); (iii) Columbia Gas of Virginia ("Columbia Gas"); (iv) the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"); (v) the Old Dominion Electric Cooperative ("ODEC"); and (vi) L.S. Power Associates, L.P. ("L.S. Power"). None of the commenting parties requested a hearing, although several of them reserved the right to participate in any hearing scheduled by the Commission in this docket. The Staff Report was timely filed on November 5, 2008.

NOW UPON CONSIDERATION of the comments and the Staff Report filed herein, we find that we should adopt the rules appended hereto as Attachment A, effective January 15, 2009.

The regulations we adopt herein contain a number of modifications to those that were first proposed by the Commission Staff and published in the Virginia Register on August 18, 2008. These modifications (shown in brackets) follow our consideration of changes suggested by the parties in their written comments, changes proposed in the Staff Report, and our analysis of the entire record in this proceeding. We will not comment on each rule in detail, but we will comment on several of them.

First, Consumer Counsel has recommended amending 20 VAC 5-302-10 (Applicability and Scope) to add language expediting the availability of confidential information associated with applications filed under these rules. In particular, Consumer Counsel has suggested that information claimed by an applicant to be confidential be filed under seal, and that the applicant simultaneously file a motion for a protective order or other confidential treatment.[2]

[1] The rules sought to be revised in this proceeding are set forth in Chapter 302 (20 VAC 5-302-10, *et seq*.) of the Virginia Administrative Code; they are titled "Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility."

[2] Consumer Counsel states in its comments that timely access to confidential information is important since "generation certificate applications will likely be filed along with a request for a rate adjustment clause and will require the Commission to render a decision within nine months. Va. Code § 56-585.1 A (7)." Consumer Counsel comments at 2.

We will adopt this approach in these rules. As Consumer Counsel notes, this treatment of confidential information is similar to the one adopted in the Commission's rate case rules docket (Case No. PUE-2008-00001), and the rules we adopt pursuant to this Order will substantially replicate the language proposed in that docket concerning applications containing confidential information. We find it unnecessary, however, to adopt DVP's suggestion that we identify in these rules "extraordinarily sensitive" information as an application-related category of information that can be filed under seal pursuant Rule 170 of the Commission's Rules of Practice and Procedure (5 VAC 5-20-170). DVP comments, Exhibit A at 1. Rule 170 addresses the treatment of "trade secrets, privileged, or confidential commercial or financial information." DVP has not established that the "extraordinarily sensitive" information it refers to does not fall into one of these broad categories.

Second, Columbia Gas proposes that the Commission modify 20 VAC 5-302-20 (General Information, etc.), to make more explicit the obligation of an applicant seeking to construct a natural gas-fired electric generation facility to serve a copy of its application (contemporaneous with its filing with the Commission) upon all natural gas local distribution companies in whose certificated service territories the proposed facility (or interconnected natural gas facilities) will be constructed or operated. Columbia Gas states in its comments that the enhanced notice requirement it proposed would "ensure that the regulated LDC has sufficient notice of the pendency and content of the application to permit the LDC to analyze issues of importance to the LDC and its customers and to participate, as appropriate, in such proceedings." Columbia Gas comments at 5-6. We find the Columbia Gas proposal reasonable and have incorporated it into the rules we adopt herein.

Third, ODEC expressed concern in its comments that the Proposed Amendments retain references in 20 VAC 5-302-35 (Information Required from Incumbent Utilities) to "incumbent electric utilities" as defined in § 56-576 of the Code. As noted by ODEC, inasmuch as 20 VAC 5-302-35 requires incumbent utilities to provide an analysis of need for a proposed facility, the scope of this provision is significant. We agree with ODEC that the General Assembly's 2007 amendments to § 56-580 D of the Code make a demonstration of "public convenience and necessity" applicable only to those "regulated utilities whose rates are regulated pursuant to § 56-585.1" of the Code, *i.e.*, investor-owned utilities.[3] ODEC comments at 7. Accordingly, we have clarified both the catch-line and content of 20 VAC 5-302-35 to make clear that its provisions are applicable only to those incumbent utilities (as defined in § 56-576) whose rates are regulated by the Commission pursuant to § 56-585.1.

Fourth, additional amendments were proposed to 20 VAC 5-302-35 (Information Required from Incumbent Utilities) by Consumer Counsel, DVP, and L.S. Power. Consumer Counsel suggested that Subdivision 1 of this provision be modified to require incumbent utilities to submit "front end" engineering and design studies supporting specific "plant design" as well as plant type and site selected. Consumer Counsel advises that this additional language describes more precisely terminology commonly used for the required studies. Consumer Counsel comments at 2. We find the Consumer Counsel's suggested amendments reasonable and have incorporated them into the rules we adopt herein.

DVP's proposed amendments to 20 VAC 5-302-35 included suggestions that the itemized information to be furnished by incumbent utilities under this provision be provided "where available." Additionally, DVP proposed that only "initial" feasibility and engineering-design studies, and "initial" fuel supply studies be furnished pursuant to this provision. DVP states in its comments that the "availability" issue is related to the Company's concern that where applications are associated with "new technologies like future carbon capture compatible technology or improved designs on nuclear reactors[,]" portions of the information required, such as historical information for similar units, may not be available in all situations. DVP comments at 6-7. The Commission Staff, however, in assessing DVP's concern, has suggested resolving the concern directly by modifying Subdivision 3 of 20 VAC 5-302-35 to require incumbents to furnish support for planning assumptions regarding plant performance and operating costs (including historical information for similar units), "where available." Staff Report at 5. We believe the Staff's suggestion is reasonable, and we adopt it in our rules herein.

With respect to DVP's suggestions that incumbents provide only "initial" feasibility and engineering-design studies, and "initial" fuel supply studies, we agree with the utility's assessment that updates to these studies may be provided during the case proceeding, and also obtained through discovery. DVP comments at 7. Accordingly, we have included DVP's suggested changes to Subdivisions 1 and 3 of 20 VAC 5-302-35 in our final rules.

DVP's final proposed amendment to 20 VAC 5-302-35 concerns that rule's Subdivision 5, under which incumbent electric utilities are required to furnish load and generating capacity reserve forecast information demonstrating need. DVP proposes that in the case of renewable energy facilities, such forecast information be associated with demonstrating "need for the plant in meeting the incumbent electric utility's RPS Goals as set forth in § 56-585.2 of the Code of Virginia." DVP comments at 7, 8; Exhibit A to DVP comments at 15. The Staff Report suggests that the proposed language would incorporate a "lesser standard" for demonstrating need associated with a renewable generating facility. Staff Report at 5. We conclude that the proposed language is inconsistent with the provisions of § 56-580 D (ii), which require that the certification of generation facilities proposed by utilities regulated under § 56-585.1 (such as DVP) proceed upon a finding that such facilities are required by the "public convenience and necessity." We find that this statutory requirement is satisfied by ensuring that utilities provide traditional load and generating capacity reserve information demonstrating the need for the plant in the in-service year proposed, irrespective of the type of facility proposed. In short, DVP has not identified a statutory basis for establishing a different standard of need based on the type of facility proposed for construction and operation. Therefore, we will not adopt the language proposed to that effect by DVP. In a similar vein and for the same reasons, we will not adopt APCo's proposal to exempt both renewable facilities and emerging technology facilities from the justification of need. APCo comments at 3.

Fifth, as we noted in our initial Order for Notice and Comment in this docket, the Commission seeks to streamline generation project applications, consistent with the Commission's statutory authority and the public interest. Accordingly, for example, we adopt in these rules provisions in 20 VAC 5-302-10 that permit facilities with rated capacities of 5 MW or less to be undertaken without complying with the filing requirements otherwise set forth in the rules. DVP has proposed further streamlining the filing requirements for facilities of 100 MW or less that utilize renewable energy. Stated simply, DVP suggests that proposed renewable facilities with capacities in excess of 100 MW be subject to the full requirements prescribed under 20 VAC 5-302-20 (filing requirements for generating facilities larger than 50 MW), while renewable facilities with capacities in excess of 5 MW but less than 100 MW would be subject to the streamlined filing requirements contained in 20 VAC 5-302-25. DVP comments at 3-6. We find no legal impediment to this proposal, and that it is reasonable. Accordingly, we will adopt the substance of this recommendation in our final rules herein.

Sixth, Appalachian has recommended that applications proposing the construction of new renewable facilities state the "firm capability" of such facilities rather than the conventional nameplate capacity. Appalachian comments at 4. Appalachian notes in its comments that a generating facility powered by wind energy, for example, is treated by PJM as a firm capacity resource at only 13 percent of its nameplate capacity. Id. Additionally, Appalachian states that such an approach would "allow more renewable sources to qualify for the expedited filing procedures for facilities 50 MW or less,

[3] § 56-580 D (ii).

which would promote the development of renewable energy within the Commonwealth." Id. Thus, Appalachian recommends that the rated capacity for renewable generating facilities be defined as the "firm capability" of the facility. The Commission Staff, commenting on this proposal in its Staff Report notes that facilities' nameplate capacity rating may be "more indicative of the 'footprint' of renewable facilities," thus best representing the environmental or aesthetic implications of such facilities. Staff Report at 7. Thus, Staff did not endorse Appalachian's recommendation or believe that further clarification is needed. We would also note that inasmuch as the applicability of the rules we adopt herein are driven, in large part, by the capacity of proposed facilities, departing from nameplate capacity in favor of "firm capability" could result in both inconsistency and irregularity in determining the rule under which a generation project must be filed. Consequently, we conclude that the better approach is to continue to use nameplate capacity as the determinant of filing requirements. Accordingly, we will not adopt Appalachian's proposal.

Seventh, we note ODEC's recommendations concerning 20 VAC 5-302-10, and the streamlined procedures for approving generating facilities of less than 5 MW provided therein. Specifically, the amendments to that rule permit applicants for such facilities to submit a letter to the Director of the Commission's Division of Energy Regulation providing the location, size the fuel type of the facility. The amendment further provides that the applicant must comply with all other requirements of federal, state and local law. ODEC stated that its member distribution cooperatives have an interest in obtaining information about small generation facilities that may be interconnected with such cooperatives' systems. Accordingly, ODEC has recommended that the notification letter procedure be modified so that the letter would be filed with the Clerk of the Commission and that the Clerk make a list of such filings publicly available. ODEC comments at 13. We have considered the substance of ODEC's suggested modifications to this rule, and while we will not incorporate them into this rule, we will direct the Director of the Division of Energy Regulation to establish and maintain on the Commission's website, a listing of all such filings received by the Director, and to provide electronic access to the documents comprising such filings.

Finally, we will address a significant issue raised in this docket by L.S. Power. In particular, L.S. Power has requested that 20 VAC 5-302-35 (Information required from incumbent electric utilities) be modified to require incumbent electric utilities to consider options for procuring power from non-affiliated generators through a Request for Proposal ("RFP") or similar competitive solicitation. L.S. Power has further recommended that the economic studies required in Subdivision 4 of 20 VAC 5-302-35 include comparisons between the proposed facility and any offers received in response to any such solicitation. L.S. Power comments at 3-5. L.S. Power states that the modifications it proposes are necessary to ensure that utilities "purchase power at the lowest rates available through a transparent, competitive process." Id. at 4. More specifically, L.S. Power suggests that an RFP process would reveal whether a proposed facility is in fact better than all alternative sources of supply, "as the offers received in an RFP represent the price at which suppliers are willing to contract to sell power." Id.

The Staff Report discusses the L.S. Power recommendations and notes that while L.S. Power's comments may have merit, the proposed modifications to the rules effectively integrate a "competitive bidding" requirement into an incumbent electric utility's application to build a new generation facility. According to the Staff, this represents a "significant departure from the proposed rules as disseminated in this docket for comment." Staff Report at 8.

We will not rule on L.S. Power's request as part of this rulemaking proceeding. This Commission has never mandated competitive bidding as part of the filing requirements for new generating facilities, and the consideration of such a significant departure from Commission rules was not included in the proposed rules in this case. Indeed, DVP is the only investor-owned utility in Virginia that has a competitive bidding program, which was implemented on a voluntary basis by DVP. Furthermore, there are pending cases before this Commission addressing DVP's continued application, if at all, of such bidding program,[4] which will address many, if not all, of the issues raised by L.S. Power. In addition, we recently issued an order addressing the potential supply and construction plans of another investor-owned utility, Allegheny Power Company,[5] which also discussed the potential relationship of such plans and the statutorily-required integrated resource planning process.[6] Accordingly, we find that such matters regarding mandatory competitive bidding should be addressed in one or more separate proceedings — either on a case-by-case basis for Virginia's investor-owned utilities or in a generic rulemaking case.

Accordingly, IT IS ORDERED THAT:

(1) We hereby adopt amendments to our Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility, Chapter 302 (20 VAC 5-302-10, et seq.) of the Virginia Administrative Code, all as set forth in Attachment A appended hereto; such amendments shall become effective on January 15, 2009.

(2) A copy of this Order and the rules adopted herein shall be forwarded promptly for publication in the Virginia Register of Regulations.

(3) We hereby direct the Director of the Division of Energy Regulation to establish and maintain on the Commission's website, a listing of all filings made pursuant to 5 VAC 5-302-10 received by the Director, and to provide electronic access to the documents comprising such filings.

(4) This case is dismissed and the papers herein shall be placed in the filed for ended causes.

Commissioner Dimitri did not participate in this matter.

NOTE: A copy of Attachment A entitled "Chapter 302. Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility" 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] Application of Virginia Electric and Power Company, For a certificate to construct and operate a generating facility; for certificates of public 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; Application of Virginia Electric and Power Company, Notification to the Commission of election to abandon the Company's bidding program and application to revise its cogeneration tariff pursuant to PURPA Section 210, Case No. PUE-2008-00078.

[5] Application of The Potomac Edison Company d/b/a Allegheny Power, For an increase in its electric rates pursuant to Va. Code §§ 56-249.6 and 56-582 and, alternatively, request to modify Memorandum of Understanding and Order in Case No. PUE-2000-00280, Case No. PUE-2008-00033, Final Order dated November 26, 2008.

[6] Section 56-599 of the Code of Virginia.

CASE NO. PUE-2008-00067
JULY 21, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING 2008-2009 FUEL FACTOR PROCEEDING

On July 18, 2008, Appalachian Power Company ("Appalachian Power" or "Company") filed with the State Corporation Commission ("Commission") its application, written testimony, and exhibits requesting to increase its current fuel factor from 1.418 cents per kilowatt-hour to 2.255 cents per kilowatt-hour, effective for bills rendered on and after September 1, 2008. The fuel factor revisions requested in Appalachian Power's application represent an estimated revenue increase through the Company's fuel factor of approximately $176.7 million for the sixteen-month period from September 1, 2008, through December 31, 2009, or approximately $132.5 million on an annual basis.

The Company's proposed fuel factor includes both an in-period factor and a prior period factor. The Company's proposed in-period factor of 2.121 cents per kilowatt-hour is designed to recover the Company's total estimated Virginia jurisdictional fuel expenses of approximately $447.7 million for the period from September 1, 2008, through December 31, 2009. The Company's proposed prior period factor of 0.134 cent per kilowatt-hour is designed to recover approximately $28.3 million over the same sixteen-month period. This amount represents the Company's projected under recovery balance of fuel costs as of August 31, 2008.

NOW THE COMMISSION, having considered the application, is of the opinion and finds that this matter should be docketed, that public notice and an opportunity for participation in this proceeding should be given, and that a hearing should be scheduled.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE-2008-00067.

(2) The Company's proposed fuel factor of 2.255 cents per kilowatt hour shall be allowed to go into effect on an interim basis for bills rendered on and after September 1, 2008.

(3) A public hearing shall be convened on September 23, 2008, at 10:00 a.m., in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive comments from members of the public and evidence related to the establishment of Appalachian Power's fuel factor pursuant to its application. Any person desiring to make a statement at the public hearing concerning the application need only appear in the Commission's Second Floor Courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff.

(4) The Company shall forthwith make copies of its application, prefiled testimony, and exhibits available for public inspection during regular business hours at all Company offices in Virginia where customer bills may be paid. Interested persons may also review a copy of Appalachian Power's application in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday, excluding holidays. Interested persons may also request a copy of the same, at no charge, by written request to counsel for Appalachian Power, Anthony Gambardella, Esquire, Woods Rogers PLC, 823 East Main Street, Suite 1200, Richmond, Virginia 23219. Appalachian Power shall make a copy available on an electronic basis upon request. In addition, unofficial copies of the Company's application, Commission Orders entered in this docket, the Commission's Rules of Practice and Procedure, as well as other information concerning the Commission and the statutes it administers, may be viewed on the Commission's website at http://www.scc.virginia.gov/case.

(5) On or before August 4, 2008, Appalachian Power shall cause a copy of the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout its service territory:

NOTICE TO THE PUBLIC OF
APPALACHIAN POWER COMPANY'S
REQUEST TO INCREASE ITS FUEL FACTOR
CASE NO. PUE-2008-00067

On July 18, 2008, Appalachian Power Company ("Appalachian Power" or "Company") filed with the State Corporation Commission ("Commission") an application, written testimony and exhibits requesting to increase its current fuel factor from 1.418 cents per kilowatt-hour to 2.255 cents per kilowatt-hour, effective for bills rendered on and after September 1, 2008. The fuel factor revisions requested in Appalachian Power's application represent an estimated revenue increase through the Company's fuel factor of approximately $176.7 million for the sixteen-month period from September 1, 2008, through December 31, 2009, or approximately $132.5 million on an annual basis.

The Company's proposed fuel factor includes both an in-period factor and a prior period factor. The Company's proposed in-period factor of 2.121 cents per kilowatt-hour is designed to recover the Company's total estimated Virginia jurisdictional fuel expenses of approximately $447.7 million for the period from September 1, 2008, through December 31, 2009. The Company's proposed prior period factor of 0.134 cent per kilowatt-hour is designed to recover approximately $28.3 million over the same sixteen-month period. This amount represents the Company's projected under recovery balance of fuel costs as of August 31, 2008.

Pursuant to Va. Code § 56-249.6, the Commission has scheduled a public hearing to commence at 10:00 a.m. on September 23, 2008, in the Commission's Second Floor Courtroom, Tyler Building, 1300 East

Main Street, Richmond, Virginia, for the purpose of receiving comments from members of the public and evidence related to the establishment of Appalachian Power's fuel factor. The Commission also allowed the Company to place its proposed fuel factor in effect for bills rendered on and after September 1, 2008.

The Company's application, prefiled testimony, and exhibits are available for public inspection during regular business hours at all of the Company's offices where bills may be paid. Interested persons may also review a copy of the application in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday, excluding holidays. A copy of the Company's application may also be obtained, at no cost, by written request to counsel for Appalachian Power, Anthony Gambardella, Esquire, Woods Rogers PLC, 823 East Main Street, Suite 1200, Richmond, Virginia 23219. In addition, unofficial copies of the Company's application, Commission Orders entered in this docket, the Commission's Rules of Practice and Procedure, as well as other information concerning the Commission and the statutes it administers, may be viewed on the Commission's website: http://www.scc.virginia.gov/case.

Any person desiring to make a statement at the public hearing concerning the application need only appear in the Commission's Second Floor Courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff. Any person desiring to file written comments on the Company's application shall file, on or before September 16, 2008, such comments with the Clerk of the Commission at the address set forth below and shall simultaneously serve a copy of such comments on counsel for the Company at the address set forth above. Any person desiring to file comments electronically may do so, on or before September 16, 2008, by following the instructions found at the Commission's website: http://www.scc.virginia.gov/case.

On or before August 28, 2008, any interested person may participate as a respondent in this proceeding by filing an original and fifteen (15) copies of a notice of participation with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and simultaneously serving a copy of the notice of participation on counsel to the Company. Interested parties should obtain a copy of the Commission's Order for further details on participation as a respondent.

On or before August 28, 2008, each respondent may file with the Clerk at the address set forth above, an original and fifteen (15) copies of any testimony and exhibits by which it expects to establish its case and shall serve copies of the testimony and exhibits on counsel to Appalachian Power and on all other respondents.

All filings with the Clerk of the Commission shall refer to Case No. PUE-2008-00067 and shall simultaneously be served on counsel for the Company at the address set forth above.

APPALACHIAN POWER COMPANY

(6) On or before August 4, 2008, the Company shall serve a copy of this Order on the chairman of the board of supervisors and county attorney of each county and upon the mayor or manager (or equivalent official) of every city and town in which the Company provides service. Service shall be made by first-class mail to the customary place of business or residence of the person served.

(7) At the commencement of the hearing scheduled herein, the Company shall provide proof of service and notice as required in this Order.

(8) Any person desiring to file written comments on the Company's application shall file, on or before September 16, 2008, such comments with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall simultaneously serve a copy of such comments on counsel to the Company at the address set out in Ordering Paragraph (4) above. Any person desiring to file comments electronically may do so, on or before September 16, 2008, by following the instructions found at the Commission's website: http://www.scc.virginia.gov/case.

(9) On or before August 28, 2008, any interested person may participate as a respondent in this proceeding by filing an original and fifteen (15) copies of a notice of participation with the Clerk of the Commission at the address set out in Ordering Paragraph (8) above, and simultaneously serving a copy of the notice of participation on counsel to the Company at the address set forth in Ordering Paragraph (4) above. Pursuant to Rule 5 VAC 5-20-80 of the Commission's Rules of Practice and Procedure, 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. Interested parties shall refer in all of their filed papers to Case No. PUE-2008-00067.

(10) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve upon each respondent a copy of this Order, a copy of the application, and all materials filed with the Commission, unless these materials have already been provided to the respondent.

(11) On or before August 28, 2008, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (8) above, an original and fifteen (15) copies of any testimony and exhibits by which it expects to establish its case and shall simultaneously serve copies of the testimony and exhibits on counsel to the Company and all other respondents.

(12) The Commission Staff shall investigate the reasonableness of the Company's estimated fuel expenses and proposed fuel factor. On or before September 9, 2008, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of the Staff's testimony and exhibits regarding the captioned application and shall promptly serve a copy on counsel to the Company and all respondents.

(13) On or before September 16, 2008, the Company shall file with the Clerk of the Commission an original and fifteen (15) copies of any rebuttal testimony that the Company expects to offer in rebuttal to the testimony and exhibits of the respondents and the Commission Staff and shall on the same day serve one (1) copy on Staff and all respondents.

(14) The Company and all respondents shall respond to written interrogatories within seven calendar days after receipt of the same. Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure.

(15) Pursuant to § 12.1-31 of the Code of Virginia and 5 VAC 5-20-120 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*., the Commission assigns a Hearing Examiner to rule on any discovery matter that may arise in this proceeding.

(16) This matter is continued pending further order of the Commission.

CASE NO. PUE-2008-00067
OCTOBER 15, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING FUEL FACTOR

On July 18, 2008, Appalachian Power Company ("Appalachian Power" or "Company") filed with the State Corporation Commission ("Commission") its application, written testimony, and exhibits requesting to increase its current fuel factor from 1.418¢ per kilowatt-hour ("kWh") to 2.255¢ per kWh, effective for bills rendered on and after September 1, 2008. The fuel factor revisions requested in Appalachian Power's application represent an estimated revenue increase through the Company's fuel factor of approximately $176.7 million for the sixteen-month period from September 1, 2008, through December 31, 2009, or approximately $132.5 million on an annual basis.

The Company's proposed fuel factor includes both an in-period factor and a prior period factor. The Company's proposed in-period factor of 2.121¢ per kWh is designed to recover the Company's total projected Virginia jurisdictional fuel expenses of approximately $447.7 million for the period from September 1, 2008, through December 31, 2009. The Company's proposed prior period factor of 0.134¢ per kWh is designed to recover approximately $28.3 million over the same sixteen-month period. This amount represents the Company's projected under recovery balance of fuel costs as of August 31, 2008.

On July 21, 2008, the Commission entered an Order Establishing 2008-2009 Fuel Factor Proceeding ("Scheduling Order") that, among other things: (1) established a procedural schedule for this matter; (2) allowed the Company to place its proposed fuel factor into effect on an interim basis on September 1, 2008;[1] (3) required the Company to provide public notice of its application; and (4) scheduled a public hearing on the application for September 23, 2008.

The following parties filed notices of participation in this case on or before August 28, 2008: Steel Dynamics - Roanoke Bar Division ("SDI-Roanoke"); the VML/VACo APCo Steering Committee ("Steering Committee");[2] the Old Dominion Committee for Fair Utility Rates ("Old Dominion Committee");[3] and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). In addition, the Commission received over 1,370 written or electronic comments and petitions containing over 2,900 signatures prior to the hearing on the Company's application.

The evidentiary hearing was held on September 23, 2008. The following were represented by counsel at the hearing: Appalachian Power; the Steering Committee; the Old Dominion Committee; Consumer Counsel; and Staff. In addition, one public witness, Senator Roscoe Reynolds, testified at the hearing.

Appalachian Power's proof of service and notice, as required by the Scheduling Order, was accepted into the record.[4] The Company and the Commission Staff presented testimony and exhibits during the hearing. During opening statements, counsel for the Company, the Steering Committee, the Old Dominion Committee, and Consumer Counsel agreed with, or did not oppose, Staff witness Lamm's proposed fuel factor of 2.160¢ per kWh effective for service rendered on and after October 1, 2008.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company's interim fuel factor of 2.255¢ per kWh should be decreased to 2.160¢ per kWh effective for service rendered on and after October 20, 2008.

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[1] The Commission's July 21, 2008 Scheduling Order allowed the Company to place its proposed fuel factor into effect on an interim basis for bills rendered on and after September 1, 2008. On August 20, 2008, the Commission entered an Order Granting Motion which allowed the Company to place its proposed fuel factor into effect on an interim basis "for service" rendered on and after September 1, 2008, rather than "for bills" rendered on and after September 1, 2008.

[2] The Virginia Municipal League and the Virginia Association of Counties established the VML/VACo APCo Steering Committee, which is comprised of representatives of local governments and other political subdivisions of the Commonwealth served by the Company.

[3] The members of the Committee are: Celanese Acetate, LLC; Corning Incorporated; Glad Manufacturing Company; Georgia-Pacific Corporation; Goodyear Tire & Rubber Company; and Grief Bros./Virginia Fibre Corporation.

[4] Exh. 1.

We share the concerns expressed by the Company's customers in their comments over the significant increase in the Company's fuel factor and its ultimate impact on customer bills. The price of fuel that the Company and its affiliates must purchase to generate electricity has risen significantly. Appalachian Power is statutorily entitled to recover its prudently incurred fuel costs under Va. Code § 56-249.6. Indeed, in describing this statutory provision almost twenty years ago, the Commission explained that the fuel factor statute permits *dollar for dollar* recovery of prudently incurred fuel costs.[5] It should be noted, however, that the Company earns no profit on the fuel component of the fuel factor – it is simply a mechanism to recover the costs of fuel.

Furthermore, and as also explained in prior fuel cases, approval of the fuel factor herein does not represent ultimate approval of the Company's fuel expenses. The instant Order Establishing Fuel Factor is based upon the recommendations of Staff witness Lamm, which we find to be appropriate for purposes of this case. An audit and investigation of the Company's actual booked fuel expenses and off system sales margins ("OSS margins"), among other things, will be conducted by the Staff after the close of the fuel year. The Commission subsequently determines what are, in fact, prudent and, therefore, allowable fuel expenses, as well as the Company's recovery position at the end of the audit period. For example, the Commission has previously described this review as follows:

> Should the Commission find in its Final Audit Order (1) that any component of the Company's actual fuel expenses or credits has been inappropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel costs or has made decisions resulting in unreasonable fuel 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.[6]

Likewise, while we find the fuel factor approved herein shall be implemented for service rendered on and after October 20, 2008, no finding in this Order Establishing Fuel Factor is final, as this matter is continued generally, pending audit and investigation of the Company's actual fuel expenses.

The fuel factor approved herein is comprised of: (1) a current period factor of 1.951¢ per kWh based on the Company's projected fuel expenses of $399,332,927 for the 12-month period ended August 31, 2009, and an OSS margin credit of $88,694,737 based on the Company's actual OSS margins for the 12-month period ending June 30, 2008; and (2) a prior period factor of 0.209¢ per kWh based on an updated projection of the Company's under-recovered fuel balance of $33,301,253 in its Deferred Fuel Account as of August 31, 2008.[7] We find it reasonable, for purposes of this case, to continue our past practice of: (1) approving a fuel factor for Appalachian Power based on twelve months of projected fuel expenses given the price volatility and unsettled nature of current fuel markets; and (2) calculating the OSS margin credit based upon the Company's most recent twelve months of actual OSS margins.[8] We further find that the Company's prior period factor should be based on an updated projection of the under-recovered fuel balance in the Company's Deferred Fuel Account as of August 31, 2008.

As noted, there is significant volatility in fuel markets. A major factor resulting in the higher fuel factor in this proceeding is the significant and rapid increase in the price of coal. Appalachian Power and its affiliated companies own predominantly coal-fired generation facilities, and increases in the cost of coal translate directly into higher prices for electricity. Other fuels used for generation, such as oil and natural gas, have recently fallen significantly in price from record levels. While we do not yet see evidence that the coal the Company will use during the current period is following a similar pattern, we will direct the Commission Staff to monitor the cost of coal to the Company on a monthly basis. If the Staff finds evidence of a change in the recovery balance that permits the Commission pursuant to § 56-249.6 A 2 of the Virginia Code to adjust the fuel factor downward during the current period, we will review the matter. We recognize that the high price of coal places a burden on all customers.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) The Company's interim fuel factor of 2.255¢ per kWh shall be decreased to 2.160¢ per kWh effective for service rendered on and after October 20, 2008.

(2) The Company shall forthwith file a revised Schedule F.F.R. (Fuel Factor Rider) reflecting the 2.160¢ per kWh fuel factor approved herein effective for service rendered on and after October 20, 2008.

(3) The Commission Staff shall monitor the cost of coal to the Company on a monthly basis, and shall notify the Commission if there is evidence of a change in the recovery balance that permits the Commission pursuant to § 56-249.6 A 2 of the Virginia Code to adjust the fuel factor downward during the current period.

(4) This case be continued generally.

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[5] *Commonwealth of Virginia, ex rel. State Corp. Comm'n, Ex Parte: In the matter of establishing Commission policy regarding rate treatment of purchase 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*" (emphasis added)). *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.*") (describing that the "fuel factor mechanism . . . gives the Company *dollar for dollar* recovery for allowable fuel expenses" (emphasis added)) and *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to Va. Code § 56-249.6*, Case No. PUE-2008-00039 (Order Establishing Fuel Factor, June 27, 2008) Doc. Cont. No. 398940.

[6] *Kentucky Utils*., 1995 S.C.C. Ann. Rept. at 311.

[7] Exh. 6 (Lamm direct, Attachments 1, 2 and 4).

[8] We note that § 56-249.6 D 1 requires that 75 percent of the total annual margins from off-system sales be credited against fuel factor expenses. We have given ratepayers the maximum credit allowed by law, 75 percent of OSS margins, to reduce the fuel factor increase.

CASE NO. PUE-2008-00073
AUGUST 11, 2008

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On July 31, 2008, Prince George Electric Cooperative ("Prince George" or "Cooperative") filed an application with the Virginia State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia for authority to borrow up to $6,387,000 from the Rural Utilities Service ("RUS"). Prince George has paid the requisite fee of $250.

The loan will be in the form of a hardship loan with RUS and will have a term of 35-years. The interest rate will be fixed at 5% for the life of the loan. The proceeds will be used to reimburse Prince George for expenditures made to fund its four-year construction program.

THE COMMISSION, upon consideration of the application, and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT :

1) Prince George is authorized to incur debt obligations from RUS in the form of a hardship loan, 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 RUS, the Cooperative shall file with the Commission's Division of Economics & Finance a Report of Action which shall include the amount of the advance, the interest rate and the interest 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. PUE-2008-00075
SEPTEMBER 26, 2008

SANDLER AT COLISEUM, L.L.C., A Virginia limited liability company,
Petitioner,
v.
VIRGINIA ELECTRIC AND POWER COMPANY d/b/a DOMINION VIRGINIA POWER,
Respondent

ORDER GRANTING JOINT MOTION TO DISMISS

On August 4, 2008, Sandler at Coliseum, L.L.C. ("Sandler") filed its Petition against Virginia Electric and Power Company d/b/a Dominion Virginia Power ("DVP"). On August 15, 2008, Sandler and DVP filed a joint motion requesting the Commission to extend the time for DVP to answer the Petition until Wednesday, September 3, 2008.

That Motion was granted by Order entered August 20, 2008. On September 18, 2008, Sandler & DVP filed their Joint Motion to Dismiss, stating that they had voluntarily resolved the issues raised in Sandler's Petition.

NOW THE COMMISSION, having considered the joint motion to dismiss, is of the opinion and finds that the requested dismissal with prejudice should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby dismissed with prejudice.

(2) The documents submitted herein shall be placed in the file for ended causes.

CASE NO. PUE-2008-00076
SEPTEMBER 10, 2008

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For a general increase in electric rates

ORDER FOR NOTICE AND HEARING

On August 15, 2008, Northern Neck Electric Cooperative ("Northern Neck" or the "Applicant") completed an application for a general increase in its electric rates. The Applicant, which has capped rates, filed this application pursuant to § 56-582 C of the Virginia Electric Utility Restructuring Act, which permits an electric utility with capped rates to petition the Commission for a one-time change in its rates during the period in which rates remained capped.

Northern Neck states that substantial increases in capital and operating costs since 1992, when Northern Neck last filed an application for a general increase in electric rates with the State Corporation Commission ("Commission"), have forced it to apply for an increase in rates. Specifically, recent peak demand growth and customer growth has necessitated substantial utility plant investment while, at the same time, global demand for goods and materials has caused Northern Neck's plant and material costs to increase significantly. An increase in kilowatt sales has not matched the growth in demand.

Northern Neck seeks approval for a 9.16% increase in per books base rates, which will generate an additional $2,008,990 in annual revenues paid by jurisdictional customers. The Applicant also expects a $212,000 increase in revenues from its fees for other services. In sum, Northern Neck expects to collect $2,221,177 in total additional revenue, which is a 6.97% increase over per books revenues collected under the current rates. The Applicant's requested increase would produce a Times Interest Earned Ratio ("TIER") of 2.20.

The application proposes that the revised rates and charges take effect no later than January 1, 2009, on an interim basis and subject to refund if a Final Order has not been entered by that date.

According to the application, the proposed revised rate schedules would be unbundled, in accordance with the Restructuring Act, providing separate charges for distribution, metering and billing, and energy supply. Northern Neck's application proposes a significant increase in its basic customer charge ("Access Charge"). The Applicant is also making optional time-of-use rates available to all customer classes, although net metering customers will not be eligible for time-of-use rates.

In addition to revised rates, Northern Neck proposes to revise certain policies and terms and conditions. The Applicant has previously maintained a general policy of absorbing line extension and customer interconnection charges. However, review of this policy led to the determination that it put undue upward pressure on the Applicant's distribution rates and was unfair to existing customers. Northern Neck, therefore, wants to alter its line extension by providing credits for new construction that fairly balance the interests of new and existing customers by charging residential customers a fixed amount as a credit for line extensions taking service for a permanent residence, based on an average of what Northern Neck has invested to meet the needs of existing customers in the Residential Service class, and charging non-residential customers a credit based on a times net revenue approach. Further, Northern Neck will no longer accept a written credit reference. Instead, it will obtain a written credit report from a credit bureau, and customers with a satisfactory credit report will not be required to pay a deposit. Next, Northern Neck wants the minimum amount for deposits that will qualify for installment payments to be set at $150, rather than the current amount of $40. Northern Neck is also requesting that it be permitted to hold a non-residential customer's deposit for 24 months, as is permitted pursuant to 20 VAC 5-10-20, rather than the 12 months all deposits have previously been held. Northern Neck next proposes that any customer failing to pay its final bill within 30 days of a disconnection of service shall be subject to additional charges for all costs incurred by the Applicant, such as legal fees and collection agency charges, and that written notice of a discontinuation of service, when required, should be provided at least 10 days in advance of the disconnection. Moreover, reconnects will be performed only between 8:00 a.m. and 7:00 p.m. on business days.

The Applicant also proposes the addition of several new fees, including a Connect fee of $40, which will apply to any customer connecting to Northern Neck for service; a Transfer fee of $20, which will apply to any customer transferring service from a previous customer; a Trouble Call for Customer's Problem Fee of $80, which will be charged when a trip is made to the customer's premises during business hours to address a customer-reported problem; and a Trouble Call for Customer's Problem Fee of $200, which will be charged to a customer when a trip is made to the customer's premises during non-business hours to address a customer-reported problem. The Applicant is also requesting an increase in the charge for the Returned Payment Fee to $40. Northern Neck's application also discussed charges that would apply whenever a customer requested a service arrangement requiring equipment or facilities in excess of those it would normally install. Customers requiring excess equipment or facilities would have two options from which to choose. Under either option, the monthly Excess Facilities charge, which would be a percentage of the original cost of the facilities, would cover Northern Neck's estimated maintenance costs and the estimated cost of replacing facilities that fail prior to their expected service life. Then, the customer could either request that Northern Neck incur the full cost of the equipment, in which event the monthly Excess Facilities charge would include expected carrying charges, or make an up-front payment to cover the initial cost of the facilities.

Northern Neck is also proposing to eliminate several fees, including the Service Charge for Reading Meter; the charge for Cooperative Read Meters of Individual Groups of Class of Meters; and the Reconnection Charge after 10:00 p.m., since reconnections will no longer be performed past 7:00 p.m.

NOW THE COMMISSION, upon consideration of the application and applicable statutes and rules, is of the opinion and finds that a public hearing should be convened to receive evidence on the application and that, pursuant to Rule 5 VAC 5-20-120 A of the Commission's Rules of Practice and Procedure, this matter should be assigned to a Hearing Examiner to conduct all further proceedings. We will direct Northern Neck to give notice to the public of its application, and we will give interested persons an opportunity to comment on the application or to participate as a respondent in this proceeding. The Staff of the Commission ("Staff") shall investigate the application and present its findings in testimony. The Applicant will be permitted to file testimony in rebuttal to the testimony filed by the respondents and the Staff.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUE-2008-00076.

(2) Pursuant to 5 VAC 5-20-120 A of the Commission's Rules of Practice and Procedure, a Hearing Examiner is appointed to conduct all further proceedings in this matter.

(3) Northern Neck's proposed rates and charges may take effect for service rendered on and after January 1, 2009, on an interim basis and subject to refund.

(4) A public hearing shall be convened on February 27, 2009, at 10:00 a.m., in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive comments from members of the public and to receive evidence on the application.

(5) Northern Neck shall forthwith make copies of its application, testimony, and schedules, as well as a copy of this Order, available for public inspection during regular business hours at Northern Neck's business office at 85 St. Johns Street, Warsaw, Virginia 22572. Copies also may be obtained by submitting a written request to counsel for Northern Neck, John A. Pirko, Esquire, LeClairRyan, P.C., 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia, 23060. In addition, interested persons may review copies in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday, or download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

(6) On or before October 17, 2008, Northern Neck shall cause a copy of the following notice to be published on one occasion as display advertising (not classified) in newspapers of general circulation in its service territory and in Cooperative Living:

NOTICE TO THE PUBLIC OF AN APPLICATION
BY NORTHERN NECK ELECTRIC COOPERATIVE,
FOR A GENERAL INCREASE IN ELECTRIC RATES
CASE NO. PUE-2008-00076

On August 15, 2008, Northern Neck Electric Cooperative ("Northern Neck" or the "Applicant") completed an application with the State Corporation Commission ("Commission") for a general increase in its electric rates. Northern Neck states that substantial increases in capital and operating costs since 1992, when Northern Neck last filed an application for a general increase in electric rates with the Commission, have forced it to apply for an increase in rates. Specifically, recent peak demand growth and customer growth has necessitated substantial utility plant investment while, at the same time, global demand for goods and materials has caused Northern Neck's plant and material costs to increase significantly. An increase in kilowatt sales has not matched the growth in demand.

Northern Neck seeks approval for a 9.16% increase in per books base rates, which will generate an additional $2,008,990 in annual revenues paid by jurisdictional customers. The Applicant also expects a $212,000 increase in revenues from its fees for other services. In sum, Northern Neck expects to collect $2,221,177 in total additional revenue, which is a 6.97% increase over per books revenues collected under the current rates. The Applicant's requested increase would produce a Times Interest Earned Ratio ("TIER") of 2.20.

Northern Neck's proposed rates and charges may take effect for services rendered on and after January 1, 2009, on an interim basis and subject to refund.

The Commission has scheduled a public hearing to commence at 10:00 a.m. on February 27, 2009, in the Commission's Second Floor Courtroom, Tyler Building, 1300 East Main Street, Richmond, Virginia, for the purpose of receiving comments from members of the public and evidence related to the application.

Copies of Northern Neck's application, testimony, and schedules, as well as a copy of the Commission's Order in this proceeding, are available for public inspection during regular business hours at Northern Neck's business office at 85 St. Johns Street, Warsaw, Virginia 22572. Copies also may be obtained by submitting a written request to counsel for Northern Neck, John A. Pirko, Esquire, LeClairRyan, P.C., 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia, 23060. In addition, interested persons may review copies in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday, or download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

On or before February 20, 2009, any interested person may file an original and fifteen (15) copies of any comments on the application with the Clerk of the 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 available at the Commission's website. Any person not participating as a respondent as provided below and desiring to make a statement at the February 27, 2009 public hearing concerning the application may appear in the Commission's Second Floor Courtroom in the Tyler Building at 9:45 a.m. the day of the hearing and sign up to speak.

On or before December 1, 2008, any interested person may participate as a respondent in this proceeding as provided by the Commission's Rules of Practice and Procedure by filing an original and fifteen (15) copies of a notice of participation with the Clerk of the Commission at the address set forth above.

Interested parties should obtain a copy of the Commission's Order for further details on participation as a respondent.

All written communications to the Commission concerning Northern Neck's application shall be directed to Joel H. Peck, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, shall refer to Case No. PUE-2008-00076, and shall simultaneously be served on counsel for Northern Neck at the address set forth above.

NORTHERN NECK ELECTRIC COOPERATIVE

(7) On or before October 17, 2008, Northern Neck shall serve a copy of this Order on the chairman of the board of supervisors and county attorney of each county and upon the mayor or manager of every city and town (or upon equivalent officials in counties, towns and cities having alternate forms of government) in which the Applicant provides service. Service shall be made by first-class mail to the customary place of business or residence of the person served.

(8) At the commencement of the hearing scheduled herein, Northern Neck shall provide proof of service and notice as required in this Order.

(9) On or before February 20, 2009, any interested person may file an original and fifteen (15) copies of any comments on the application with the Clerk of the Commission c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUE-2008-00076. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website. Any person not participating as a respondent as provided for in Ordering Paragraph (10) below may make a statement as a public witness at the February 27, 2009 public hearing. Any person desiring to make a statement need only appear in the Commission's Second Floor Courtroom in the Tyler Building at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff.

(10) On or before December 1, 2008, any interested party may participate as a respondent in this proceeding by filing an original and fifteen (15) copies of a notice of participation with the Clerk of the Commission at the address set forth in Ordering Paragraph (9) above and shall simultaneously serve a copy of the notice of participation on counsel to Northern Neck at the address set forth in Ordering Paragraph (5) above. Pursuant to Rule 5 VAC 5-20-80 of the Commission's Rules of Practice and Procedure, 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. Respondents shall refer in all of their filed papers to Case No. PUE-2008-00076.

(11) Within five (5) business days of receipt of a notice of participation as a respondent, Northern Neck shall serve upon each respondent a copy of this Order, a copy of the application, and all materials filed with the Commission, unless these materials have already been provided to the respondent.

(12) On or before December 30, 2008, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (9) above an original and fifteen (15) copies of any testimony and exhibits by which it expects to establish its case. Each respondent shall serve copies of the testimony and exhibits on counsel to Northern Neck and on all other respondents.

(13) On or before January 30, 2009, the Staff shall investigate the reasonableness of Northern Neck's application and shall file with the Clerk of the Commission an original and fifteen (15) copies of testimony and exhibits regarding its investigation of the application and shall promptly serve a copy on counsel to the Applicant and all respondents.

(14) On or before February 13, 2009, Northern Neck shall file with the Clerk of the Commission an original and fifteen (15) copies of any rebuttal testimony that the Applicant expects to offer in rebuttal to the testimony and exhibits of the respondents and the Commission Staff and shall on the same day serve one copy on Staff and all respondents.

(15) Northern Neck and respondents shall respond to written interrogatories within ten (10) calendar days after receipt of the same. Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure.

(16) Northern Neck's request that it not be required to file Schedules 15-19 is granted. If, however, any participant requests any of those schedules, the Commission will consider such request.

(17) This matter is continued generally.

CASE NO. PUE-2008-00076
OCTOBER 21, 2008

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For a general increase in electric rates

ORDER GRANTING MOTION FOR CLARIFICATION

On August 15, 2008, Northern Neck Electric Cooperative ("Northern Neck" or the "Applicant") completed an application for a general increase in its electric rates. The Applicant, which has capped rates, filed this application pursuant to § 56-582 C of the Virginia Electric Utility Restructuring Act, which permits an electric utility with capped rates to petition the State Corporation Commission (the "Commission") for a one-time change in its rates during the period in which rates remain capped.

By Amending Order entered September 22, 2008, the Commission, among other things, rescheduled the public hearing and suspended Northern Neck's proposed rates a full 150 days as permitted by Va. Code § 56-238.

By electronic filing, on October 14, 2008, Northern Neck submitted its Motion for Clarification of Effective Date ("Motion") requesting that it be permitted to implement its proposed rates on an interim basis and subject to refund for service rendered on and after January 1, 2009. The Motion noted that the Commission's Staff has no objection to this earlier implementation date.

NOW THE COMMISSION, upon consideration of the Motion and applicable law, is of the opinion and finds that Northern Neck's Motion should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Northern Neck's Motion is hereby granted and Northern Neck is authorized, pursuant to Va. Code § 56-238, to implement its proposed rates for service rendered on and after January 1, 2009, on an interim basis and subject to refund.

(2) This matter is continued generally.

CASE NO. PUE-2008-00077
AUGUST 29, 2008

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

ORDER GRANTING AUTHORITY

On August 7, 2008, Kentucky Utilities Company, d/b/a/ Old Dominion Power Company ("Applicant" or the "Company"), filed an application with the State Corporation Commission ("Commission") requesting authority to issue securities under Chapter 3 of Title 56 of the Code of Virginia ("Code"). Applicant paid the requisite fee of $250.

Applicant requests authority to issue up to $18,026,265 of long-term debt ("Proposed Debt") and to assume certain obligations and to enter into various agreements to collateralize tax-exempt Carroll County Environmental Facilities Revenue Bonds ("Pollution Control Bonds") issued in the same amount. Applicant has been notified by the Kentucky Private Activity Bond Allocation Committee ("Allocation Committee") that the Company has been awarded an allocation of $18,026,265 of the 2008 state ceiling for private activity bonds. Proceeds from the Pollution Control Bonds would provide tax-exempt bond financing for a portion of the pollution control facilities to be constructed at the Ghent Generating Station in Carroll County, Kentucky ("Carroll County").

Applicant seeks to obtain expedited approval for the related tax-exempt financing to ensure that this lowest cost alternative for ratepayers is not lost. As indicated in the Company's application, the time for this financing option is limited because the Pollution Control Bonds must be issued before October 21, 2008, when the allocation will expire. Expedited approval would also afford Applicant maximum flexibility to negotiate the most attractive terms under current market conditions and to arrange for underwriting, marketing and public notice of the Pollution Control Bonds.

Subject to one or more loan agreements ("Loan Agreement") with Carroll County, proceeds from the issuance of the Pollution Control Bonds will be loaned to the Company. Under the terms of the Loan Agreement, Applicant will issue the Proposed Debt in a form that will mirror the structure and terms of the Pollution Control Bonds. The Proposed Debt will serve as collateral to guarantee payment of the Pollution Control Bonds, in conjunction with any additional guarantee agreements, bond insurance agreements, or other similar arrangements that may be necessary or cost effective.

To obtain the most advantageous financing based on market conditions at the time of issuance, Applicant requests broad authority to negotiate terms and conditions of the Pollution Control Bonds, which will be assumed by the Proposed Debt. The Pollution Control Bonds will be sold in one or more underwritten public offerings, negotiated sales, or private placement transactions. The Pollution Control Bonds may be issued as fixed rate or variable rate debt. If a variable rate option is chosen, the Pollution Control Bonds may include provisions to convert to other interest rate modes. In addition, variable rate Pollution Control Bonds may include a tender purchase provision that would require entering into remarketing agreements with remarketing agents. Applicant may also need to enter into one or more liquidity facilities to provide immediate funding to pay for bonds tendered for purchase. Such facilities would require entering into one or more credit agreements and possibly a promissory note to each facility provider to secure repayments by Applicant. Applicant expects that the maturity of the Pollution Control Bonds and Proposed Debt will be 30 years from the date of issuance. Including underwriting fees, Applicant estimates that issuance costs for the Proposed Debt will be approximately $381,000. Finally, Applicant requests authority to enter into one or more interest rate hedging agreements to actively manage its exposure to variable interest rates or to lower its fixed rate borrowing costs with respect to the Proposed Debt. Applicant states that the aggregate outstanding principal amount of any credit agreements, promissory notes, hedging agreements, or similar supporting obligations that the Company may enter at any one time will not exceed $18,026,265 plus unpaid interest and premiums.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Applicant is hereby authorized to issue and deliver the Proposed Debt in an aggregate principal amount not to exceed $18,026,265 plus unpaid interest and premiums in the manner and for the purposes as set forth in its application, through the period ending December 31,2008.

(2) Applicant is authorized to execute and deliver and perform the obligations of the Company under, inter alia, the Loan Agreement with Carroll County, Kentucky, the Proposed Debt authorized in Ordering Paragraph (1), and under any remarketing agreements, hedging agreements, auction agreements, bond insurance agreements, guaranty agreements, credit agreements and facilities, and such other agreements and documents as set out in its Application, and to perform the transactions contemplated by such agreements.

(3) Applicant shall submit a Preliminary Report of Action within ten (10) days after the issuance of any securities pursuant to Ordering Paragraph (1), to include the type of security, the issuance date, the amount issued, the interest rate, and the maturity date.

(4) Within sixty (60) days after the end of each calendar quarter in which any of the Proposed Debt is issued pursuant to Ordering Paragraph (1), Applicant shall file with the Commission a detailed Report of Action with respect to all Proposed Debt issued during the calendar quarter to include:

(a) The issuance date, type of security, amount issued, interest rate, date of maturity, issuance expenses realized to date, net proceeds to Applicant;

(b) A summary of the specific terms and conditions of each Hedging Facility and an explanation of how it functions with respect to the underlying Proposed Debt; and

(c) The cumulative principal amount of Proposed Debt issued under the authority granted herein and the amount remaining to be issued.

(5) Applicant shall file a final Report of Action on or before March 31, 2009, to include all information required in Ordering Paragraph (4) along with a balance sheet that reflects the capital structure following the issuance of the Proposed Debt. Applicant's final Report of Action shall further provide a detailed account of all the actual expenses and fees paid to date for the Proposed Debt with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the application.

(6) Approval of the application shall have no implications for ratemaking purposes.

(7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUE-2008-00080
SEPTEMBER 8, 2008

PETITION OF
COMMONWEALTH CHESAPEAKE COMPANY LLC

To remove reporting requirements

ORDER REMOVING REPORTING REQUIREMENTS

On August 19, 2008, Commonwealth Chesapeake Company LLC, successor to Commonwealth Chesapeake Corporation ("CCC"), filed a petition with the State Corporation Commission ("Commission") requesting that the Commission remove, from the Commission's Final Order in Case No. PUE-1996-00224, dated August 5, 1998 ("Final Order"), the obligation of CCC to file or submit certain information, reports and contracts. CCC states that significant changes have occurred in the electric utility industry and in the applicable Virginia statutes since the Final Order was issued ten years ago, and the Commission no longer imposes such obligations on independent power producers. Further, CCC represents that it has discussed its request with the Commission Staff, which does not object to the request.

NOW THE COMMISSION, upon consideration of the petition, is of the opinion that it is no longer necessary for CCC to comply with the reporting requirements contained in our August 5, 1998, Final Order in Case No. PUE-1996-00224.

Accordingly, IT IS ORDERED THAT:

(1) CCC is hereby released from the filing obligations imposed by our August 5, 1998, Final Order in Case No. PUE-1996-00224.

(2) This case is dismissed.

CASE NO. PUE-2008-00081
OCTOBER 30, 2008

APPLICATION OF
GPC GREEN ENERGY, LLC

For a license to conduct business as a competitive service provider for electricity

ORDER GRANTING LICENSE

On August 25, 2008, GPC Green Energy, LLC ("GPC" or "the Company"), completed an application with the State Corporation Commission ("Commission") for a license to be a competitive service provider for electricity pursuant to the Commission's Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 et seq. ("Retail Access Rules"). The Company seeks authority to serve commercial and industrial

customers in retail access programs in the Virginia service territory of Virginia Electric and Power Company d/b/a Dominion Virginia Power ("DVP"). The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B.

On September 5, 2008, the Commission issued an Order for Notice and Comment establishing the case, requiring that notice of the application be given to DVP and other interested persons, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of the application and present its findings in a Staff Report.[1] The Company filed proof of publication of its notice on September 12, 2008. No comments from the public on GPC's application were received.

The Staff filed its Report on October 2, 2008, concerning GPC's fitness to conduct business as a competitive service provider for electricity. In its Report, the Staff summarized GPC's proposal and evaluated its financial condition and technical fitness. The Staff recommended that GPC be granted a license to conduct business as a competitive service provider for electricity to commercial and industrial customers in the investor-owned service territory of DVP. The Company filed no comments in response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that GPC's application as a competitive service provider for electricity should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) GPC Green Energy, LLC, is hereby granted License No. E-21 to be a competitive service provider for electricity to commercial and industrial customers in the Virginia service territory of Virginia Electric and Power Company d/b/a Dominion Virginia Power. This license to act as a competitive service provider for electricity is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

[1] On September 22, 2008, the Commission approved an order for an extension of time to file a Staff Report by ten days.

CASE NO. PUE-2008-00083
DECEMBER 10, 2008

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For a modification to its Tariff

ORDER APPROVING TARIFF MODIFICATION

Northern Virginia Electric Cooperative ("NOVEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") seeking authority to modify an existing tariff on file with the Commission under which NOVEC recovers its wholesale power procurement costs from NOVEC's member customers ("Wholesale Tariff"). As proposed, the tariff change would be made effective for service rendered on and after January 1, 2009.

Specifically, NOVEC proposes that its current Wholesale Power Cost Adjustment Clause ("WPCA") tariff be replaced by a Power Cost Adjustment Rider ("Schedule PCA"). According to the Company, the proposed change in its Wholesale Tariff is necessitated by NOVEC's intended withdrawal from the Old Dominion Electric Cooperative ("ODEC"). Historically, as a member of ODEC, NOVEC has relied on ODEC to obtain power for NOVEC's customers. NOVEC and ODEC have agreed that "NOVEC will disengage from ODEC and assume this responsibility on January 1, 2009, . . . pending regulatory approvals." Application at 1.

NOVEC has thus requested modification to the Company's Wholesale Tariff to enable "the continued collection from [NOVEC's] member customers of the cost of procuring power on their behalf and to make this transition as seamless as possible to the member customers." Application at 1, 2.

NOVEC further states in support of its Application that replacing the WPCA with the proposed Schedule PCA will neither (i) effect, nor need to effect, a change in NOVEC's existing base rates, nor (ii) increase the amount of costs currently recoverable from NOVEC's member customers, and thus the proposed Schedule PCA has no immediate impact on the rates of NOVEC's member customers. Application at 3.

Finally, NOVEC states that the Cooperative expects to file a general retail rate application after it has developed twelve months of history as the purchaser of power from sources other than ODEC. That case will address the appropriate base rate level, rate design and cost of service. Thus, NOVEC describes the Schedule PCA as essentially an "interim tariff that will be used until a power cost adjustment can be developed in conjunction with a new set of base rates following the general rate proceeding, as may be appropriate." Application at 3.

On September 25, 2008, the Commission entered its Order for Notice, which established a procedural schedule for publication of notice of the Application, receipt of comments or requests for hearing and the filing of a report by the Commission Staff ("Staff") of its investigation of the Application. The Office of the Attorney General filed comments on October 24, 2008, and the Staff filed its report on November 7, 2008. There were no requests for hearing.

The Staff concluded that the "proposed [Schedule PCA] appears properly designed to allow NOVEC to recover power supply costs it will incur after it has withdrawn from ODEC." Staff suggested that if the Commission approves the proposed Schedule PCA, that it order NOVEC to file the general

rate application the Cooperative indicated it expected to file, as noted above. By letter of counsel dated November 25, 2008, NOVEC advised that it took no issue with either the comments or the Staff report.

NOW THE COMMISSION, upon consideration of the Application, the comments and Staff report and the applicable statutes and rules, finds that the proposed tariff modification is reasonable and should be approved.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) NOVEC shall implement its Schedule PCA for application to its service rendered on and after January 1, 2009.

(2) NOVEC shall file a general rate application on or before March 31, 2010.

(3) This matter is dismissed.

CASE NO. PUE-2008-00083
DECEMBER 29, 2008

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For a modification to its Tariff

ORDER GRANTING RECONSIDERATION

Northern Virginia Electric Cooperative ("NOVEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") seeking authority to modify an existing tariff on file with the Commission under which NOVEC recovers its wholesale power procurement costs from NOVEC's member customers. As proposed, the tariff change would be made effective for service rendered on and after January 1, 2009. The Commission granted approval through its Order Approving Tariff Modification entered December 10, 2008. In that Order, we also directed the Cooperative to file a general rate proceeding on or before March 31, 2010.

On December 29, 2008, NOVEC filed its Petition for Reconsideration requesting the Commission to reconsider the March 31, 2010 filing date for its general rate proceeding. The Cooperative advises that it believes it will not be ready to collect data, prepare and analyze a cost of service study and prepare a rate filing until about July 31, 2010 and requests extension of the filing date for its general rate application until that time.

NOW THE COMMISSION, in order to retain jurisdiction over its Order Approving Tariff Modification, will grant the Petition for Reconsideration for the limited purpose of further consideration of the date for NOVEC to file a general rate proceeding.

Accordingly, IT IS ORDERED THAT:

(1) The Petition for Reconsideration is granted for the limited purpose described herein.

(2) This matter is continued.

CASE NO. PUE-2008-00084
SEPTEMBER 22, 2008

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to issue common stock

ORDER GRANTING AUTHORITY

On September 4, 2008, Atmos Energy Corporation ("Atmos" or "Applicant") filed an application with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia (Va. Code §§ 56-55 et seq.) requesting authority to issue additional shares of common stock pursuant to its Direct Stock Purchase Plan ("DSPP"). Applicant paid the requisite fee of $250.

Atmos requests authority to issue up to 2,000,000 additional shares of common stock from time to time through its existing DSPP. Under the DSPP, investors can purchase shares of Atmos' common stock and reinvest all or a portion of their cash dividends in additional shares of common stock. Stock purchases through the DSPP are priced at a three percent discount from the market price of the stock. Applicant indicates that funds from the stock issuances will be used for general corporate purposes. Applicant also asserts that issuance of shares under the DSPP will ultimately strengthen Atmos' equity ratio, will provide financing flexibility, and may lower its cost of capital.

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 issue and sell up to an additional 2,000,000 shares of common stock under Atmos' Direct Stock Purchase Plan, under the terms and conditions and for the purposes set forth in the application.

(2) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUE-2008-00086
NOVEMBER 4, 2008

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY,
ANGD, LLC,
and
BLUEFIELD GAS COMPANY

For authority to enter into a tax allocation agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On September 10, 2008, Appalachian Natural Gas Distribution Company ("Appalachian"), ANGD, LLC ("ANGD Parent"), and Bluefield Gas Company ("BGC") (collectively "Applicants") filed an application ("Application") with the State Corporation Commission ("Commission") requesting authority to enter into a tax allocation agreement ("Agreement") under Chapter 4 of Title 56 ("Affiliates Act") of the Code of Virginia ("Code"). The Applicants further request that the authorization requested be granted retroactive to November 1, 2007, the date the Agreement was signed.

Appalachian is a Virginia public service corporation that provides natural gas distribution service to approximately 1,400 residential, commercial and industrial customers in and around the Counties of Russell, Dickenson, Buchanan, Wise and Tazewell and the Town of Bluefield, Virginia. Appalachian is a wholly-owned subsidiary of ANGD Parent.

ANGD Parent is an Abingdon, Virginia-based limited liability company jointly owned by John W. Ebert and William L. Clear.

BOC is a West Virginia public service corporation that provides natural gas service to approximately 3,900 customers in and around the City of Bluefield and Mercer County in West Virginia. BGC is a wholly-owned subsidiary of ANGD Parent.

Since ANGD Parent is the parent company for both Appalachian and BGC, the three companies are considered affiliated interests under § 56-76 of the Code. As such, Appalachian must obtain approval from the Commission pursuant to the Affiliates Act prior to entering into any contract or arrangement between itself and the other companies to provide or receive services.

Appalachian was initially incorporated as Virginia Gas Distribution Company ("VGDC"), a member of the Virginia Gas Companies. After several changes of ownership, ANGD Parent bought VGDC in December 2005,[1] and renamed it Appalachian Natural Gas Distribution Company. In November 2007, Appalachian bought the natural gas distribution utility assets serving the Bluefield, Virginia, area from Roanoke Gas Company ("Roanoke Gas") for approximately $3.3 million,[2] and ANGD Parent purchased the common stock of BGC for approximately $9.5 million from Roanoke Gas' parent company, RGC Resources, Inc. In the Order approving Appalachian's purchase of the Bluefield, Virginia, assets, the Commission stated that separate approval would be required for any "subsequent financings, affiliate arrangements or agreements, or transfers or changes of control,"[3] and directed Appalachian to file within 90 days of the transfer for "Affiliates Act approval of any current or pending arrangements or agreements"[4] with BGC and ANGD Parent.

In the instant Application, the Applicants request authority from the Commission to enter into the Agreement under the Affiliates Act, which will allow ANGD Parent to file a consolidated federal income tax return incorporating the operating results of the two utilities, Appalachian and BGC, in accordance with Title 26, Subtitle A, Chapter 6, Subchapter A, §§ 1501 et seq. and Subchapter B, § 1552 of the Internal Revenue Code, and in accordance with Title 26, Chapter 1, Subchapter A, Part 1, §§ 1.1502-0 et seq. and § 1.1552-1 of the Treasury Regulations so that ANGD Parent can reduce its total Federal corporate income tax liability.

The Agreement states that Federal income tax expenses and liabilities will be calculated on an individual company basis. Any net operating loss ("NOL") deductions on an individual company basis that benefit the ANGD Parent consolidated tax return will be paid to the company generating the NOL. Should an Alternative Minimum Tax ("AMT") liability be incurred, only the companies generating the AMT liability will be responsible for the AMT liability and share in any subsequent AMT credit. The cost of preparing the consolidated return will be allocated among the Applicants based on the total

[1] *Joint Petition of ANGD LLC and AGL Resources Inc., NUI Corporation, Virginia Gas Company, Virginia Gas Distribution Company, For approval of transfer of control under Chapter 5 of Title 56 of the Code of Virginia*, Case No. PUE-2005-00078, 2005 S.C.C. Ann. Rept. 471, Order Granting Approval (Dec. 9, 2005).

[2] *Joint Petition of Roanoke Gas Company and Appalachian Natural Gas Distribution Company, For approval of a change in ownership of utility assets and for issuance of a certificate of public convenience and necessity pursuant to Chapter 5 of Title 56 of the Code of Virginia*, Case No. PUE-2007-00012, 2007 S.C.C. Ann. Rept. 388, Order Granting Approval (Aug. 21, 2007).

[3] *Id.*, Ordering Paragraph No. 6, at 390.

[4] *Id.*

revenues of each company. Any of the three Applicants can terminate the Agreement upon 30 days notice to the other parties and the approval of ANGD Parent's Board of Managers.

The Applicants state that the Agreement also requires approval from the West Virginia Public Service Commission ("WV PSC"). An application will be filed with the WV PSC once a decision is reached by the Commission.

NOW THE COMMISSION, upon consideration of the Application and representations of the Applicants and having been advised by its Staff, is of the opinion and makes the following findings. The Agreement appears to provide a reasonable method of allocating the ANGD Parent's consolidated Federal income tax liability among the Applicants. Furthermore, the Applicants represent that in no case will any member to the Agreement be allocated and pay more of the consolidated income tax liability than the amount of tax it would owe and pay on a stand-alone, separate company basis. Therefore, we find that the proposed Agreement is in the public interest and should be approved, subject to certain requirements as outlined below.

The purpose of these requirements, which we have directed in other recent Affiliates Act orders approving tax allocation agreements, is to allow the Commission to monitor the Applicants' representation that the members of ANGD Parent's consolidated tax group will never be allocated tax liabilities in excess of their separate return tax. The requirements will also assist the Commission's Staff in the preparation of income tax ratemaking adjustments to comply with the provisions of § 56-235.2 of the Code, which requires the use of statutory federal and state income tax adjustments with no consolidated tax adjustments.

First, we find that the authority granted in this case will not have any ratemaking implications. In particular, the authority granted in this case will not guarantee the recovery of any costs directly or indirectly related to the Agreement.

Second, we reserve the right to reflect ratemaking adjustments to Appalachian's income taxes in the course of any Commission review and analysis of Appalachian's cost of service in the future.

Third, we direct Appalachian to prepare an annual detailed reconciliation of any differences between its actual allocation of federal tax liabilities and what such liabilities would have been on a separate return basis. This reconciliation will be included with Appalachian's Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's Director of Public Utility Accounting ("PUA Director") each year.

Finally, we find that the Applicants' request for retroactive approval of the Agreement is both inappropriate and unnecessary . Therefore, the authority granted herein will be on a prospective basis effective as of the date of the order in this case as we have done in other cases.[5]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, Appalachian Natural Gas Distribution Company, ANGD, LLC, and Bluefield Gas Company are hereby granted authority to enter into the Agreement as described herein and consistent with the findings set out above.

(2) The authority granted herein shall have no ratemaking implications. Specifically, the authority granted in this case shall not guarantee the recovery of any costs directly or indirectly related to the Agreement.

(3) The Commission reserves the right to reflect ratemaking adjustments to Appalachian's income taxes in the course of the Commission's review and analysis of Appalachian's cost of service in the future.

(4) Commission approval shall be required for any changes in the terms and conditions of the Agreement.

(5) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(6) The Commission reserves the 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 the Commission.

(7) Appalachian shall include the transactions associated with the Agreement authorized herein in its ARAT submitted to the PUA Director by May 1 of each year, subject to administrative extension by the PUA Director. Appalachian shall also prepare an annual schedule, to be submitted with its ARAT, which provides a detailed reconciliation of any differences between its actual allocation of federal income tax liabilities and what such liabilities would have been on a separate return basis.

(8) In the event that annual informational filings or expedited or general rate case filings are not based on a calendar year, then Appalachian shall include the affiliate information contained in the ARAT in such filings.

(9) There appearing to be nothing further to be done in this matter, it hereby is dismissed.

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[5] *See, e.g.*, *Application of Virginia Natural Gas, Inc. and AGL Resources Inc., for exemption of a tax allocation agreement from the filing and prior approval requirements of the Affiliates Act pursuant to § 56-77.B of the Code of Virginia, or in the alternative, approval to enter into such agreement pursuant to 56-77 of the Code of Virginia*, Case No. PUE-2005-00097, 2005 S.C.C. Ann. Rept. 488, 491, Order Granting Approval (Dec. 27, 2005) (granting approval as of the date of the Order rather than the 2004 execution date of the tax allocation agreement).

CASE NO. PUE-2008-00087
OCTOBER 9, 2008

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue long-term debt and to engage in affiliate transactions

ORDER GRANTING AUTHORITY

On September 16, 2008, Washington Gas Light Company ("WGL" or "Applicant") filed an application with the Virginia State Corporation Commission ("Commission") under Chapters 3 and 4 of Title 56 of the Code of Virginia. In its application, WGL requests authority to obtain financing from third party financial institutions and transfer resultant funds to an affiliate, Washington Gas Energy Systems, Inc. ("WGESystems"). On occasion, WGL may itself finance energy management projects for periods in excess of twelve months. To the extent such projects occur and come within the scope of Chapter 3 of Title 56 of the Code of Virginia, the Applicant requests that the Commission approve such transactions. Applicant paid the requisite fee of $250.

In its application, WGL requests authority to receive up to $35,000,000 in financing, on a revolving basis, from financial institutions on behalf of agencies that are utility customers and have contracted for energy management projects pursuant to the Company's Area Wide Contract with the General Service Administration ("GSA") of the United States government ("Area-Wide Contract"). WGL and WGESystems have a service contract, valid until March 20, 2016, pursuant to which WGESystems provides general contractor and project management services for the energy management projects between certain WGL customers and WGL under the Area-Wide Contract.[1]

Many of these energy management contracts require project financing to enable the timely payment to contractors and subcontractors for services and materials. WGL obtains this financing from third party financial institutions and transfers these funds to WGESystems, which uses the finds to pay for construction obligations and costs related to these projects. Once the project is accepted by the customer, WGL assigns the stream of payments due from the customer to the third party financial intuition and its obligation to that financial institution is absolved. The terms of the financings' interest rates, timing of payments, maturity dates, and other such issues will vary by project.

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, the application should be approved, subject to provisions of the affiliates' Financial Services Agreement, subject to the modifications, limitations and requirements as entered August 18, 2008, in Case No. PUE-2008-00035.

IT IS ORDERED THAT:

(1) Applicant is hereby authorized to engage in project financing in the amount up to $35,000,000 for energy management projects sold to federal agencies and other eligible entities under the Area-Wide Contract under the terms and conditions and for the purposes set forth in the application. All ordering provisions of the Order Granting Authority issued August 18, 2008, in Case No. PUE-2008-00038 shall remain in effect.

(2) Any securities issued pursuant to the authority granted herein shall be included in the Company's Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's Director of Public Utility Accounting on or before May 1 of each year, which deadline may be extended administratively by the Director of Public Utility Accounting. The submitted ARAT shall include details of any issuance granted pursuant to this authority to include the type of security, the lender, the issuance date, the amount of the issue, the interest rate or yield, the maturity date, and any securities retired with the proceeds.

(3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(4) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by this Commission.

(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 closed.

[1] The Commission approved this service contract by Order Granting Authority issued on August 18, 2008, in Case No. PUE-2008-00037.

CASE NO. PUE-2008-00087
OCTOBER 15, 2008

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue long-term debt and to engage in affiliate transactions

CORRECTING ORDER

On October 9, 2008, the State Corporation Commission ("Commission") entered an Order Granting Authority (hereafter, "October 9, 2008 Order") involving Washington Gas Light Company.

By reason of typographical error, page 2 of the October 9, 2008 Order makes reference to two incorrect case numbers. The Commission hereby amends the two incorrect case numbers of the October 9, 2008 Order in this case from PUE-2008-00035 and PUE-2008-00038 to PUE-2008-00037.

Except as modified herein, all provisions of our Order Granting Authority dated October 9, 2008, shall remain in full force and effect.

CASE NO. PUE-2008-00088
OCTOBER 7, 2008

APPLICATION OF
ROANOKE GAS COMPANY

For an expedited increase in rates

ORDER FOR NOTICE AND HEARING

On September 16, 2008, Roanoke Gas Company ("Roanoke" or the "Company") filed a rate application, supporting testimony, and exhibits with the State Corporation Commission ("Commission") for an expedited increase in rates. Roanoke seeks to increase its annual revenues by $1,198,277, an increase of approximately 0.928%. The Company requests that it be permitted to place its proposed rates for service and all terms and conditions proposed in its supporting testimony into effect for service rendered on and after November 1, 2008.[1]

The Company reports that its operations have not materially changed since its last rate case; however, operating cost increases are reportedly rising faster than customer revenue growth, given declining use per customer attributed to more efficient natural gas appliances, declining use for space heating due to lower average annual heating degree days in the Company's service territory, customer conservation efforts, and a mild recession.

Section B of the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rules"), 20 VAC 5-200-30, permits the rates of a public utility to take effect within 30 days after the application is filed, subject to refund, pending investigation, so long as the rate application complies with the Rules and the utility has not experienced a substantial change in circumstances since its last rate case. In its application, the Company is not proposing any new accounting adjustments and is utilizing the same rate of return on equity as approved in the Company's last general rate Order, issued May 22, 2008, in Case No. PUE-2007-00086. On September 30, 2008, the Commission's Staff filed an interim Report, in which it concluded that there is a reasonable probability that the proposed increase will be justified following a full investigation and hearing.

NOW UPON CONSIDERATION of the Company's application, the Commission is of the opinion and finds that this matter should be docketed, that a Hearing Examiner should be assigned to conduct all further proceedings in this matter on behalf of the Commission, and that a procedural schedule should be established as prescribed herein.

Accordingly, IT IS ORDERED THAT:

(1) Roanoke's application for approval of an expedited increase in rates is docketed and assigned Case No. PUE-2008-00088.

(2) Roanoke may put its rates into effect on an interim basis subject to refund on November 1, 2008.

(3) A public hearing shall be convened on March 26, 2009, at 10:00 a.m., in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive comments from members of the public and to receive evidence on the captioned application. Any person not participating as a respondent as provided in Ordering Paragraph (10) below, may give oral testimony concerning the application as a public witness at the March 26, 2009 public hearing. Public witnesses desiring to make statements at the public hearing concerning this application need only appear in the Commission's second floor courtroom in the Tyler Building at the address set forth above prior to 9:45 a.m. on the day of the hearing and register a request to speak with the Commission's bailiff.

(4) As provided by § 12.1-31 of the Code of Virginia and Rule 5 VAC 5-20-120 of the Commission's Rules of Practice and Procedure, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to issue a final report herein.

(5) Upon written request received by its counsel, the Company shall provide a copy of the application to the requesting party at no cost. If acceptable to the requesting individual, the Company may provide the application, with or without attachments, by electronic means. Written requests shall be made to Richard D. Gary, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. Interested

[1] Staff filed a Memorandum of Completeness on September 24, 2008, noting the application's completion when filed.

persons may also review a copy of the application and the Commission's Order for Notice and Hearing in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Monday through Friday, between the hours of 8:15 a.m. and 5:00 p.m.

(6) On or before November 5, 2008, Roanoke shall complete publication of the following notice as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territories within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION
BY ROANOKE GAS COMPANY, FOR
APPROVAL OF AN EXPEDITED INCREASE IN RATES
CASE NO. PUE-2008-00088

On September 16, 2008, Roanoke Gas Company ("Roanoke" or the "Company") filed a rate application, supporting testimony and exhibits with the State Corporation Commission ("Commission") for an expedited increase in rates. Roanoke seeks to increase its annual revenues by $1,198,277, an increase of approximately 0.928%.

The rates are proposed to go into effect for service rendered on and after November 1, 2008. Roanoke may put its rates into effect on an interim basis, subject to refund, on November 1, 2008.

On or before March 19, 2009, any interested person may file written comments on the Company's request with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Interested persons may also submit comments electronically on the Commission's website: http://www.scc.virginia.gov/case. Persons commenting electronically need not file written comments.

Copies of the application are available through written request to counsel for the Company, Richard D. Gary, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. Interested persons may also review a copy of the application and the Commission's Order for Notice and Hearing in the Commission's Document Control Center, located on the First Floor of the Tyler building, 1300 East Main Street, Richmond, Virginia between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday. A copy of the Commission's Order may also be obtained on the Commission's website: http://www.scc.virginia.gov/caseinfo.htm.

A public hearing on the application will be held on March 26, 2009, at 10:00 a.m., in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

Any interested person may participate as a respondent in the proceeding by filing, on or before December 19, 2008, an original and fifteen (15) copies of a notice of participation with the Clerk of the Commission at the address set forth above. Interested parties should obtain a copy of the Commission's Order for further details on participation as a respondent.

Interested persons not participating as a respondent may give oral testimony concerning the application as a public witness at the March 26, 2009 public hearing. Public witnesses desiring to make statements at the public hearing concerning this application need only appear in the Commission's second floor courtroom in the Tyler Building at the address set forth above prior to 9:45 a.m. on the day of the hearing and register a request to speak with the Commission's bailiff.

All filings with the Clerk of the Commission shall refer to Case No. PUE-2008-00088 and shall simultaneously be served on counsel to the Company at the address set forth above.

ROANOKE GAS COMPANY

(7) On or before November 5, 2008, the Company shall mail a copy of its application and this Order by personal delivery or by first-class mail, postage prepaid, to the chairman of the board of supervisors and county attorney of each county and upon the mayor or manager of every city and town (or upon equivalent officials in counties, towns and cities having alternate forms of government) in which the Company provides service. Service shall be made by first-class mail to the customary place of business or residence of the person served.

(8) On or before December 8, 2008, Roanoke shall file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, proof of the publication and service required in Ordering Paragraphs (6) and (7).

(9) On or before October 20, 2008, Roanoke shall file with the Clerk, at the address set forth in Ordering Paragraph (8) above, an original and fifteen (15) copies of any additional direct testimony, exhibits, and other materials supporting its application.

(10) Any interested person may participate as a respondent in this proceeding by filing, on or before December 19, 2008, an original and fifteen (15) copies of a notice of participation with the Clerk, at the address set forth in Ordering Paragraph (8) above, and shall simultaneously serve a copy of the notice of participation on counsel to the Company, Richard D. Gary, at the address set forth in Ordering Paragraph (5) above. Pursuant to Rule 5 VAC 5-20-80 of the Commission's Rules of Practice and Procedure, 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. Interested parties shall refer in all of their filed papers to Case No. PUE-2008-00088.

(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, a copy of the application, and all materials filed with the Commission, unless these materials have already been provided to the respondent.

(12) On or before March 19, 2009, any interested person may file any comments on the captioned application with the Clerk, at the address in Ordering Paragraph (8) above, and shall mail a copy to counsel for the Company, Richard D. Gary, at the address set forth in Ordering Paragraph (5) above.

(13) On or before December 30, 2008, each respondent shall file with the Clerk, at the address set forth in Ordering Paragraph (8) above, an original and fifteen (15) copies of any testimony and exhibits by which it expects to establish its case and shall serve copies of the testimony and exhibits on counsel to the Company and on all other respondents. The respondent shall comply with Rules 5 VAC 5-20-140, 5 VAC 5-20-150, and 5 VAC 5-20-240 of the Commission's Rules of Practice and Procedure.

(14) The Commission Staff shall investigate the Company's application for an expedited increase in rates. On or before February 26, 2009, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of the Staff's testimony and exhibits regarding the captioned application and shall promptly serve a copy on counsel to the Company and all respondents.

(15) On or before March 12, 2009, the Company shall file with the Clerk of the Commission an original and fifteen (15) copies of any rebuttal testimony that it expects to offer in rebuttal to the testimony and exhibits of the respondents and the Commission Staff and shall on the same day serve one copy on Staff and all respondents.

(16) Roanoke and respondents shall respond to written interrogatories within seven (7) calendar days after receipt of the same. Except as modified above, discovery shall be in accordance with the Commission's Rules of Practice and Procedure.

CASE NO. PUE-2008-00091
SEPTEMBER 19, 2008

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

Request for withdrawal of authority to participate in affiliate transaction

ORDER WITHDRAWING AUTHORITY

By its Order Granting Authority entered October 23, 2000, in Case No. PUF-2000-00026, the State Corporation Commission ("Commission") authorized Washington Gas Light Company ("WGL" or "Company") to participate in a holding company system money pool with certain of its affiliates. By letter application dated September 16, 2008, WGL has advised the Commission that the Company had not participated in the money pool for several years and on September 15, 2008, took formal corporate action to memorialize the end of such participation.

NOW THE COMMISSION, being sufficiently advised, hereby withdraws the authority granted to WGL by the Order Granting Authority cited above, effective September 15, 2008, to participate in a money pool with its affiliates.

CASE NO. PUE-2008-00092
OCTOBER 17, 2008

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On September 22, 2008, Roanoke Gas Company ("Roanoke" or "the Company) filed an application with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code") requesting authority to issue long-term debt. The Company has paid the requisite fee of $250.

Roanoke requests authority to incur up to $5,000,000 in debt in the form of an unsecured bank loan ("Loan") with Branch Bank & Trust Company ("BB&T"). The Company expects to execute the Loan in November of 2008. The Loan will have a seven-year maturity. The interest rate on the Loan will be established at the time of issuance and is expected to have a variable rate equal to the 30-day London InterBank Offered Rate ("LIBOR") plus 125 basis points. The proceeds will be used to retire short-term debt.

In its application, Roanoke has also indicated that it will enter into an interest rate swap agreement[1] to fix the interest rate on the Loan. The term of the swap with BB&T will be seven years and the notional amount of the swap will be $5,000,000, identical to the Loan principal. The interest rate on the swap transaction will be set at the time of execution of the swap and will be based on the 30-day LIBOR rate plus 125 basis points.

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.

[1] By Order dated November 24, 1997, in Case No. PUF-1997-00019, the Commission found that interest rate swap agreements constitute securities, as defined by § 56-55 of the Code, and are subject to Commission regulation.

Accordingly, IT IS ORDERED THAT:

(1) Roanoke is hereby authorized to incur up to $5,000,000 in long-term indebtedness in the form of a variable rate bank loan with BB&T, under the terms and conditions and for the purposes set forth in the application.

(2) Roanoke is authorized to enter into an interest rate swap agreement with BB&T for the purposes of establishing a fixed interest rate on the Loan authorized herein, under the terms and conditions and for the purposes set forth in the application.

(3) Roanoke shall file a report of action on or before December 31, 2008, to include the type of debt issued, the date of issuance, the amount of issuance, the applicable interest rate at the time of issuance and the index used to determine such rate, the maturity date, the interest payment cycle, and net proceeds to the Company.

(4) Within 10 days of execution of the interest rate swap agreement with BB&T, Roanoke shall file a report with the Commission's Division of Economics and Finance to include a copy of the executed promissory note and the confirmation letter from BB&T to Roanoke concerning the interest rate swap, as well as details concerning the swap agreement including the notional principal amount, the execution date, the term, the fixed and floating interest rates for the first payment period, the index used to determine the floating rate, and the frequency of payments.

(5) The authority granted herein shall have no implications for ratemaking purposes.

(6) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUE-2008-00093
DECEMBER 23, 2008

PETITION OF
WATERFRONT WATER WORKS, INC.,
RONALD L. WILLARD,
and
JAMES H. BUCK

For approval of transfer of control and subsequent transfer of assets to Western Virginia Water Authority

ORDER GRANTING APPROVAL

On September 26, 2008, Waterfront Water Works, Inc. ("Waterfront"), Ronald L. Willard ("Willard"), and James H. Buck ("Buck") (collectively, the "Petitioners") filed a petition with the State Corporation Commission ("Commission") for approval of the transfer of control and subsequent transfer of assets of Waterfront from Willard and Buck to Western Virginia Water Authority ("Authority") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code").

Waterfront is a Virginia corporation that provides water service to customers in Franklin County, Virginia, and operates pursuant to certificate of public convenience and necessity ("Certificate") No. W-258a. Waterfront owns and operates a water system in the Waterfront Subdivision as well as a water system serving the Water's Edge Subdivision. The Waterfront Subdivision water system serves a total of 516 customers. In addition there are 164 developed lots that, at sometime in the future, may require a connection to the system. There are a total of 13 well lots, 10 of which currently are operating and three of which currently are not being used. There are approximately 9.2 miles of water lines.

The Water's Edge Subdivision system currently serves 376 customers in the development. In addition, there are 270 developed lots which, at sometime in the future, may require connection to the system. There are a total of five well lots, all of which are currently operating. The system has approximately 11 miles of water lines. There are plans for two future sections in the subdivision, which will contain a total of 16 single family lots.

Willard is the chief operating officer and the owner of all outstanding common stock of Willard Construction of Roanoke Valley, Inc . ("Willard Construction"), a development and general contracting firm doing business in the Roanoke Valley and Franklin County, Virginia. Willard owns 51 percent of the outstanding shares of common stock of Waterfront and is Waterfront's president. Willard Construction and its predecessor company, Bremble Properties, Inc., developed all of the property served by Waterfront, with the exception of Fairway Bay, a subdivision served by Waterfront.

Buck is the chief operating officer and owner of all the outstanding shares of common stock of James Buck Plumbing & Heating, Inc. ("Buck Plumbing"), which is a heating and plumbing business located in the Roanoke Valley and Franklin County, Virginia. Buck owns 49 percent of the outstanding shares of common stock of Waterfront and is its vice-president and secretary. Buck Plumbing constructed the water system for all of the Water's Edge development, and for a portion of the water system in the Waterfront Subdivision, including Fairway Bay. Buck and his son, Gary Buck, are the only employees of Waterfront. Buck Plumbing performs the major maintenance and repairs on all systems owned by Waterfront.

The Authority was formed by the Council of the City of Roanoke and the Board of Supervisors for the County of Roanoke on July 1, 2004, as a regional water authority to establish and operate water and sewer disposal systems and related facilities. The Authority was chartered in 2004 pursuant to the Virginia Water and Waste Authorities Act, Chapter 51 of Title 15.2 of the Code of Virginia (the "Act"). The Authority is authorized to acquire, finance, construct, manage, and maintain fully integrated water, wastewater, septage disposal and related facilities pursuant to the Act.

Waterfront, Willard, Buck, and the Authority entered into a Water System Purchase Agreement ("Agreement") whereby Willard and Buck agree to sell, and the Authority agrees to purchase, all of the outstanding shares of common stock of Waterfront. The purchase price will be $1,487,000 cash payable to Willard and Buck in proportion to their ownership percentage of the shares of Waterfront. Upon completion of the transfer of stock, the Authority intends to dissolve Waterfront and transfer all of its assets, real and personal, unto itself. The Authority intends to increase rates approximately 30 percent over 3 years in order to recover the costs of acquiring the systems as well as cover the estimated depreciation. The Petitioners represent that

current rates do not support the cost of service, and the system has been operating at a loss for several years. The current petition is being filed concurrently with a petition from Willard Construction to transfer a similarly located water system, the Boardwalk water system, to the Authority, in Case No. PUE-2008-00094. Closing of the proposed transaction sought in the instant petition is conditioned upon the transfer of the Boardwalk system, and vice-versa.

For Willard and Buck, the purpose of the proposed transfer is to allow them to dispose of the water systems to an entity that is better suited to provide the customers with reliable service while allowing them to exit the water business. As stated above, Buck and Gary Buck are the only employees of Waterfront and provide all of the maintenance and repairs. By transferring the water systems to the Authority, Waterfront will be staffed by personnel whose expertise is in owning and operating water systems.

For the Authority, the purpose of the transfer is to acquire water systems within its operating territory. The Authority has acquired and is acquiring other systems in the general area of Waterfront and Water's Edge and also has acquired sources of water that it will eventually be able to use in the two systems.

The Petitioners represent that, after the proposed transfer, all of the assets of the water systems will be owned by a governmental entity, which will be in a better position to provide continued reliable service at reasonable rates to the customers.

NOW THE COMMISSION, upon consideration of the petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the proposed transfer will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Waterfront's Certificate should be cancelled upon receiving a Report of Action ("Report") indicating that the proposed transfer of assets has been completed.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1, 56-89, and 56-90 of the Code, the Petitioners are hereby granted approval of the transfer of control and subsequent transfer of assets to Western Virginia Water Authority, as described herein.

(2) Within ninety (90) days of completing the transfer, the Petitioners shall file a Report with the Commission to include the date of the transfer and the actual transfer price.

(4) Certificate W-258a shall be cancelled upon the filing of the Report of Action ordered above showing that the transfer of control and subsequent transfer of assets have been completed.

(5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUE-2008-00094
DECEMBER 29, 2008

PETITION OF
WILLARD CONSTRUCTION OF ROANOKE VALLEY, INC.,

For approval of transfer of the Boardwalk water system assets to Western Virginia Water Authority

ORDER GRANTING APPROVAL

On September 26, 2008, Willard Construction of Roanoke Valley, Inc. ("Willard Construction" or "Petitioner"), filed a petition with the State Corporation Commission ("Commission") for approval of the transfer of assets of the Boardwalk water system from Willard Construction to Western Virginia Water Authority ("Authority") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code").

Ronald L. Willard ("Willard") is the chief operating officer and the owner of all outstanding common stock of Willard Construction, a development and general contracting firm doing business in the Roanoke Valley and Franklin County, Virginia. Willard Construction is the sole owner of the Boardwalk water system, which currently serves 82 customers. Willard Construction developed the property served by the Boardwalk system, being 90 single family residential lots in the Boardwalk Subdivision and 22 townhouse units at the Cottages in the Boardwalk Townhouse Subdivision. In addition, the Boardwalk system will supply water to 46 single family residential lots in The Farm Subdivision and 17 single family residential lots in the Hammock Pointe Subdivision. The properties at The Farm Subdivision and the Hammock Pointe Subdivision are being developed by RKL, LLC, a Virginia limited liability company whose manger is Ronald L. Willard, II, the vice-president and secretary of Willard Construction. The water distribution system for The Farm and Hammock Point Subdivisions has been installed, but construction has not yet begun on any dwelling units. The Boardwalk system has a total of four wells, two of which are in use and has approximately 3.4 miles of water lines. The sole source of water for the system is from well water. The Boardwalk water system operates under certificate of public convenience and necessity ("Certificate") No. W-258a, granted in Case No. PUE-1991-00006 to Waterfront Water Works, Inc. ("Waterfront").

James H. Buck ("Buck") is the chief operating officer and owner of all the outstanding shares of common stock of James Buck Plumbing & Heating, Inc. ("Buck Plumbing"), which is a heating and plumbing business located in the Roanoke Valley and Franklin County, Virginia. Buck Plumbing constructed the water system for the Boardwalk water system. Buck Plumbing operates and performs the major maintenance and repairs for the Boardwalk system as well as the systems owned by Waterfront, which is owned by Willard and Buck.

Western Virginia Water Authority ("Authority") was formed by the Council of the City of Roanoke and the Board of Supervisors for the County of Roanoke on July 1, 2004, as a regional water authority to establish and operate water and sewer disposal systems and related facilities. The Authority was chartered in 2004 pursuant to the Virginia Water and Waste Authorities Act, Chapter 51 of Title 15.2 of the Code of Virginia (the "Act"). The Authority is

authorized to acquire, finance, construct, manage, and maintain a fully integrated water, wastewater, septage disposal and related facilities pursuant to the Act.

Willard Construction and the Authority entered into a Water System Purchase Agreement ("Agreement") whereby Willard Construction agrees to sell, and the Authority agrees to purchase, the Boardwalk water system and all of the assets presently used in the operation of the system for $150,000 cash. Upon completion of its purchase of the assets, the Authority will provide water service to the present Boardwalk customers and to the owners and future owners of homes in the Boardwalk, The Farm, and Hammock Pointe subdivisions. The Authority intends to increase rates approximately 30 percent over 3 years in order to recover the costs of acquiring the systems as well as cover the estimated depreciation. The Petitioners represent that current rates do not support the cost of service, and the system has been operating at a loss for several years. The current petition is being filed concurrently with a petition from Willard, Buck, and Waterfront for approval of transfer of control and subsequent transfer of assets of Waterfront, to the Authority, in Case No. PUE-2008-00093. Closing of the proposed transaction sought in the instant petition is conditioned upon the transfer of Waterfront to the Authority, and vice-versa.

For Willard Construction, the purpose of the proposed transfer is to allow it to dispose of the water system to an entity that is better suited to provide the customers with reliable service while allowing them to exit the water business. As stated above, Buck Plumbing provides all of the maintenance and repairs for the Boardwalk system. By transferring the water system to the Authority, the Boardwalk water system will be staffed by personnel whose expertise is in owning and operating water systems.

For the Authority, the purpose of the transfer is to acquire water systems within its operating territory in an effort to provide Roanoke area citizens with a dependable supply of drinking water. The Authority treats and delivers 24 million gallons of drinking water per day for 56,000 customer accounts. The Authority is a governmental entity created solely to supply water to residences and businesses in the western Virginia area, which includes Franklin County, Virginia. The Authority has acquired and is acquiring other systems in the general area of the Boardwalk system and has also acquired sources of water that it will eventually be able to use in the system.

The Petitioner represents that, after the proposed transfer of assets, the water system will be owned by a governmental entity, which will be in a better position to provide continued reliable service at reasonable rates to the customers.

NOW THE COMMISSION, upon consideration of the petition and representations of the Petitioner and having been advised by its Staff, is of the opinion and finds that the proposed transfer will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. The Boardwalk water system's Certificate should be cancelled upon receiving a Report of Action ("Report") indicating that the proposed transfer of assets has been completed.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-89 and 56-90 of the Code, the Petitioner is hereby granted approval of the transfer of assets to Western Virginia Water Authority, as described herein.

(2) Within ninety (90) days of completing the transfer, the Petitioner shall file a Report with the Commission to include the date of the transfer and the actual transfer price.

(4) Certificate W-258a shall be cancelled upon the filing of the Report of Action ordered above showing that the transfer of assets has been completed.

(5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUE-2008-00098
NOVEMBER 7, 2008

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 and to engage in an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On October 14, 2008, Kentucky Utilities Company, d/b/a/ Old Dominion Power Company ("Applicant" or the "Company"), filed an application with the State Corporation Commission ("Commission") requesting authority to issue securities under Chapter 3 of Title 56 of the Code of Virginia ("Code") and to engage in an affiliate transaction under Chapter 4 of Title 56 of the Code. Applicant paid the requisite fee of $250.

Applicant requests authority to issue up to $275,000,000 of long-term debt ("Proposed Debt") at various times from the date of this Order through December 31, 2009, to Fidelia Corporation ("Fidelia").[1] The proposed transaction constitutes an affiliate transaction under Chapter 4 of Title 56 of the Code since Fidelia is the finance company subsidiary of E.ON AG ("E.ON"), the parent holding company of Applicant. The rate of interest on the Proposed Debt will be determined at the time of issuance and will depend on the term of maturity which will not exceed thirty years. Applicant further states that the interest rate on all borrowings will be at the lowest of: i) the effective cost of capital for E.ON; ii) the effective cost of capital for Fidelia; or iii) the Company's effective cost of capital as determined by reference to the Company's cost of a direct borrowing from an independent third party for a comparable term loan (the "Best Rate Method").

[1] The current request is in addition to approximately $100,000,000 remaining from the long-term debt authorized by the Commission in Case No. PUE-2007-00118, Final Order dated January 16, 2008.

The Proposed Debt will be in the form of unsecured notes to Fidelia, subject to the terms of the loan agreement as set forth in Exhibit 1 attached to the Application. Applicant further requests authority to enter into one or more interest rate hedging agreements with an E.ON affiliate or with a bank or financial institution that may be in the form of a T-bill lock, swap, or similar agreement ("Hedging Facility") designed to lock in the underlying interest rate on Proposed Debt in advance of closing on the loan.

The Company states that proceeds from the Proposed Debt will be used for the remainder of 2008 and during 2009 for routine and ongoing upgrades and expansions related to its distribution and transmission systems and other capital projects including, but not limited to, new generating facilities and pollution control improvements to existing generating facilities.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

(1) Applicant is hereby authorized to issue and deliver the Proposed Debt in the form of unsecured notes in an aggregate principal amount not to exceed $275,000,000 in the manner and for the purposes as set forth in its application, from the date of this Order through the period ending December 31, 2009.

(2) Applicant is authorized to execute and deliver and perform the obligations of the Company under inter alia, the loan agreement with Fidelia, the Proposed Debt authorized in Ordering Paragraph (1), and such other agreements and documents as set out in its Application, and to perform the transactions contemplated by such agreements.

(3) Applicant shall submit a Preliminary Report of Action within ten (10) days after the issuance of any securities pursuant to Ordering Paragraph (1), to include the type of security, the issuance date, amount of the issue, the interest rate, the maturity date, and a brief explanation of reasons for the term of maturity chosen.

(4) Within sixty (60) days after the end of each calendar quarter in which any of the Proposed Debt is issued pursuant to Ordering Paragraph (1), Applicant shall file with the Commission a detailed Report of Action with respect to all Proposed Debt issued during the calendar quarter to include:

(a) The issuance date, type of security, amount issued, interest rate, date of maturity, issuance expenses realized to date, net proceeds to Applicant, and an updated cost/benefit analysis that reflects the impact of any Hedging Facility for any Proposed Debt issued to refund other outstanding debt prior to maturity, if an update is applicable;

(b) A summary of the specific terms and conditions of each Hedging Facility and an explanation of how it functions to lock in the interest rate on an associated issuance of Proposed Debt; and

(c) The cumulative principal amount of Proposed Debt issued under the authority granted herein and the amount remaining to be issued.

(5) Applicant shall file a final Report of Action on or before March 31, 2010, to include all information required in Ordering Paragraph (3) along with a balance sheet that reflects the capital structure following the issuance of the Proposed Debt. Applicant's final Report of Action shall further provide a detailed account of all the actual expenses and fees paid to date for the Proposed Debt with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the application.

(6) Approval of the application shall have no implications for ratemaking purposes.

(7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUE-2008-00099
NOVEMBER 12, 2008

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

ORDER PROPOSING GUIDELINES AND DIRECTING THE FILING OF INTEGRATED RESOURCE PLANS

Pursuant to § 56-599 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to issue an order no later than December 31, 2008, directing each investor-owned electric utility to develop and file an integrated resource plan ("IRP"). As defined by § 56-597 of the Code, an IRP is "a document developed by an electric utility that provides a forecast of its load obligations and a plan to meet those obligations by supply side and demand side resources over the ensuing 15 years to promote reasonable prices, reliable service, energy independence, and environmental responsibility." The contents of an IRP to be submitted by an electric utility are set forth in § 56-598 of the Code. Pursuant to the second enactment clauses in Chapters 476 and 603 of the 2008 Virginia Acts of Assembly, as part of its 2009 IRP, "each electric utility shall assess governmental, nonprofit, and utility programs in its service territory to assist low income residential customers with energy costs and shall examine, in cooperation with relevant governmental, nonprofit, and private sector stakeholders, options for making any needed changes to such programs." Section 56-599 D of the Code provides a list of alternatives that each electric utility must systematically evaluate in preparing its IRP.

Presently operating in the Commonwealth as investor-owned electric utilities are the following companies: Appalachian Power Company, Kentucky Utilities Company d/b/a Old Dominion Power Company, The Potomac Edison Company d/b/a Allegheny Power, and Virginia Electric and Power Company d/b/a Dominion Virginia Power.

In accordance with § 56-599 of the Code, the Commission hereby orders that each electric utility listed above shall develop its individual IRP, and each shall file its initial IRP with this Commission by September 1, 2009. Upon the filing of the IRP by each electric utility, a separate and new docket will be opened wherein the Commission will analyze and review each IRP and, after giving notice and an opportunity to be heard, will make a determination as to whether the individual IRP is reasonable and is in the public interest, as required by Code § 56-599 E.

Section 56-599 A of the Code provides that the Commission may establish guidelines for developing an IRP. The Commission Staff has prepared proposed guidelines for each electric utility to use in developing its IRP. A draft of the proposed guidelines is attached for review and comment by interested persons. Each electric utility IRP filing should be in accordance with the guidelines, once established by further order of the Commission, and must be in compliance with the statutory directives set forth by the General Assembly. The Commission will receive comments on the proposed guidelines from interested persons before formally establishing Commission guidelines pursuant to § 56-599 A of the Code. Comments on the proposed guidelines may be filed in the proceeding within thirty (30) days from the date of this Order.

In order to promote broad dissemination of the proposed guidelines, we direct the Commission's Division of Economics and Finance to provide copies of this Order and the proposed 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.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE-2008-00099.

(2) Appalachian Power Company, Kentucky Utilities Company d/b/a Old Dominion Power Company, The Potomac Edison Company d/b/a Allegheny Power, and Virginia Electric and Power Company d/b/a Dominion Virginia Power shall each file with the Clerk of the Commission, in conformity with the Commission's Rules of Practice and Procedure, an initial IRP by September 1, 2009.

(3) Simultaneous with the filing as directed above, each such electric utility shall provide a copy of its IRP filed with the Commission to the chairmen of the House Committee on Commerce and Labor, the Senate Committee on Commerce and Labor, and the Commission on Electric Utility Regulation,[1] as required by the third enactment clauses in Chapters 476 and 603 of the 2008 Virginia Acts of Assembly.

(4) Comments on the proposed guidelines shall be filed on or before thirty (30) days from the date of this Order. Interested persons wishing to comment, propose modifications or supplements to the proposed guidelines shall file an original and fifteen (15) copies of such comments or proposals with the Clerk of the Commission, P.O. Box 2118, Richmond, Virginia 23218, making reference to Case No. PUE-2008-00099, or by following the Commission's rules for electronic filing pursuant to 20 VAC 5-20-140 of the Commission's Rules of Practice and Procedure. Comments may also be submitted electronically by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

(5) The Commission's Division of Information Resources shall make a downloadable version of the proposed guidelines available for access by the public at the Commission's website: http://www.scc.virginia.gov/case. The Clerk of the Commission shall make a copy of the proposed guidelines available, free of charge, in response to any written request for one.

(6) The Commission's Division of Economics and Finance shall transmit electronically or by mail a copy of the Order and proposed guidelines to individuals, organizations, and companies identified by Staff as potentially having an interest in this proceeding.

(7) This matter is continued for further orders of the Commission.

[1] The name of the Commission was changed from the Commission on Electric Utility Restructuring by the General Assembly pursuant to Chapter 883 of the 2008 Virginia Acts of the Assembly.

CASE NO. PUE-2008-00099
DECEMBER 23, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Concerning Electric Utility Integrated Resource Planning Pursuant to §§ 56-597 et seq. Code of Virginia

ORDER ESTABLISHING GUIDELINES FOR DEVELOPING INTEGRATED RESOURCE PLANS

Pursuant to §§ 56-597 *et seq*. of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") issued an Order Proposing Guidelines and Directing the Filing of Integrated Resource Plans on November 12, 2008 ("November 12 Order"). The November 12 Order, *inter alia*, directed each investor-owned electric utility to develop and file an integrated resource plan ("IRP") by September 1, 2009 and, pursuant to § 56-599 A of the Code, proposed guidelines for use by each electric utility in developing its IRP. The November 12 Order also afforded interested persons an opportunity to comment on the proposed guidelines.

On December 12, 2008, interested persons submitted comments on the proposed guidelines. Some commenters suggested revisions for the Commission to consider. Comments were filed by Appalachian Power Company; Richard F. Hirsh; Barbara Kessinger; Kentucky Utilities Company d/b/a

Old Dominion Power Company; Office of the Attorney General, Division of Consumer Counsel; The Potomac Edison Company d/b/a Allegheny Power; Virginia Chapter of the Sierra Club; Southern Environmental Law Center; Virginia Committee for Fair Utility Rates; Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Virginia Power"); Virginia Energy Providers Association; Virginia Independent Power Producers; and Washington Gas Light Company. Also, MeadWestvaco Corporation filed a Notice of Intent to Participate.[1] On December 17, 2008, Virginia Power filed a motion requesting permission to file reply comments by December 22, 2008.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. Pursuant to § 56-599 A of the Code, which states that the Commission "may establish guidelines for developing an IRP," the Commission hereby establishes such guidelines as attached to this Order.

We acknowledge and appreciate the comments submitted by numerous interested persons on the guidelines as proposed in our November 12 Order. We have considered all such comments and, at this time, find that it is reasonable to establish the guidelines as attached to this Order. For ease of reference of those submitting comments, a version of the guidelines showing the additions and deletions from the guidelines as proposed in the November 12 Order is also attached hereto.

In addition, we emphasize that, as mandated by § 56-599 A of the Code, the attached are "guidelines" - they are not, for example, filing requirements issued as part of the Virginia Administrative Code. New language in Section C of the guidelines further clarifies as follows: "To the extent the information requested is not currently available or is not applicable, the utility will clearly note and explain this in the appropriate location in the plan, narrative, or schedule." Moreover, § 56-599 C of the Code permits the Commission to modify the guidelines after gaining experience therewith by issuing subsequent guidelines for updated and revised IRPs.

Similarly, the guidelines established herein do not limit the information that the Commission may determine is reasonable and relevant as part of the utilities' subsequent, actual IRP cases to be filed by September 1, 2009. In this regard, we note that several interested persons filed comments regarding specific issues and analyses that the commenter asserted should be part of the guidelines and part of those subsequent IRP cases. Accordingly, we also clarify that the exclusion from the guidelines herein of any comments or recommendations received in this matter does *not* represent a rejection of such request for purposes of any particular, subsequent IRP case. Rather, such issues may be raised - and addressed by all participants and the Commission - as part of the specific IRP case filed by the utility.[2]

Finally, our November 12 Order did not provide for reply comments and, for the reasons discussed above, we continue to find that it is not necessary to consider reply comments in this matter.

Accordingly, IT IS ORDERED THAT:

(1) The guidelines as set forth in Attachment B to this Order are hereby established pursuant to § 56-599 A of the Code for use by each investor-owned electric utility in developing its initial IRP.

(2) Each IRP is to be filed with this Commission pursuant to the Commission's November 12 Order and § 56-599 of the Code, by September 1, 2009. Said filing shall be in conformity with the Commission's Rules of Practice and Procedure in effect at the time of the filing.

(3) As directed in the November 12 Order, each electric utility shall provide a copy of its IRP filed with the Commission to the chairmen of the committees and the commission set out in the third enactment clauses in Chapters 476 and 603 of the 2008 Virginia Acts of Assembly.

(4) The motion filed by Virginia Power for leave to file reply comments is denied.

(5) There being nothing further to come before the Commission in this proceeding, this case is hereby closed and the papers herein placed upon the Commission's file for ended causes.

Commissioner Dimitri did not participate in this matter.

NOTE: A copy of Attachment A entitled "Integrated Resource Planning Guidelines" 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] MeadWestvaco Corporation stated it had not determined its final recommendation or position on the issues involved, but wished to be on the service list for this proceeding.

[2] Several commenters also raised questions regarding procedures for the IRP cases. As noted in the November 12 Order, and as referenced in the proposed guidelines, each utility shall file an initial IRP with the Clerk of the Commission in conformity with the Commission's Rules of Practice and Procedure.

CASE NO. PUE-2008-00100
DECEMBER 15, 2008

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION ENERGY, INC.

For exemption from the filing and prior approval requirements of Chapter 4 of Title 56 of the Code of Virginia or approval of reimbursements by Virginia Electric and Power Company to Dominion Energy, Inc., for periodic use of a prepaid credit currently on Dominion Energy, Inc.'s corporate accounting records

DISMISSAL ORDER

On October 15, 2008, Virginia Electric and Power Company ("Dominion Virginia Power") and Dominion Energy, Inc. ("Dominion Energy") (collectively, the "Petitioners"), filed a petition with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"), for approval of an exemption from the filing and prior approval requirements of Chapter 4 of Title 56 of the Code of Virginia or approval of reimbursements by Virginia Electric and Power Company to Dominion Energy, Inc., for periodic use of a prepaid credit currently on Dominion Energy, Inc.'s corporate accounting records.

On December 8, 2008, the Petitioners requested to withdraw the petition without prejudice. Petitioners noted in their December 8, 2008 request that Dominion Virginia Power may periodically use the prepaid credit that is currently on Dominion Energy's corporate accounting records, but Dominion Energy would not seek reimbursement from Dominion Virginia Power. Dominion Virginia Power would only recognize as an expenditure the cash paid to General Electric Company, which would include use of the credit. Dominion Virginia Power would have no additional expenditures associated with reimbursing Dominion Energy.

NOW THE COMMISSION, upon consideration of the pleadings herein, is of the opinion and finds that the request to withdraw the petition should be granted, and that the matter should be dismissed. We also find no objection to Dominion Virginia Power using the prepaid credit for purchases from General Electric Company as described herein as long as Dominion Energy does not seek reimbursement of such credits from Dominion Virginia Power.

Judge Dimitri did not participate in this matter.

Accordingly, IT IS ORDERED THAT:

(1) This case is dismissed without prejudice.

(2) There being nothing further to come before the Commission in this matter, the papers herein shall be placed in the file for ended causes.

CASE NO. PUE-2008-00101
NOVEMBER 4, 2008

IN THE MATTER OF
SOUTHWESTERN VIRGINIA GAS COMPANY

Annual Informational Filing for the Test Period Ending June 30, 2008

ORDER GRANTING WAIVER

As required by the State Corporation Commission's ("Commission") Rules Governing Utility Rate Increase Applications and Annual Informational Filings, 20 VAC 5-200-30 A 9, Southwestern Virginia Gas Company ("Southwestern" or "Company") filed on October 21, 2008, its annual informational filing for the test period ending June 30, 2008. In addition, the Company filed a Request for Waivers pursuant to 20 VAC 5-200-30 A 11. Southwestern sought waivers from the requirement to report information for its parent, Southwestern Virginia Energy Industries, Ltd., in the following schedules prescribed in 20 VAC 5-200-30 Appendix: Schedule 1, Historic Profitability and Market Data; Schedule 2, Interest and Cash Flow Coverage Data; Schedule 6, Public Financial Reports; and Schedule 7, Comparative Financial Statements. The Company also requested a waiver of Schedule 30, Jurisdictional Study.

In support of its request for waivers of the requirement to file the information for its parent required for Schedules 1, 2, 6, and 7, Southwestern noted that Southwestern Virginia Energy Industries, Ltd., historically has not contributed capital to the Company or guaranteed its debt. Further, Southwestern Virginia Energy Industries, Ltd., is a closely held corporation, and it does not have financial statements prepared for public distribution.[1]

In support of waiver of the requirement of Schedule 30 to file a jurisdictional study, the Company noted that it had few government and school customers. These few customers pay for service on the basis of Commission-approved rates. Accordingly, there is little impact on cost of service, and the cost of a jurisdictional study is not warranted.[2]

[1] Request for Waivers at 2.

[2] Id.

The Commission notes that the Company sought the same waivers for its last annual informational filing, and we granted the request.[3] We have considered the nature of Southwestern Virginia Energy Industries, Ltd., and its limited impact on the financing of the Company. We find that protection of ratepayers through the review of annual informational filings does not require, at this time, information on Southwestern Virginia Energy Industries, Ltd., in Schedules 1, 2, 6, and 7. With regard to waiver of the Schedule 30 requirement of a jurisdictional study, we agree that, given the current distribution of jurisdictional and non-jurisdictional customers, a study is not required to safeguard ratepayers. Accordingly, we will grant the waiver. The Commission will also docket this matter and direct the Commission Staff to review the annual informational filing.

Accordingly, IT IS ORDERED THAT:

(1) The Company's annual informational filing for the test period ending June 30, 2008, be docketed as Case No. PUE-2008-00101, and that all associated papers be filed therein.

(2) As provided by 20 VAC 5 200-30 A 11, the Company be granted waivers of the requirements of 20 VAC 5-200-30 Appendix Schedules 1, 2, 6, and 7 for filing information for Southwestern Virginia Energy Industries, Ltd., to the extent discussed in this Order.

(3) As provided by 20 VAC 5 200-30 A 11, the Company be granted a waiver of the requirements of 20 VAC 5-200-30 Appendix Schedule 30.

(4) The Commission Staff shall review the Company's annual informational filing for the test period ending June 30, 2008, and shall file with the Clerk of the Commission a report of its findings.

(5) The Company may file with the Clerk of the Commission any comments on the report within fourteen (14) days of the filing of the report directed by Ordering Paragraph (4).

[3] Application of Southwestern Virginia Gas Company, For a waiver of certain Rate Case Rules otherwise applicable to Annual Informational Filings, Case No. PUE-2007-00109, Order Granting Waiver (Nov. 29, 2007).

CASE NO. PUE-2008-00102
NOVEMBER 18, 2008

APPLICATION OF
COMMUNITY ELECTRIC COOPERATIVE

For authority to borrow additional long-term debt

ORDER GRANTING AUTHORITY

On October 23, 2008, Community Electric Cooperative ("Community" or "Applicant") filed an application with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code") for authority to borrow up to $9,383,000 in long-term debt from the Federal Financing Bank ("FFB"). Applicant has paid the requisite fee of $25.

Applicant represents that the long-term borrowing is needed to finance Community's ongoing construction work plan recently approved by the Rural Utilities Service ("RUS") that covers 2008 - 2010. The FFB loan will be guaranteed by the RUS. Community expects the loan maturity to be 35 years.

Applicant states that the FFB loan can be drawn down over the next three years, and the interest rate will be determined at the time of the draw and will be the yield on a comparable maturity United States Treasury bond plus 1/8 % per annum.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Applicant is hereby authorized to borrow up to $9,393,000 in long-term debt from the Federal Financing Bank all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

(2) Within thirty (30) days of the date of any advance of funds from FFB, Applicant shall file with the Commission's Division of Economics and Finance a Report which shall include the date of the drawdown, the amount of the advance, the interest rate selected, the interest rate maturity, and the amount of remaining authority available to be borrowed.

(3) Approval of this application shall have no implications for ratemaking purposes.

(4) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUE-2008-00103
NOVEMBER 18, 2008

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to incur long-term debt

ORDER GRANTING AUTHORITY

On October 24, 2008, Appalachian Power Company ("APCO" or "Applicant") filed an application with the Virginia State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia for authority to issue long-term debt to the public. In conjunction, Applicant requests authority to enter into one or more interest rate hedging arrangements to protect against future interest rate movements in connection with the long-term debt securities to be issued. Furthermore, APCO requests authority to utilize interest rate management techniques by entering into various Interest Rate Management Agreements ("IRMAs"). By letter filed November 7, 2008, APCO amended its application to withdraw its request for authority to issue debt securities in the form of auction mode bonds. Applicant has paid the requisite fee of $250.

APCO proposes to issue secured or unsecured promissory notes ("Notes") up to the aggregate principal amount of $500,000,000 from time to time through December 31, 2009. The Notes may be issued in the form of First Mortgage Bonds, Senior Notes, Senior or Subordinated Debentures, Trust Preferred Securities or other unsecured promissory notes. Within certain limitations, APCO requests flexibility to select specific terms and conditions for the Notes based on market conditions at the time of issuance. The Notes will have maturities of not less than nine (9) months and not more than 60 years. The interest rate may be fixed or variable.

APCO intends to sell the Notes (i) by competitive bidding; (ii) through negotiation with underwriters or agents; or (iii) by direct placement with a commercial bank or other institutional investor. Issuance costs for the Notes are estimated to be 1.0% of the principal amount issued. The proceeds from the issuance of the Notes will be used to redeem, directly or indirectly, long-term debt; to refund, directly or indirectly, preferred stock; to repay short-term debt; to reimburse APCO's treasury for construction program expenditures; and for other proper corporate purposes.

Trust Preferred Securities would be issued by financing entities, which APCO would organize and own exclusively for the purpose of facilitating certain types of financings such as the issuance of tax advantaged preferred securities. The financing entities would issue Trust Preferred Securities to third parties. APCO requests approval of all necessary authorities to enable the issuance of Trust Preferred Securities.

APCO also requests authority to enter into agreements and assume obligations necessary for the payment of principal, interest, and other costs associated with the issuance and sale of up to $50,000,000 of Solid Waste Disposal Facilities Bonds ("SWDF Bonds") by the West Virginia Economic Development Authority (the "Authority") on behalf of Applicant. Costs associated with the SWDF Bonds are estimated by Applicant to be proximately $2,435,500, which may include, but not be limited to, trustee fees, legal fees, underwriting compensation, and rating agency fees. Proceeds from the SWDF Bonds will be applied to finance portions of environmental and pollution control facilities at APCO's Amos Generating Station in Putnam County, West Virginia. Without further Order of this Commission, the rate of interest on any SWDF Bonds will not exceed a fixed rate of 10.0% or an initial variable rate of 10.0%. In addition, the initial public offering price on the SWDF Bonds shall be less than 95% of the principal amount issued.

In conjunction with the issuance of the Notes and SWDF Bonds, Applicant requests authority, through December 31, 2009, to enter into one or more interest rate hedging arrangements to protect against future interest rate movements in connection with the issuance of the Notes and the SWDF Bonds. Such hedging arrangements may include, but not be limited to, treasury lock agreements, forward-starting interest rate swaps, treasury put options, or interest rate collar agreements ("Treasury Hedges"). All Treasury Hedges will correspond to one or more of the Notes or SWDF Bonds. Consequently, the cumulative notional amount of the Treasury Hedges cannot exceed $500,000,000 for underlying Notes and $50,000,000 for underlying SWDF Bonds.

Finally, APCO requests a continuation of the authority granted in Case No. PUE-2007-00093 to utilize interest rate management techniques and enter into WRAs through December 31, 2009.[1] The IRMAs will consist of interest rate swaps, caps, collars, floors, options, hedging forwards or futures, or any similar products designed and used to manage and minimize interest costs. IRMA transactions will be for a fixed period and based on a stated principal amount that corresponds to an underlying fixed or variable rate obligation of APCO, whether existing or anticipated. APCO will only enter into IRMAs with counterparties that are highly rated financial institutions. The aggregate notional amount of the IMRAs outstanding will not exceed 25% of APCO's existing debt obligations.

THE COMMISSION, upon consideration of the application, as amended, and having been advised by its Staff, is of the opinion and finds that approval of the amended application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Applicant is hereby authorized under Chapter 3 and, to the extent necessary for Trust Preferred Securities, Chapter 4 of Title 56 of the Code of Virginia to issue and sell up to $500,000,000 of Notes, from time to time during the period January 1, 2009, through December 31, 2009, for the purposes and under the terms and conditions set forth in the application.

(2) Applicant is hereby authorized to enter into agreements and assume obligations necessary for the payment of principal, interest, and costs associated with the issuance and sale of up to $50,000,000 of SWDF Bonds from the date of this Order through December 31, 2009, for the purposes and under the terms and conditions set forth in the application.

(3) Applicant is authorized to enter into hedging agreements for the purposes set forth in its application and to the extent that the aggregate notional amount outstanding does not exceed $500,000,000 for underlying Notes and $50,000,000 for underlying SWDF Bonds through December 31, 2009

[1] Pursuant to the Commission's Order Granting Authority dated December 7, 2007, in Case No. PUE-2007-00093, APCO's existing authority to utilize IRMAs is set to expire after December 31, 2008.

(4) Applicant is authorized to enter into IRMAs for the purposes set forth in its application and to the extent that the aggregate notional amount outstanding does not exceed 25% of Applicant's total outstanding debt obligations during the period January 1, 2009, through December 31, 2009.

(5) Applicant shall not enter into any IRMA or hedging transaction involving counterparties having credit ratings of less than investment grade.

(6) Applicant shall submit to the Clerk of the Commission a preliminary Report of Action within ten (10) days after the issuance of any security pursuant to this Order to include the type of security, the issuance date, the amount of the issue, the interest rate or yield, the maturity date, and any securities retired with the proceeds.

(7) Applicant shall submit to the Clerk of the Commission a preliminary Report of Action within ten (10) days after it enters into any hedging agreement or IRMA pursuant to Ordering Paragraphs (3) and (4) to include: the beginning and, if established, ending dates of the agreement, the notional amount, the underlying securities on which the agreement is based, an explanation of the general terms of the agreement that explain how the payment obligation is determined and when it is payable, and a calculation of the cumulative notional amount of all outstanding IRMAs as a percent of total debt outstanding.

(8) Within 60 days after the end of each calendar quarter in which any security is issued pursuant to this Order, Applicant shall file with the Clerk of the Commission a more detailed Report of Action to include: the type of security issued, the date and amount of each series, the interest rate or yield, the maturity date, net proceeds to Applicant, an itemized list of expenses to date associated with each issue, a description of how the proceeds were used, a list of all hedging agreements and IRMAs associated the debt issued, and a balance sheet reflecting the actions taken.

(9) Applicant's Final Report of Action shall be due on or before March 1, 2010, to include the information required in Ordering Paragraph (8) in a cumulative summary of actions taken during the period authorized.

(10) Approval of the application shall have no implications for ratemaking purposes.

(11) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to §56-79 of the Code of Virginia.

(12) This matter shall remain under the continued review, audit, and appropriate action of this Commission.

CASE NO. PUE-2008-00104
DECEMBER 16, 2008

APPLICATION OF
ATMOS ENERGY CORPORATION
and
ATMOS ENERGY HOLDINGS, INC.

For authority to incur short-tem debt and to lend and borrow short-term funds to and with its affiliate

ORDER GRANTING AUTHORITY

On October 24, 2008, Atmos Energy Corporation ("Atmos" or "Company") and Atmos Energy Holdings, Inc. ("AEH") (collectively "Applicants"), filed an application with the State Corporation Commission ("Commission") under Chapters 3 and 4 of Title 56 of the Code of Virginia (Va. Code §§ 56-55 *et seq.* and 56-76 *et seq.*) requesting authority to incur short-term indebtedness up to a maximum of $918,000,000 between January 1, 2009, and December 31, 2009. The amount of short-term debt requested in the application is in excess of twelve percent (12%) of total capitalization as defined in § 56-65.1 of the Code of Virginia. Atmos also requests authority to lend and borrow short-term funds to and from its affiliate in an amount not to exceed $200,000,000 at any one time during 2009. Applicants paid the requisite fee of $250.

Atmos proposes to incur short-term indebtedness by making drawdowns under existing credit facilities, new lines of credit, or through the use of its commercial paper program. Atmos has in place three credit facilities and is negotiating a fourth credit facility totaling $918,000,000 of available credit. Under any of the credit facilities, the interest rate may be negotiated at the time of drawdown or based on the then prevailing London InterBank Offered Rate ("LIBOR"). Under the commercial paper program, the interest rate is set daily based on market conditions. Atmos states that the funds will be used to maintain its construction budget, to acquire additional assets, to redeem maturing long-term debt securities, to provide working capital, to provide for maximum peak day gas purchases, and for other general corporate purposes.

Atmos also proposes to continue to borrow and lend to AEH, its wholly-owned subsidiary, through a $200,000,000 short-term cash credit facility ("Affiliate Facility") for calendar year 2009. The requested loan to AEH will support the natural gas supply procurement efforts of Atmos Energy Marketing, LLC ("AEM"), another wholly-owned subsidiary of Atmos, on behalf of, among others, Atmos. The Affiliate Facility will also supply cash working capital needs and financing of capital construction projects for Atmos Storage and Pipeline, LLC, Atmos Energy Services, LLC, and Atmos Power Systems, Inc. The interest rate on AEH loans from Atmos under the Affiliate Facility will be based on the higher of the one-month LIBOR plus 200 basis points or the AEM borrowing rate from its uncommitted, secured revolving letter of credit facility ("Stand Alone Facility") plus 75 basis points. Loans from AEH to Atmos will be priced at the lesser of the one-month LIBOR plus 45 basis points or the AEM borrowing rate under the Stand Alone Facility.

According to the application, the proposed $200,000,000 Affiliate Facility will entail relatively modest risk to Atmos as to any impact on financial standing or as to any impact on Virginia regulated operations. Atmos states that AEH's subsidiaries are growing and providing more credit support for the Affiliate Facility. Applicants provide additional information showing that borrowings under the Affiliate Facility decreased last year compared to prior years. In addition, the Stand Alone Facility was increased during fiscal 2006 from $250,000,000 to $580,000,000, which further demonstrates AEH's

ability to provide for its own financial needs and a limited reliance on Atmos. Applicants also state that AEH is the guarantor of all amounts outstanding under the Stand Alone Facility. The financial institutions that provide the Stand Alone Facility have no recourse to Atmos' regulated utility assets.

The application also represents that when the Commission authorized an Affiliate Facility limit of $100,000,000 in 2003, the limit represented 7.1% of Atmos' total capitalization. The current requested Affiliate Facility limit of $200,000,000 represents 4.61% of Atmos' capitalization as of June 30, 2008. Atmos estimates that its total investment in AEH, represented by its equity investment and maximum of $200,000,000 of short-term loans, represents approximately 12.78% of total capitalization as of June 30, 2008.

NOW THE COMMISSION, upon consideration of the applications and having been advised by its Staff, is of the opinion and finds that, subject to the conditions provided herein, approval of the applications will not be detrimental to the public interest.

ACCORDINGLY, IT IS ORDERED THAT:

(1) Applicants are hereby authorized to incur short-term indebtedness up to $918,000,000 at any one time between the January 1, 2009, and December 31, 2009, under the terms and conditions and for the purposes set forth in the application.

(2) Atmos is hereby authorized to borrow and lend short-term funds from and to AEH up to an aggregate amount of $200,000,000 between January 1, 2009, and December 31, 2009, under the terms and conditions and for the purposes set forth in the application.

(3) Applicants shall file no later than June 1, 2009, a report of action stating the major components of the renewed Stand Alone Facility agreement, including the new credit limit, date of maturity, and the interest rate index.

(4) Applicants shall file with the Commission quarterly reports of action no later than May 15, 2009, August 14, 2009, and November 16, 2009, 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 separate from AEH borrowings, the average monthly balance, the average monthly interest rate, and the monthly maximum amount of short-term debt outstanding.

(5) Applicants shall submit to the Commission a final report of action on or before February 26, 2010, providing the information required in ordering paragraph (4) above for the fourth calendar quarter of 2009. The final report of action shall also include a summary schedule of fees paid by Atmos in 2009 for each line of credit, credit facility, bank facility or loan, with dates of origination and maturity for each provider of credit in effect during 2009.

(6) Applicant shall provide to the Division of Economics and Finance the quarterly financial reports for AEH that are provided to its lenders at the same time such reports are provided to the lenders.

(7) Commission approval shall be required for any subsequent changes in the terms and conditions of the Affiliate Facility.

(8) The authority granted herein shall not preclude the Commission from applying to Applicants the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(9) The Commission reserves the right to examine the books and records of any affiliate of Applicants in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

(10) Should Applicants wish to obtain authority beyond calendar year 2009, Atmos shall file an application requesting such authority no later than November 14, 2009.

(11) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUE-2008-00105
NOVEMBER 18, 2008

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to enter into interest rate swap agreements

ORDER GRANTING AUTHORITY

On October 31, 2008, Washington Gas Light Company ("the Company" or "WGL") filed an application with the Virginia State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia seeking authority to enter into up to $150,000,000 in interest rate swap agreements. WGL has paid the requisite fee of $250.

WGL requests authority to enter into one or more interest rate swap agreements up to a notional principal amount outstanding at one time of $150,000,000, for the period beginning from the date of Commission authorization to September 30, 2011. According to the Company, it is exposed to volatile interest rates that are not behaving rationally in the current market conditions. The Company presents as an example, its $50 million of outstanding floating rate notes ("FRN") issued on August 26, 2008, at an interest rate based on the three-month London Interbank Offered Rate ("LIBOR"). According to the application, the interest rate was initially set at the then current LIBOR of 2.81%. By October 10, 2008, the three-month LIBOR had climbed to 4.82%. WGL further states that, although LIBOR has fallen from its peak level, it remains irrationally high compared to other short-term rates, such as the Federal Funds Rate. Under any swap agreement entered into by the Company, WGL will pay a fixed rate of interest and receive a floating rate of interest on a predetermined notional principal amount, effectively hedging any volatility from LIBOR embedded in its FRNs. Under the terms of the FRNs the interest

rate is reset on February 26, May 26, August 26 and November 26. Therefore, the Company is seeking expedited authority to enter into one or more fixed for floating interest rate swap agreements prior to the next re-pricing of its FRNs.

THE COMMISSION, upon consideration of the application, and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. We note that WGL provided an example of an interest rate swap it may enter into with the qualification that the ". . . example below is offered only to illustrate the mechanics of a potential interest rate swap, and does not reflect the terms and conditions of any specific transactions the Company may in fact undertake." However, we believe it is appropriate to place parameters on the authority granted herein. First, the notional principal amount of the interest rate swap agreement must equal the principal amount of the debt to be hedged. Secondly, the term of the interest rate swap agreement must not exceed the maturity of the underlying debt to be hedged. Third, the index used to determine the interest rate on the floating rate embedded in the interest rate swap agreement must be the same index associated with the debt to be hedged.

Accordingly, IT IS ORDERED THAT:

1) Washington Gas Light is authorized to enter into interest rate swap agreements through September 30, 2011, under the terms and conditions and for the purposes as described in its application.

2) The aggregate notional amount of all interest rate swap agreements entered into pursuant to this Order shall not exceed $150,000,000 outstanding at any one time.

3) The notional principal amount of interest rate swap agreement shall not exceed the principal amount of underlying debt to be hedged.

4) The maturity date of any interest rate swap agreement shall not exceed the maturity date of the underlying debt to be hedged.

5) The floating rate portion of any interest rate swap agreement shall be based on the same index as the rate on the underlying debt to be hedged.

6) WGL shall file a Report of Action within sixty (60) days after the end of each calendar quarter through November 30, 2011, in which the Company entered into interest rate swap agreements pursuant to the authority granted herein. Such report shall include the number of such transactions WGL is or has been a party to, the date the transaction was entered into, the maturity date of each transaction, the notional amount of each transaction, the fixed and floating interest rates associated with each transaction, and an identification of the debt on WGL's balance sheet intended to be hedged.

7) Approval of the application shall have no implications for ratemaking purposes.

8) The Commission may revoke or modify the authority granted herein at any point in the future if it believes such revocation and/or modification is in the public interest.

9) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUE-2008-00107
DECEMBER 23, 2008

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 November 3, 2008, Columbia Gas of Virginia, Inc., ("CGV" or "Company") filed an application with the State Corporation Commission ("Commission") under Chapters 3 and 4 of Title 56 of the Code of Virginia (§§ 56-55 *et seq.* and 56-76 *et seq*.) requesting authority to issue long-term debt to an affiliate and to participate in an intrasystem money pool arrangement with an affiliate. The application requests authority to borrow up to $150,000,000 in short-term debt through the Money Pool between January 1, 2009, and December 31, 2010. 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 of Virginia. CGV paid the requisite fee of $250.

CGV also proposes to issue up to $75,000,000 of new promissory notes ("New Notes"), to NiSource Finance Corp. between January 1, 2009 and December 31, 2010. The proceeds from the New Notes will be used to finance a portion of its construction program that is projected to be $168,881,000 during 2008-2010. The interest rate on any New Notes will be determined by the corresponding applicable US Treasury yield effective on the date a New Note is issued, plus the yield spread on corresponding maturities for companies with a credit risk profile equivalent to that of NiSource Finance Corp. effective on the date a New Note is issued.

In addition, CGV proposes to continue to participate in the NiSource System Money Pool ("Money Pool") under the NiSource System Money Pool Agreement for the period January 1, 2009, through December 31, 2010. CGV requests authority to borrow up to $150,000,000 in short-term debt through the Money Pool. CGV states that the Money Pool proceeds will be used to maintain its construction budget, to acquire additional assets, to provide working capital, to provide for maximum peak day gas purchases, to pay dividends, and for other general corporate purposes.

CGV notes in the application that it received Commission authority to participate in the Money Pool in Case No. PUE-2005-00089. CGV was authorized to borrow up to $75,000,000 from January 1, 2006 through October 20, 2008, and by Order dated October 21, 2008, CGV was granted authority through December 31, 2008, to borrow up to $125,000,000 from the Money
Pool.

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) CGV is hereby authorized to issue and sell New Notes to NiSource Finance Corp., up to a maximum amount of $75,000,000, between January 1, 2009, and December 31, 2010, under the terms and conditions and for the purposes set forth in the application.

(2) CGV is hereby authorized to incur short-term indebtedness through the Money Pool in excess of twelve percent (12%) of total capitalization, provided that such debt does not exceed $150,000,000 at anyone time between January 1, 2009, and December 31, 2010, under the terms and conditions and for the purposes set forth in the application.

(3) CGV shall file annually for 2009 and 2010, with the Clerk of the Commission quarterly reports of action no later than February 15, May 15, August 15, and November 15 of each year, reporting on its Money Pool activities during the previous calendar quarter. Such reports shall include a monthly schedule of daily short-term borrowings and investment by CGV, the average monthly balance, the average monthly interest rate, and the monthly maximum amount of short-term debt outstanding. The February 15 report shall also include an annual schedule of allocated credit facility fees charged to CGV.

(4) CGV shall submit to the Clerk of the Commission a final report of action on or before February 28, 2011, providing the information required in ordering paragraph (3) above for the fourth calendar quarter of 2010.

(5) Commission approval shall be required for any subsequent changes in the terms and conditions of the Money Pool.

(6) The authority granted herein shall not preclude the Commission from applying to CGV 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 of CGV in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

(8) Should CGV wish to obtain authority beyond calendar year 2010, it shall file an application requesting such authority no later than November 1, 2010. Such application shall also include proforma sources and uses of funds schedules for the next three years; a monthly projection of money pool borrowing and lending balances ; and documentation supporting the need for requested short-term borrowing limit, Money Pool investment limit, and long-term debt financing activity.

(9) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUE-2008-00108
DECEMBER 4, 2008

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For Authority to Issue Additional Short-Term Debt and to Engage in an Affiliate Transaction

ORDER GRANTING AUTHORITY

On November 12, 2008, Washington Gas Light Company (the "Company" or "WGL") filed an application with the State Corporation Commission ("Commission") under Chapters 3 and 4 of Title 56 of the Code of Virginia seeking authority to increase its short-term debt limit by $50,000,000[1] and to borrow up to $50,000,000 from an affiliate, WGL Holdings, Inc. ("Holdings"). WGL has paid the requisite fee of $250.

According to the application, due to uncertainty and illiquidity in current financial markets, the Company seeks to increase its short-term borrowing limit to increase its financing flexibility and to provide it with access to additional liquidity during the peak period of the heating season's financing requirements. As such, the Company requests the increased limit from the date of Commission approval through February 28, 2009. Moreover, the Company represents that a prudent short-term financing strategy would include flexibility for WGL to have the option to borrow funds on a short-term basis directly from Holdings during this period. WGL proposes to execute a Credit Agreement and a Line of Credit Note with Holdings to evidence such borrowings.

Although the additional borrowings will likely be in the form of commercial paper issuances, the Company is in the process of securing additional back-up lines of credit to support the increase in borrowing capacity. The Company expects to pay approximately 15 basis points for these back-up facilities. The interest rate on any borrowings will be determined at the time of issuance and will be based upon market conditions at the time of issuance. According to the Company, the interest rate on any intercompany borrowings will be consistent with Commission directives that the rate be the lower of cost or market. The proceeds will be used to fund its peak short-term debt requirements for the heating season and for other purposes as permitted under § 56-58 of the Code of Virginia.

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.

[1] In Case No. PUE-2008-00047, the Commission, among other things, authorized WGL to borrow up to $400 million in short-term debt securities during the three-year period of October 1, 2008 through September 30, 2011.

Accordingly, IT IS ORDERED THAT:

1) WGL is authorized to borrow an additional $50,000,000 in short-term debt from the date of the entry of this Order through February 28, 2009, provided its aggregate short-term borrowing does not exceed $450,000,000, all under the terms and conditions and for the purposes as described in its application.

2) WGL is authorized to borrow up to $50,000,000 in short-term debt from Holdings and to execute a Credit Agreement and a Line of Credit Note with Holdings under the terms and conditions and for the purposes as described in its application.

3) WGL shall file a report of action on or before April 30, 2009, to detail any borrowings made pursuant to the authority granted herein. Such reports shall include the type, amount, issuance date, maturity, and interest rate on each borrowing and, for intercompany loans, an explanation of how such rate was determined, the average daily balance and maximum outstanding balance for each month, and any commissions or bank line of credit fees paid in connection with the short-term borrowings.

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.

CASE NO. PUE-2008-00110
DECEMBER 19, 2008

APPLICATION OF
VIRGINIA NATURAL GAS, INC.,
AGL RESOURCES INC.,
and
AGL SERVICES COMPANY

For authority to issue short-term debt, long-term debt, and common stock to an affiliate

ORDER GRANTING AUTHORITY

On November 14, 2008, Virginia Natural Gas, Inc. ("VNG"), AGL Resources Inc., ("AGLR"), and AGL Services Company ("AGL Services") (collectively, "Applicants"), filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority for VNG to participate in an AGLR Utility Money Pool, to issue and sell common stock to an affiliate, and to issue long-term debt to an affiliate. On December 12, 2008, Applicants filed an errata supplement to the application financing summary. The amount of short-term debt, including money pool transactions proposed in the application exceed twelve percent of the total capitalization as defined in § 56-65.1 of the Code of Virginia. Applicants paid the requisite fee of $250.

VNG, AGLR, and AGL Services request authorization for VNG to: i) issue short-term debt up to an aggregate balance of $100,000,000 through participation in the AGLR Utility Money Pool administered by AGL Services, ii) issue long-term debt to AGLR in an amount not to exceed $250,000,000, and iii) issue and sell common stock to AGLR in an amount not to exceed $300,000,000, all through December 31, 2009.

Applicants note that the requested level of authority to issue short-term debt, long-term debt, and common stock in this case is identical to the limits previously authorized in Case Nos. PUE-2007-00108, PUE-2006-00119, PUE-2005-00104, PUE-2004-00132 and PUE-2003-00548, among other cases. Terms of significance will vary with respect to the particular type of security as noted in the Application.

All short-term borrowings will be in accordance with the Utility Money Pool Agreement that remains unchanged as approved by the Commission's Order Granting Authority in Case No. PUE-2004-00132. 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 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 commercial paper ("External Funds"), the daily rate will reflect the weighted average cost of External Funds. In months when borrowings are supported by Internal and External Funds, the rate will reflect a composite rate, equal to the weighted average cost of Internal 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 AGLR, any terms and conditions thereon will mirror the terms and conditions of debt issued by AGLR. If AGLR does not issue long-term debt within one year from the date of the proposed financings, the rate of interest will be determined utilizing the nearest 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 AGLR's existing long-term debt rating. However, such rate will be adjusted to match AGLR's cost of borrowing if AGLR subsequently issues long-term debt within one year after the loan is drawn.

For common stock, VNG requests authority to issue up to 6,282 shares of common stock without par value to AGLR. If all additional shares of common stock are issued pursuant to this request, the total number of common shares outstanding will be 10,000 shares. This is equal to the 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 fund major distribution system capital improvement projects including the Hampton Roads crossing, to pay other obligations of VNG, and for other proper public utility purposes.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) VNG is authorized to participate in the AGLR Utility Money Pool and to incur short-term indebtedness in excess of twelve percent of capitalization not to exceed $100,000,000, for the period January 1, 2009, through December 31, 2009, under the terms and conditions and for the purposes set forth in the captioned application.

(2) VNG is hereby authorized to issue long-term debt to AGLR in an amount not to exceed $250,000,000 and to issue and sell common stock to AGLR in an amount not to exceed $300,000,000, through December 31, 2009, under the terms and conditions and for the purposes set forth in the captioned application.

(3) 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.

(4) Should Applicants seek to extend the authority for VNG to participate in the Utility Money Pool beyond December 31, 2009, Applicants shall file an application requesting such authority no later than November 15, 2009.

(5) Approval of this application shall have no implications for ratemaking purposes.

(6) Approval of this application does not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(7) Applicants shall provide the Commission's Division of Economics and Finance with at least thirty (30) days advance notice of the prospective amount and date of any dividend payment by VNG to AGLR.

(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) Applicants shall file quarterly reports of action within 60 days of the end of each calendar quarter following the date of this order, to include:

a) a monthly schedule of Utility Money Pool borrowings, segmented by borrower (whether VNG or affiliate); and

b) monthly schedules that separately reflect interest expenses, each type of allocated fee, and an explanation of how both the interest rate and allocated fee have been calculated.

(10) 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.

(11) 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 Ordering Paragraph (10) above, the cumulative amount of securities issued to date for each type of security and the amount authorized but unissued securities that remain, a general statement concerning the purposes for which the securities were issued, and a balance sheet reflecting the actions taken.

(12) Applicants shall file their final report of action with the Commission on or before March 1, 2010, to include all of the information outlined in Ordering Paragraphs (9) and (11) herein, summarizing the financings entered into pursuant to Ordering Paragraphs (1) and (2) during the fourth calendar quarter of 2009.

(13) This matter shall be continued subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUE-2008-00111
DECEMBER 23, 2008

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To exempt from Chapter 4 filing and prior approval requirement of ingress/egress agreement

ORDER GRANTING EXEMPTION

On November 21, 2008, Virginia Electric and Power Company ("Dominion Virginia Power" or "DVP") filed a request with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 ("Affiliates Act") of the Code of Virginia ("Code"), seeking an exemption from the filing and prior approval requirement of the Affiliates Act for an ingress/egress agreement with Dominion Transmission, Inc. ("DTI").

Dominion Virginia Power is a public service corporation that provides electric service to customers within its service territory in Virginia and North Carolina. It is a wholly-owned subsidiary of Dominion Resources, Inc. ("Dominion") . Dominion is a "holding company" as defined in the Public Utility Holding Company Act of 2005 ("PUHCA 2005") and is subject to regulation as such under PUHCA 2005 by the Federal Energy Regulatory Commission. DTI is a wholly-owned subsidiary of Dominion. Dominion Virginia Power and DTI are, therefore, considered affiliated interests as defined in § 56-76 of the Code.

More specifically, DVP requests an exemption from the filing and prior approval requirement for an ingress/egress agreement ("Agreement") with DTI. Dominion proposes to charge DTI $27,800.00, which consists of the current market value of the easement based on an independent appraisal conducted of the property, plus DVP's internal administrative costs. DVP states that it is the same process that it would follow for non-affiliates. DVP states that the Agreement is a standard form that it uses to enter into ingress/egress agreements with non-affiliates. For these reasons, DVP requests an exemption from the filing and prior approval requirement of the Affiliates Act.

NOW THE COMMISSION, having considered the application and applicable law, and having been advised by its Staff of its recommendation that the requested exemption is in the public interest and should be granted, is of the opinion and finds that Dominion Virginia Power should be granted an exemption pursuant to § 56-77 B of the Code to enter into the ingress/egress agreement with DTI as described in its application.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 B of the Code, Dominion Virginia Power is hereby granted an exemption from the filing and prior approval requirement.

(2) Dominion Virginia Power shall include the ingress/egress agreement in its Annual Report of Affiliate Transactions submitted to the Commission's Director of Public Utility Accounting.

(3) This case is hereby dismissed.

CASE NO. PUE-2008-00113
DECEMBER 29, 2008

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval of a consolidated FSS Service Agreement that supersedes previously effective FSS Service Agreements with Columbia Gas Transmission Corporation under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On November 25, 2008, Columbia Gas of Virginia, Inc. ("CGV" or "Applicant"), filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval of a consolidated Firm Storage Service ("FSS") Service Agreement ("Amended Agreement") that supersedes four previously effective FSS Service Agreements with Columbia Gas Transmission Corporation ("TCO") under Chapter 4 of Title 56 ("Affiliates Act") of the Code of Virginia ("Code"). CGV also requests that the Commission approve this request without the necessity of a public hearing and to provide further relief as may be appropriate.

The Applicant is a Virginia public service corporation and natural gas distribution company serving approximately 240,000 residential, commercial, and industrial customers located in Northern, Central, Southeast and Southwest Virginia as well as the Shenandoah Valley of Virginia. CGV is a wholly-owned subsidiary of the Columbia Energy Group, which is a wholly-owned subsidiary of NiSource, Inc. ("NiSource").

TCO is an interstate natural gas pipeline company regulated by the Federal Energy Regulatory Commission ("FERC") that transports approximately 3 billion cubic feet ("bcf") of natural gas per day through a 12,000-mile pipeline network located in 10 states, including Delaware, Kentucky, Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Virginia and West Virginia. TCO also owns and operates 37 storage fields in four states with nearly 600 bcf in total capacity. TCO is a wholly-owned subsidiary of the Columbia Energy Group, which is a wholly-owned subsidiary of NiSource.

NiSource is an energy holding company organized pursuant to the Public Utility Holding Company Act of 2005 whose subsidiaries provide natural gas transmission, storage and distribution, electric generation, transmission and distribution, and other products and services to approximately 3.8 million customers located within a corridor that runs from the Gulf Coast through the Midwest to New England. For the year ending December 31,

2007, NiSource reported consolidated revenues of $7.94 billion and net income of $321 million. NiSource currently employs 7,607 people and has a market capitalization of $3.1 billion.

Since CGV and TCO share the same senior parent company, NiSource, the companies are considered affiliated interests under § 56-76 of the Code. As such, CGV must obtain approval from the Commission pursuant to the Affiliates Act prior to entering into any contract or arrangement between the companies to provide or receive services.

In Case No. PUA-1995-00025,[1] the Commission recognized that market conditions may not reasonably allow CGV to obtain prior approval under the Affiliates Act for certain gas supply-related transactions with its affiliates. Therefore, the Commission approved CGV's Policy for Executing Revised or New Transportation Agreements with Affiliates ("Gas Supply Policy") in its Order Granting Approval ("GSP Order"), which allowed CGV to enter into gas supply-related arrangements with TCO without obtaining prior approval from the Commission with the understanding that CGV would provide the specifies of the arrangement to the Commission subsequent to the execution of the agreements.

In Case No. PUE-2004-00013,[2] the Commission clarified the GSP Order ("Clarification Order") to require CGV to provide immediate notice to the Commission as soon as a gas supply-related agreement subject to the Gas Supply Policy becomes binding and to file for Affiliates Act approval of the agreement within 45 days after its execution. CGV met the requirements of both the GSP Order and the Clarification Order in the instant Application.

CGV represents that the Application is its response to a change in TCO's administration of FSS Service Agreements. Prior to August 1, 2008, TCO permitted shippers with multiple FSS agreements, such as CGV, to aggregate their storage contracts for administrative purposes. Under this arrangement, CGV aggregated for operational purposes four FSS agreements totaling 127,487 dth of MDSQ[3] and 7,300,845 of SCQ.[4] The FSS Agreements were initially approved in Case Nos. PUA-1996-00034[5] and PUE-2004-00073.[6] Since three of the FSS agreements were relatively small, the aggregation arrangement significantly reduced CGV's administrative burden and allowed it to maximize its storage operation flexibility.

Early in 2008, TCO informed its shippers that it was discontinuing the aggregation arrangement and, henceforward, shippers with multiple FSS contracts would be required to administer each of their FSS contracts individually through the use of pre-determined allocations effective with the August 1, 2008, launch of ***Navigates***, TCO's new Electronic Bulletin Board. However, CGV obtained TCO's consent to consolidate its four FSS contracts into a single FSS agreement effective November 1, 2008.

The Applicant represents that there are several benefits to the proposed consolidation of the FSS agreements. First, the administration of four separate FSS contracts requires the daily scheduling of four separate FSS injections or withdrawals, the calculation and tracking of four separate storage balances, and the allocation of storage usage among four separate FSS contracts, which increases CGV's chances of exposure to penalties and limitations associated with injection overruns, withdrawal overruns, and storage inventory. CGV asserts that the proposed consolidation simplifies the contract administration, oversight, tracking and allocation efforts that are required to operate within the contract parameters of TCO's FSS tariff. Second, CGV believes that, with four separate FSS agreements, the risk that storage deliverability is reduced on one or more of the contracts prior to the others increases, which reduces operational flexibility. CGV represents that the Amended Agreement will preserve its operational flexibility by maximizing its ability to manage deliverability reductions or ratchets during the winter season as storage volumes are withdrawn. Finally, CGV represents that there are no substantive changes in the pricing, terms and conditions between the four existing FSS agreements and the Amended Agreement.

NOW THE COMMISSION, upon consideration of the Application and representations of the Applicant and having been advised by its Staff, makes the following findings. The proposal to consolidate the four FSS agreements into a single FSS agreement is a logical response to TCO's decision to end its practice of allowing shippers to aggregate multiple FSS agreements. The Amended Agreement should simplify CGV's contract administration and reduce its chances of exposure to penalties or limitations due to storage injection, withdrawal, or inventory overruns while maintaining its operational flexibility. Finally, there does not appear to be any substantive changes in the pricing, terms and conditions between the four existing FSS agreements and the Amended Agreement. Therefore, we find that the proposed Amended Agreement is in the public interest and should be approved subject to certain requirements as outlined below.

First, we will retain for existing and prospective gas supply-related agreements between CGV and its affiliates the Commission notice and filing requirements that we previously required in the GSP Order and the Clarification Order. Second, we will require separate Affiliates Act approval for any prospective changes in the terms and conditions of the Amended Agreement. Third, our approval in this case will have no ratemaking implications. And finally, we will require all transactions that take place under the Amended Agreement to be included in CGV's Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's Director of Public Utility Accounting ("PUA Director") each year.

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[1] *Application of Commonwealth Gas Services, Inc., For approval of agreements with affiliates*, Case No. PUA-1995-00025, 1996 S.C.C. Ann. Rept. 118, Order Granting Approval (July 18, 1996). Commonwealth Gas Services, Inc., changed its name to Columbia Gas of Virginia, Inc., effective January 16, 1998.

[2] *Application of Columbia Gas of Virginia, Inc., For approval of a firm transportation service agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2004-00013, 2004 S.C.C. Ann. Rept. 432, Order Granting Approval (Apr. 13, 2004).

[3] MDSQ = Maximum Daily Storage Quantity = Represents the maximum amount of natural gas that can be injected or withdrawn each day under a FSS contract.

[4] SCQ = Storage Contract Quantity = Represents the maximum amount of gas that can be stored under a FSS contract.

[5] *Application of Commonwealth Gas Services, Inc., For approval of transactions with Columbia Gas Transmission Corporation*, Case No. PUA-1996-00034, 1997 S.C.C. Ann. Rept. 151, Order Granting Approval (June 27, 1997).

[6] *Application of Columbia Gas of Virginia, Inc., For approval of firm transportation service, firm storage service, storage service transportation, and liquefied natural gas storage service agreements pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2004-00073, 2004 S.C.C. Ann. Rept. 482, Order Granting Approval (Aug. 3, 2004).

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, Columbia Gas of Virginia, Inc., is hereby granted approval of the Amended Agreement as described herein and consistent with the findings set out above.

(2) The notice and filing requirements for gas supply-related agreements between CGV and its affiliates set forth in the July 18, 1996, Order Granting Approval in Case No . PUA-1995-00025 and the April 13, 2004, Order Granting Approval in Case No . PUE-2004-00013 shall apply to the Amended Agreement and any successor agreements.

(3) Commission approval shall be required for any changes in the terms and conditions of the Amended Agreement, including successors or assigns.

(4) The approval granted herein shall have no ratemaking implications. Specifically, the approval granted in this case shall not guarantee the recovery of any costs directly or indirectly related to the Amended Agreement.

(5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(6) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by this Commission.

(7) CGV shall include the transactions associated with the Amended Agreement approved herein in its ARAT submitted to the PUA Director by May 1 of each year, subject to administrative extension by the PUA Director.

(8) In the event that annual informational filings or expedited or general rate case filings are not based on a calendar year, then CGV shall include the affiliate information contained in the ARAT in such filings.

(9) The approval granted herein shall supersede the three related FSS agreement approvals granted in Case No. PUA-1996-00034 and the related FSS agreement approval granted in Case No. PUE-2004-00073.

(10) There appearing nothing further to be done in this matter, it hereby is dismissed.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

CASE NO. SEC-1999-00031
JUNE 17, 2008

COMMONWEALTH OF VIRGINIA, ex. rel.
STATE CORPORATION COMMISSION
v.
MAGIC CONCEPTS, INC.,
Defendant

FINAL ORDER

On January 30, 2008, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Defendant, Magic Concepts, Inc. ("MCI") for contempt. The Rule alleged that MCI: (i) violated § 13.1-504 B of the Act by employing unregistered agents and (ii) violated § 13.1-507 of the Act by offering and selling unregistered securities. The Rule also alleged the Defendant was in violation of a previously entered Settlement Order with the Commission.

The Rule assigned the matter to a Hearing Examiner, scheduled an evidentiary hearing for March 18, 2008, and ordered the Defendant to appear at the hearing to show cause why they should not be penalized pursuant to § 13.1-521 of the Act for the alleged violations of the Act as set forth in the Rule.

On March 13, 2008, counsel for the Division of Securities and Retail Franchising filed a Motion for Default Judgment alleging that the Defendant had failed to file an answer or other responsive pleading by the date set forth in the Rule. An affidavit from Investigator Marc Bantel, with attached exhibits supporting the allegations, accompanied the Motion for Default Judgment.

On March 18, 2008, the matter was heard by Deborah Ellenberg, Chief Hearing Examiner. Counsel appearing at the hearing was Gauhar R. Naseem, Esquire, for Commission Staff. Although the Defendant received notice of the hearing and was properly served, the Defendant failed to appear at the hearing. The testimony of Marc Bantel, in the form of an affidavit and attached exhibits supporting the allegations, was marked as an exhibit and admitted into the record. Counsel for the Staff moved for a default judgment based on the Defendant's failure to file a responsive pleading and appear at the hearing.

On March 21, 2008, the Hearing Examiner issued her Report. In her Report, she found that based on the evidence presented: (1) the Defendant was in Default; (2) the Defendant was in violation of a previously entered Settlement Order; (3) the Defendant should be penalized $310,000; and (4) that $300,000 of such penalty should be waived if each investor is offered rescission, if each investor accepting the offer of rescission is paid, if all other provisions of the previously entered Settlement Order are fulfilled within ninety (90) days of a Commission order, and proof of compliance satisfactory to the Division is filed with the Commission. The Chief Hearing Examiner recommended that the Commission enter a Judgment Order that adopts the findings in her Report and that the Commission retain jurisdiction in this matter for all purposes, including the institution of additional show cause proceedings, or taking such other action deemed appropriate on account of Defendant's failure to comply with the previously entered Settlement Order or this order.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Chief Hearing Examiner's ruling, and the applicable statutes, is of the opinion and finds that: (1) the Division established by clear and convincing evidence that the Defendant violated the statutes and regulations as set forth in the Rule; and (2) the Hearing Examiner's findings and recommendations are reasonable and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the March 21, 2008, Chief Hearing Examiner's Report are hereby adopted;

(2) In accordance with the Commission's regulatory duties and powers and pursuant to § 13.1-421 of the Act, judgment is entered for the Commonwealth against the Defendant, and a civil penalty of $310,000 shall be imposed on the Defendant for the violations of the Act as described herein;

(3) Three hundred thousand dollars ($300,000) of such penalty will be waived if each investor is offered rescission, if each investor accepting the offer of rescission is paid, if all other provisions of the previously entered Settlement Order are fulfilled within ninety (90) days of a Commission order, and proof of compliance satisfactory to the Division is filed with the Commission;

(4) Pursuant to § 13.1-519 of the Act, the Defendant is hereby enjoined from any further violations of the Act; and

(5) The Commission retains jurisdiction in this matter for all purposes, including the institution of additional show cause proceedings, or taking such other action deemed appropriate on account of Defendant's failure to comply with the previously entered Settlement Order or this Order.

CASE NO. SEC-1999-00065
MAY 22, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LYTLE EARL FOGLESONG,
Defendant

ORDER

On January 30, 2008, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Lytle Earl Foglesong ("Defendant"), based upon allegations made by the Division of Securities and Retail Franchising ("Division"). Among other things, the Rule assigned the matter to a Hearing Examiner; ordered the Defendant to file, on or before February 22, 2008, a responsive pleading; and scheduled a hearing on March 25, 2008.

By ruling dated March 21, 2008, the case was continued generally to allow the parties time to continue settlement negotiations.

On April 9, 2008, counsel to the Division filed a Motion to Dismiss ("Motion"). In support of its Motion, counsel stated the Defendant, by counsel, represented to the Division and counsel for the Division that he has been making regular payments to a restitution fund in accordance with a federal order entered in the United States District Court for the Western District of Virginia on June 8, 2004. Through investigation, the Division concluded that the Virginia investors are included as victims and the Defendant is in compliance with the federal order. The Division requested that the matter be dismissed without prejudice.

On April 10, 2008, the Chief Hearing Examiner issued her report and made the following findings and recommendations:

(1) The Division's Motion should be granted.

(2) The case should be dismissed without prejudice.

Upon consideration of the record herein and the Report of the Chief Hearing Examiner, the Commission is of the opinion, and so finds, that the findings and recommendations of the Chief Hearing Examiner should be adopted.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) This case is dismissed without prejudice.

(2) Entry of this Order shall not affect any duty or obligation to disclose the existence or nature of this matter or of any order entered herein.

(3) The papers herein shall be filed among the ended cases.

CASE NO. SEC-1999-00074
JULY 10, 2008

COMMONWEALTH OF VIRGINIA, ex. rel.
STATE CORPORATION COMMISSION
v.
THOMAS GREGORY COOK,
Defendant

SETTLEMENT ORDER

The Division of Securities and Retail Franchising ("Division") of the Virginia State Corporation Commission ("Commission") conducted an investigation of Thomas Gregory Cook ("Defendant"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

Based on that investigation, the Division alleged that the Defendant: (i) violated § 13.1-502(2) of the Act by failing to state the risk associated with securities he offered and by failing to provide investors with material disclosures associated with investments he offered and sold; (ii) violated § 13.1-504 A of the Act by transacting business as an unregistered broker-dealer and as an unregistered agent; (iii) violated § 13.1-504 B of the Act by employing unregistered agents; and (iv) violated § 13.1-507 of the Act by selling numerous unregistered securities.

On January 6, 2000, the Defendant agreed to the entry of a Commission Settlement Order. That Settlement Order was entered on January 19, 2000, and a copy is attached hereto as Exhibit 1. Pursuant to the terms of the Settlement Order, the Defendant agreed to pay a penalty of one million two hundred seventy thousand dollars ($1,270,000) with interest thereon at the rate of nine percent (9%) per year until paid with such penalty being "suspended and remitted" by the Commission on the condition that the Defendant make rescission offers and repay those investors who had lost money with investments made through him in accordance with a repayment schedule filed with the Division. (See Paragraph 1 of undertakings clause, Exhibit 1).

The Defendant initially complied with the Settlement Order by making payments and providing evidence of those payments to the Commission. However, the Division later learned from certain investors that these payments had ceased.

The Defendant is alleged to be in default of the Commission's previously entered Settlement Order.

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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, 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 submit to the Division simultaneously with the entry of this Order an affidavit attesting to the amount each investor invested with the Defendant, the date of investment, the date and amount of each payment that has already been refunded to each investor and the remaining balance owed to each investor under the previously entered Settlement Order.

(2) The Defendant will make one lump sum payment to each investor under the previously entered Settlement Order and to investors under the Defendant's federal criminal restitution order for United States v. T. Greg Cook, et al, Docket No. 5:03CR10054, entered August 16, 2006, within forty-five (45) days from the date of entry of this Order in an amount reflecting fifty percent (50%) of the principal investment of each investor with the Defendant under the previously entered Settlement Order less any amount that has already been refunded to each investor plus a one time simple interest payment of six percent (6%) on this amount.

(3) The Defendant is enjoined from registering as a broker-dealer, broker-dealer agent, agent of an issuer, investment advisor or investment advisor representative as defined by § 13.1-501 of the Act and from selling securities within the Commonwealth for a period of five (5) years.

(4) The Defendant will pay to investors all proceeds from any restitution received by him from William Kerr up to the full amount of each investor's principal investment with the Defendant if and when such restitution is made and notify the Commission of payment to investor and the amount of payment.

(5) The Defendant will submit to the Division an affidavit attesting to the amount paid to every investor under both the Commission Order and Federal Order and the date of such payment along with evidence of such payment within sixty (60) days from the date of entry of this Order.

(6) The Defendant will not violate the Act or an Order of the Commission in the future.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply 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.

CASE NO. SEC-2005-00058
APRIL 2, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LAWRENCE J. HOFFMAN,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Lawrence J. Hoffman ("Defendant"), through registered broker-dealer HFS Capital, Inc., violated § 13.1-507 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, by offering and selling securities that were not registered and were not exempt from registration.

The State Corporation Commission ("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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, 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) In lieu of a penalty, the Defendant has agreed to withdraw the registration of HFS Capital, Inc., and his agent registration effective as of the date of entry of this Order.

(2) The Defendant has agreed to abstain from filing for registration as a broker-dealer, agent, agent of the issuer, investment advisor, or investment advisor representative either as himself or through a company that he is an officer, director, or has controlling interest in a company's business operations for a period of not less than five (5) years from the date of entry of this Order.

(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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply 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.

CASE NO. SEC-2005-00068
JANUARY 16, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
LARRY LEE WHITE, CARL KUEHLING,
and
VINCENT GWIAZDOWSI,
Petitioners,
v.
EARTHWALK COMMUNICATIONS, INC.,
Defendant

ORDER

On October 25, 2007, Larry Lee White, Carl Kuehling, and Vincent Gwiazdowsi ("Petitioners"), by counsel, filed a Petition seeking access to certain records in the possession of the Division of Securities and Retail Franchising ("Division"). In their Petition, the Petitioners requested an order from the State Corporation Commission ("Commission") requiring the Division's disclosure of "confidential" documents obtained by the Division from EarthWalk Communications, Inc. ("EarthWalk") in connection with Case Numbers SEC-2005-00068, SEC-2005-00069 and SEC-2005-00070. EarthWalk produced the pertinent documents to the Commission under seal in accordance with Rule 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.

By Scheduling Order dated October 31, 2007, the Commission directed that EarthWalk be given the opportunity to respond to the Petitioners' Petition. The Commission also directed EarthWalk to address the following issues in its response: (1) whether the pertinent documents should be disclosed to the Petitioners in accordance with Rule 5 VAC 5-20-170; and (2) whether Va. Code § 13.1-518 precludes the disclosure of the pertinent documents. In addition, the Commission directed the Division to file a written response to the Petition addressing issues (1) and (2) set forth above and provided the Petitioners with the opportunity to file a reply to the responses filed by EarthWalk and/or the Division.

On November 19, 2007, the Division filed its Response to Petition wherein it asserted that the pertinent documents should not be disclosed in accordance with Rule 5 VAC 5-20-170. The Division contends that this particular Rule allows for the disclosure of confidential documents—that have been produced to the Commission under seal—only to the parties to a Commission proceeding. The Division also asserts that Va. Code § 13.1-518 (B) prohibits the release of the pertinent documents to the Petitioners because they were obtained by the Commission in the course of a securities investigation.

EarthWalk also filed a response to the Petitioners' Petition. In its Opposition to Petitioners' Petition, EarthWalk asserts that Rule 5 VAC 5-20-170 does not authorize the production of confidential documents, provided to the Commission under seal, to those who are not parties to a Commission proceeding. In addition, EarthWalk contends that Va. Code § 13.1-518 (B) "expressly bars" the disclosure of documents obtained in the course of an investigation to the Petitioners. See EarthWalk's Opposition to Petitioners' Petition, ¶ 4.

On December 10, 2007, the Petitioners filed their Response to Opposition to Petition. In this filing, the Petitioners note that EarthWalk was required, in accordance with the Commission's Settlement Order entered in this case, to disclose the "Arthur Anderson report" to all of its current shareholders, including the Petitioners. See Settlement Order entered on June 14, 2006, in Case Numbers SEC-2005-00068, SEC-2005-00069 and SEC-2005-00070. The Petitioners assert that EarthWalk has failed to provide them with a copy of the Arthur Anderson report in accordance with the Settlement Order. The Petitioners also contend that Va. Code § 13.1-518 (B) does not preclude the production of documents obtained in a securities investigation if such documents are subject to a protective order. Finally, the Petitioners assert that the disclosure of confidential documents in accordance with Rule 5 VAC 5-20-170 is not limited to the parties to Commission proceedings.

NOW THE COMMISSION, having considered the Petition, the responses filed thereto and the Petitioners' reply in support of its Petition, finds that the Petitioners should not be provided with copies of documents that were furnished to the Commission, under seal, in accordance with Rule 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure and that were obtained in the course of an investigation conducted by the Division under the Securities Act, Va. Code § 13.1-501, *et seq.*

Rule 5 VAC 5-20-170 provides in pertinent part:

> A person who proposes in a formal proceeding that information to be filed with or submitted to the commission be withheld from public disclosure on the ground that it contains trade secrets, privileged, or confidential commercial or financial information shall file this information under seal with the Clerk of the Commission, or otherwise submit the information under seal to the commission staff as may be required.

Such information is to be disclosed only to the members of the Commission's staff who are assigned to the relevant matter. See Rule 5 VAC 5-20-170. However, the Rule also provides that the Commission "may . . . require the information to be disclosed to parties to a proceeding under appropriate protective order." Id.

EarthWalk produced the pertinent documentation to the Commission under seal after a formal proceeding had been instituted and in accordance with Rule 5 VAC 5-20-170. See Division's Response to Petition, at p. 2. Thus, it is not subject to disclosure to anyone other than the Commission staff who was assigned to work on EarthWalk's case. Moreover, although Rule 5 VAC 5-20-170 provides a procedural mechanism for sharing confidential information with the parties to a Commission proceeding through the use of a protective order, the Petitioners were not parties to the formal proceeding/s in which the pertinent documentation was produced.[1] Therefore, it would be inappropriate to produce the requested documents to the Petitioners even under a protective order.

We also conclude that Va. Code § 13.1-518 (B) prevents the Commission from providing the Petitioners with copies of the pertinent documentation. Section § 13.1-518 (B) provides that information or documentation obtained by the Commission in the course of a securities investigation, such as the documentation sought by the Petitioners in this case, shall not be disclosed to the public except in certain circumstances not applicable here.

We note, however, that the Settlement Order entered in this case on June 14, 2006, directed EarthWalk to produce a copy of the Arthur Anderson report to each of the company's shareholders. Thus, if the Petitioners constituted shareholders of EarthWalk as of June 14, 2006, they were entitled to a copy of the Arthur Anderson report—even if that report was produced to the Commission under seal in accordance with 5 VAC 5-20-170.

Therefore, IT IS ORDERED THAT:

(1) The Petitioners' Petition is hereby DENIED.

(2) EarthWalk's obligations under the Settlement Order dated June 14, 2006, remain in full force and effect.

[1] We disagree with the Petitioners' contention that Rule 5 VAC 5-20-170 contemplates the disclosure of confidential information to parties involved in any "proceeding" other than the formal proceeding in connection with which the confidential information has been produced.

CASE NOS. SEC-2006-00002 and SEC-2006-00003
OCTOBER 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GALVIN & ASSOCIATES, INC. f/k/a GALVIN, MYONG & ASSOCIATES, INC. d/b/a GMA
and
JOHN STEPHEN GALVIN d/b/a M&G INVESTMENT COMPANY or MAGIC,
Defendants

FINAL ORDER

On March 30, 2006, the State Corporation Commission ("Commission") issued a Rule to Show Cause against Galvin & Associates, Inc., and John Stephen Galvin based upon an investigation conducted by the Commission's Division of Securities and Retail Franchising ("Division").

By ruling dated May 22, 2006, the hearing was canceled and the matters were continued generally.

On October 16, 2008, counsel for the Division filed a Motion to Dismiss in which the Division stated that it was not in the best interest of the Commonwealth to go forward with the case at this time.

On October 22, 2008, the Hearing Examiner issued his Report wherein he granted the Division's Motion to Dismiss and recommended that the Commission enter an order dismissing this case without prejudice.

NOW THE COMMISSION, upon consideration of the Hearing Examiner's Report, is of the opinion and finds that the Hearing Examiner's findings and recommendations are reasonable and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the October 22, 2008 Hearing Examiner's Report are hereby adopted;

(2) This case is hereby dismissed without prejudice; and

(3) This case is dismissed from the Commission's docket and the papers herein shall be placed in the file for ended causes.

CASE NO. SEC-2006-00024
FEBRUARY 4, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JAMES DeMOCKER,
Defendant

SETTLEMENT ORDER

On May 4, 2007, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against James DeMocker ("Defendant") based upon an investigation conducted by the Division of Securities and Retail Franchising ("Division"). In the Rule, the Division alleged that the Defendant: (i) violated § 13.1-504 A of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, by selling shares of Artemis Strategy Fund, Inc. ("Strategy") without being registered with the Division as an agent of an issuer or a broker-dealer; and (ii) violated § 13.1-507 of the Act, in that the offers and sales of Strategy's securities were not registered under the Act or exempt from registration.

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, by § 13.1-518 A of the Act to impose costs of investigation, and by § 13.1-521 A of the Act to impose certain monetary penalties. Such actions may be taken upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations.

As a proposal to settle all matters arising from these allegations, the Defendant neither admits nor denies the allegation that he violated § 13.1-507 of the Act, but admits to the Commission's jurisdiction and authority to enter this Settlement Order. The Defendant has agreed to be permanently enjoined from future violations of the Act. As part of this settlement, the Division has agreed, and requests that, the alleged violation by the Defendant of § 13.1-504 A of the Act be dismissed.

The Division 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 of Virginia.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply with the aforesaid terms and undertakings of this settlement; and

(3) This case is dismissed and the papers herein shall be placed in the file for ended causes.

Dismissal of this case does not relieve the Defendant from his reporting obligations to any regulatory authority.

CASE NO. SEC-2006-00029
MARCH 3, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JAMES DeMOCKER,
Defendant

ORDER

On May 4, 2007, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against James DeMocker ("Defendant"), based upon allegations made by the Division of Securities and Retail Franchising ("Division"). Among other things, the Rule assigned the matter to a Hearing Examiner; ordered the Defendant to file, on or before June 15, 2007, a responsive pleading; and scheduled a hearing on September 6 and 7, 2007.

By ruling dated September 6, 2007, the case was continued generally to allow the parties time to finalize a settlement.

On January 29, 2008, counsel to the Division filed a Motion to Dismiss ("Motion"). In support of its Motion, counsel stated that the Division had reached a settlement in a companion case with the Defendant. As part of that settlement, the Division agreed to dismiss this case.

On January 29, 2008, the Hearing Examiner issued his report and made the following findings and recommendations:

(1) The Commission enter an order dismissing this case;

(2) The matter be stricken from the Commission's docket of active cases; and

(3) Since the Division wishes to dismiss the proceedings, there is no need to allow an opportunity for comments by the parties to the report.

Upon consideration of the record herein and the Report of the Hearing Examiner, the Commission is of the opinion, and so finds, that the findings and recommendations of the Hearing Examiner should be adopted.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) This matter is hereby DISMISSED.

(2) The papers herein shall be filed among the ended cases.

CASE NOS. SEC-2007-00010, SEC-2008-00015, SEC-2008-00016, SEC-2008-00017, SEC-2008-00018, SEC-2008-00019, SEC-2008-00020, SEC-2008-00021, SEC-2008-00022, and SEC-2008-00023
JULY 28, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ENTERRA ENERGY, LLC,
PENNSYLVANIA 3 WELL DEVELOPMENT, LLP,
McKEAN COUNTY 3 WELL, LLP,
L-O-T DEVELOPMENT WELLS, LLP,
ENTERRA SEVEN, LLP,
KAT-5, LLP,
GREAT OKLAHOMA OIL DEAL, LLP,
KAT-5-2, LLP,
DAVID G . ROSE,
and
BRIAN ROSE,
Defendants

FINAL ORDER

On February 20, 2008, the State Corporation Commission ("Commission") issued Rules to Show Cause ("Rules") against the Defendants. The Rules alleged that the Defendants violated certain provisions of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia.

The Rules, among other things, ordered the Defendants to file responsive pleadings on or before April 1, 2008, in which the Defendants were required to expressly admit or deny the allegations in the Rules and present any affirmative defenses that they intended to assert. The Defendants were advised that they may be found in default if they failed to either timely file a responsive pleading or other appropriate pleading, or if they filed such pleading and failed to make an appearance at the hearing. If found in default, the Defendants were advised that they would be deemed to have waived all objections to the admissibility of evidence and may have entered against them a judgment by default imposing some or all of the sanctions permitted by law.

On May 16, 2008, the Division of Securities and Retail Franchising ("Division") filed a Motion for Default. In support, the Division stated that the Defendants had not filed an answer or other responsive pleading. The Division provided legal authority for the Commission to enter a default judgment, and provided a sworn affidavit from William Ward, Senior Investigator with the Division, along with accompanying documentary proof to provide the facts necessary to prove the allegations set forth in the Rules.

A hearing on the Rules was convened as scheduled on May 21, 2008. The Division was represented by its counsel, Mary Beth Williams, who offered into the record the affidavit of William Ward and other attachments relating to proving proper service of the Rules. The Defendants, who were served by certified mail, failed to appear at the hearing. Counsel for the Division moved for a default judgment based on the Defendants' failure to file responsive pleadings and appear at the hearing. Additionally, the Division requested that the Commission enter a default judgment against each of the Defendants on the counts alleged in the Rules; impose the maximum penalty of five thousand dollars ($5,000) per violation on Defendant enTerra Energy, LLC, for a total of $255,000; impose the maximum penalty of $5,000 per violation on Defendant Pennsylvania 3 Well Development, LLP, for a total of $105,000; impose the maximum penalty of $5,000 per violation on Defendant McKean County 3 Well, LLP, for a total of $10,000; impose the maximum penalty of $5,000 per violation on Defendant L-O-T Development Wells, LLP, for a total of $20,000; impose the maximum penalty of $5,000 per violation on Defendant enTerra Seven, LLP, for a total of $20,000; impose the maximum penalty of $5,000 per violation on Defendant KAT-5, LLP, for a total of $30,000; impose the maximum penalty of $5,000 per violation on Defendant Great Oklahoma Oil Deal, LLP, for a total of $50,000; impose the maximum penalty of $5,000 per violation on Defendant KAT-5-2, LLP, for a total of $20,000; impose the maximum penalty of $5,000 per violation on Defendant David G. Rose, for a total of $70,000; and impose the maximum penalty of $5,000 per violation on Defendant Brian Rose, for a total of $40,000.

On July 3, 2008, the Chief Hearing Examiner issued her report. In her Report, she found that based upon the evidence presented: (1) the Defendants were in violation of the Act as alleged in the Rules; (2) the Motion for Default Judgment should be granted; (3) the imposition of the maximum penalties as recommended by the Division is warranted; and (4) the Defendants should be permanently enjoined from any act which constitutes a violation of the Virginia Securities Act.

The Chief Hearing Examiner's Report allowed for the parties to file comments within twenty-one days of the entry of the Report. As of this date, the Defendants have not filed comments.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the July 3, 2008, Chief Hearing Examiner's Report are hereby adopted;

(2) In accordance with the Commission's regulatory duties and powers and pursuant to § 13.1-421 of the Act, judgment is entered for the Commonwealth against the Defendants; and

(3) Pursuant to § 13.1-519 of the Act, the Defendants are hereby enjoined from any further violations of the Act.

CASE NOS. SEC-2007-00010, SEC-2008-00015, SEC-2008-00016, SEC-2008-00017, SEC-2008-00018, SEC-2008-00019, SEC-2008-00020 SEC-2008-00021, SEC-2008-00022, and SEC-2008-00023 JULY 31, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ENTERRA ENERGY, LLC,
PENNSYLVANIA 3 WELL DEVELOPMENT, LLP,
McKEAN COUNTY 3 WELL, LLP,
L-O-T DEVELOPMENT WELLS, LLP,
ENTERRA SEVEN, LLP,
KAT-5, LLP,
GREAT OKLAHOMA OIL DEAL, LLP,
KAT-5-2, LLP,
DAVID G. ROSE,
and
BRIAN ROSE,
Defendants

CORRECTING ORDER

In a Final Order ("Order") entered herein July 28, 2008, in line 2 of Ordering Paragraph (2) set forth on Page 3 of the Order, there is a reference to "§ 13.1-421." The correct reference, however, should be "§ 13.1-521."

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The reference in line 2 of Ordering Paragraph (2) set forth on Page 3 of the Order, entered July 28, 2008, shall be corrected to read "§ 13.1-521."

(2) All other provisions of the Final Order entered July 28, 2008, shall remain in full force and effect.

CASE NO. SEC-2007-00047 NOVEMBER 7, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CITIGROUP GLOBAL MARKETS, INC. f/k/a SOLOMON SMITH BARNEY,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Citigroup Global Markets, Inc., f/k/a Solomon Smith Barney ("Defendant"): (1) violated Securities Rule 21 VAC 5-20-260 D (2) by failing to perform frequent examinations of all customer accounts to detect and prevent irregularities or abuses; and (2) violated Securities Rule 21 VAC 5-20-260 D (4) by failing to review and receive written approval by the designated supervisor of the delegation by any customer of discretionary authority with respect to the customer's account to

the broker-dealer or to a stated agent or agents of the broker-dealer and the prompt written approval of each discretionary order entered on behalf of that account.

The State Corporation Commission ("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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, 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 the Commonwealth 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 Commission, contemporaneously with the entry of this Order, the amount of Twelve Thousand Dollars ($12,000) to defray the cost 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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply with the aforesaid terms and undertakings of this settlement; and

(3) This case is dismissed and the papers herein shall be placed in the file for ended causes.

Dismissal of this case does not relieve the Defendant from its reporting obligations to any regulatory authority.

CASE NO. SEC-2007-00048
JUNE 25, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WANDA P. SEARS,
Defendant

SETTLEMENT ORDER

On September 21, 2007, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Wanda P. Sears ("Defendant") based upon an investigation conducted by the Division of Securities and Retail Franchising ("Division"). The Rule alleged numerous violations of the Virginia Securities Act, § 13.1-501 *et seq.* of the Code of Virginia ("Act"), by the Defendant.

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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant admits to the allegations in the Rule, except that the Defendant does not admit the allegations in subparagraphs (d) and (e) on page 2 of the Rule and the allegations in subparagraphs (i), (ii), and (iii) on page 3 of the Rule. The Defendant also admits to the Commission's jurisdiction and authority to enter this Settlement 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 the Commonwealth of Virginia the amount of twenty-five thousand dollars ($25,000) in monetary penalties. The Defendant will pay the penalty in installments of five thousand dollars ($5,000). The first installment will be due September 1, 2008, and continuing each September 1st thereafter until the penalty has been paid in full.

(2) The Defendant will pay to the Commission, contemporaneously with the entry of this order, the amount of ten thousand dollars ($10,000) to defray the costs of investigation.

(3) The Defendant will make restitution to seven (7) Virginia investors for commissions paid to the Defendant during the period of April 2007 through August 2007, in an amount totaling nine thousand nine hundred ninety-eight dollars and forty-three cents ($9,998.43). The distribution of restitution will be made upon entry of this Order and in accordance with information pertaining to the Virginia investors on file with the Division.

(4) The Defendant agrees to register only as an investment advisor and investment advisor representative for a period of five (5) years from the date of entry of this Order. The Defendant agrees to use an investment advisory consultant service approved by the Division. The Defendant will engage that investment advisory consultant service for the registration process and will retain it for a period of one (1) year after registration has been granted by the Commission. During that one (1) year, the consultant will conduct a minimum of two (2) compliance examinations. The findings will be reported to the Commission within thirty (30) days of completion of each exam. The Defendant must pass the Series 66 examination and complete the registration process before registration will be granted by the Commission.

(5) The Defendant must successfully pass the Series 66 examination.

(6) The Defendant will not place clients on margin for a period of five (5) years.

(7) The Defendant will only solicit mutual fund transactions for the first year after registration is granted.

(8) The Defendant will not solicit stock transactions for the first year after registration is granted.

(9) The Defendant must maintain client files that contain the following information:

(a) The Defendant must maintain a log recording contact prior to each transaction in addition to the basis for the contact and any recommendation that is made.

(b) The Defendant must develop and maintain for each client a comprehensive investment policy statement which sets out the general investment goals and objectives of a client and describes the strategies that the Defendant should employ to meet these objectives. Specific information on matters such as asset allocation, risk tolerance, and liquidity requirements must be included in an investment policy.

(c) The Defendant's recommendations must be consistent with the investment policy.

(10) A copy of the Settlement Order must be mailed to each client the Defendant had at the time she left the employment of H. Beck, Inc., including a cover letter prepared by the Defendant that must be reviewed and approved by the Division prior to mailing.

(11) The Defendant will be subject to yearly unannounced examinations and periodic spot checks of her clients.

(12) The Defendant will be allowed to charge investment advisory fees reflecting a percentage of client's assets under management in accordance with industry standards. The Defendant will not be allowed to charge a fee for each client transaction or based upon volume or dollar volume of each client transaction.

(13) The Defendant will have no discretionary authority over her clients' accounts.

(14) 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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply 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.

CASE NOS. SEC-2007-00054 and SEC-2007-00053
JUNE 30, 2008

COMMONWEALTH OF VIRGINIA, ex. rel.
STATE CORPORATION COMMISSION
v.
C & D MANAGEMENT COMPANY
and
CHRIS JEFFRIES,
Defendants

FINAL ORDER

On February 5, 2008, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against C & D Management Company ("C & D") and Chris Jeffries ("Jeffries") (collectively, "Defendants"). The Rule alleged that C & D: (i) violated § 13.1¢507 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia by offering and selling unregistered securities in the form of investment contracts to Virginia residents; (ii) violated § 13.1-504 B of the Act by offering and selling securities through individuals who were not registered with the Division of Securities and Retail Franchising ("Division") as agents of the issuer or as broker-dealers; and (iii) violated § 13 .1-502(2) of the Act by making omissions of material fact in the offer and sale of securities by failing to state risks associated with the investment contracts.

The Rule further alleged that Jeffries: (i) violated § 13.1-507 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia by offering and selling unregistered securities in the form of investment contracts to Virginia residents; (ii) violated § 13.1-504 A of the Act by offering and selling securities in the form of investment contracts without being registered with the Division as an agent of the issuer or a broker-dealer; and (iii) violated § 13.1-502(2) of the Act by making omissions of material fact in the offer and sale of securities by failing to state risks associated with the investment contracts.

The Rule ordered the Defendants to appear before the Commission on May 6, 2008 and directed them to file a responsive pleading on or before March 1, 2008. The Defendants were also advised that failure to file a responsive pleading would result in the entry of a default judgment imposing some or all of the penalties permitted by the Act. Although the Defendants received notice of the hearing and were properly served, they did not file an answer or other responsive pleading to the Rule.

On April 30, 2008, the Division filed a Motion for Default Judgment. In support, the Division stated that the Defendants failed to file an answer or other responsive pleading. Additionally, the Division provided legal authority for a default judgment and provided an affidavit from its senior investigator proving the allegations set forth in the Rule.

On May 6, 2008, the matter was heard by Michael D. Thomas, Hearing Examiner. Counsel appearing at the hearing was Gauhar R. Naseem, Esquire, for Commission Staff. The Division presented the testimony of senior investigator Tom Bayly who sponsored his affidavit which supported the Division's Motion for Default Judgment. The Defendants did not appear at the hearing.

On May 21, 2008, the Hearing Examiner issued his Report. In his Report, he found that (i) the testimony and documentary evidence submitted by the Division proved by clear and convincing evidence the Defendants' violations of the Act; (ii) the Motion for Default Judgment should be granted; (iii) pursuant to § 13.1-521 of the Act, Jeffries should be penalized the maximum amount of $5,000 per violation for the three (3) violations alleged in the Rule against him, for an amount totaling $15,000, and accruing interest at the statutory rate until paid; (iv) pursuant to § 13.1-521 of the Act, C & D should be penalized the maximum amount of $5,000 per violation for the three (3) violations alleged in the Rule against the company, for an amount totaling $15,000, and accruing interest at the statutory rate until paid; and (v) the Defendants be permanently enjoined from any act which constitutes a violation of the Virginia Securities Act. Additionally, the Report allowed the Defendants twenty-one (21) days in which to provide comments. No comments were filed during this time period.

The Hearing Examiner recommended that the Commission adopt the findings of his Report and dismiss this case from the Commission's docket of active cases.

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: (1) the Division established by clear and convincing evidence that the Defendants violated the statutes as set forth in the Rule; and (2) the Hearing Examiner's findings and recommendations are reasonable and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Division's Motion for Default Judgment is hereby granted;

(1) The findings and recommendations of the May 21, 2008, Hearing Examiner's Report are hereby adopted; and

(3) This case is dismissed from the Commission's docket and the papers herein shall be placed in the file for ended causes.

CASE NO. SEC-2007-00055
MAY 22, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JOHN ARTHUR WHITLEY,
Defendant

ORDER

On February 5, 2008, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against John Arthur Whitley ("Defendant") based upon allegations made by the Division of Securities and Retail Franchising ("Division"). Among other things, the Rule assigned the matter to a Hearing Examiner; ordered the Defendant to file, on or before March 1, 2008, a responsive pleading; and scheduled a hearing on May 6, 2008. The Defendant filed a response on March 4, 2008.

On May 2, 2008, counsel to the Division filed a Motion to Dismiss ("Motion"). In support of its Motion, counsel stated that the Defendant was alleged to have sold securities in the form of investment contracts through a program known as Freedom Oil & Gas Venture ("Freedom") which was owned and operated by Chris Jeffries ("Jeffries") through his company C & D Management ("C & D"). Jeffries has stated to the Commission that the Defendant was never employed with C & D nor was the Defendant ever retained by C & D or Jeffries to sell Freedom investment contracts. Based upon that information, the Division asked that the case be dismissed without prejudice.

On May 5, 2008, the Hearing Examiner issued his report and made the following findings and recommendations:

(1) The Division's Motion should be granted.

(2) The hearing scheduled for May 6, 2008, should be cancelled.

(3) The case should be dismissed without prejudice.

Upon consideration of the record herein and the Report of the Hearing Examiner, the Commission is of the opinion, and so finds, that the findings and recommendations of the Hearing Examiner should be adopted.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) This case is dismissed without prejudice.

(2) Entry of this Order shall not affect any duty or obligation to disclose the existence or nature of this matter or of any order entered herein.

(3) The papers herein shall be filed among the ended cases.

CASE NO. SEC-2007-00056
OCTOBER 1, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
H. BECK, INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged in the Rule to Show Cause ("Rule") filed by the State Corporation Commission ("Commission"), on June 18, 2008, that H. Beck, Inc. ("Defendant") violated Securities Rules 21 VAC 5-20-260 D 1 through 21 VAC 5-20-260 D 5.

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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations in the above-mentioned Rule but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, 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 the Commonwealth of Virginia, contemporaneously with the entry of this Order, the amount of forty thousand dollars ($40,000) in monetary penalties.

(2) The Defendant will pay to the Commission, contemporaneously with the entry of this Order, the amount of twenty thousand dollars ($20,000) to defray the cost of investigation.

(3) The Defendant will make restitution in accordance with its discussions with the Division to three (3) Virginia investors.

(4) The Division acknowledges that the Defendant has made extensive revisions to its compliance procedures and has improved the internal branch office compliance review, based in part upon recommendations made by Division Staff.

(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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply 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.

CASE NO. SEC-2007-00069
NOVEMBER 24, 2008

COMMONWEALTH OF VIRGINIA, ex. rel.
STATE CORPORATION COMMISSION
v.
THEODORE J. HOGAN & ASSOCIATES, LLC
and
THEODORE J. HOGAN,
Defendants

FINAL ORDER

On December 5, 2007, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Theodore J. Hogan & Associates, LLC ("TJH Associates"), and Theodore J. Hogan ("Hogan") (collectively, "Defendants"). The Rule alleged various violations of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia. The Rule ordered the Defendants to appear before the Commission on April 8, 2008, and directed them to file a responsive pleading on or before February 4, 2008.

On January 31, 2008, counsel for the Defendants filed a response in which the Defendants generally denied the allegations in the Rule. Additionally, the Defendants raised numerous affirmative defenses and requested that the Commission dismiss the case.

On March 11, 2008, the Division of Securities and Retail Franchising ("Division") filed a Motion to Amend Rule to Show Cause ("Motion to Amend"). In support, the Division stated it had uncovered additional alleged violations of the Act through an ongoing investigation of the Defendants. The Division further requested that the scheduled hearing date and date to file a responsive pleading be vacated in order to allow the Defendants sufficient time to respond to the Division's new allegations.

By Hearing Examiner's Ruling entered on March 13, 2008, the Defendants were given the additional time to file a responsive pleading.

By Hearing Examiner's Ruling dated March 31, 2008, the Division's Motion to Amend was certified to the Commission and the hearing scheduled for April 8, 2008, was cancelled.

On April 1, 2008, the Commission entered the Amended Rule to Show Cause ("Amended Rule"), rescheduled the hearing for May 15, 2008, and directed the Defendants to file a responsive pleading on or before April 18, 2008.

On April 22, 2008, the Division filed a Motion to Allow Evidence of Habit and Routine of Defendants together with a Memorandum of Law in support thereof.

On April 28, 2008, counsel to the Defendants filed a Motion for Continuance and a Motion for Leave to Withdraw as counsel. On that date, counsel to the Division filed a response to that motion stating it had no objections. The Division recommended that the Defendants be provided an opportunity to obtain new counsel and requested that the May 15, 2008 hearing be continued.

On May 22, 2008, the Division filed a Motion to Set Matter for Hearing and Set Date for Response to Division's Pending Evidentiary Motion. The Division stated that the Defendants had not yet retained counsel but were agreeable to having the case set for hearing.

By Hearing Examiner's Ruling entered on May 27, 2008, the hearing was scheduled for July 24 and 25, 2008, and the Defendants were directed to file their response to the Division's Motion to Allow Evidence of Habit and Routine of the Defendants on or before June 18, 2008. The Defendants failed to file a response in accordance with the Hearing Examiner's May 27, 2008 Ruling.

On July 24, 2008, the matter was heard by Michael D. Thomas, Hearing Examiner. Counsel appearing at the hearing was Gauhar R. Naseem, Esquire, for Commission Staff. The Division presented the testimony of seven (7) witnesses as well as voluminous documentary evidence. The Defendants did not appear at the hearing.

The evidence presented at the hearing indicated Virginia investors were approached by Defendants and solicited to invest in a purported oil and mineral development project on a Crow Indian Reservation located in Montana. Defendants offered a percentage of commissions they represented they would receive for developing the project in exchange for the investors' funds. These "Interests in Commission Agreements" promised returns approaching several million dollars to these investors. The evidence further indicates Hogan sold these Interests in Commission Agreements to at least forty (40) other investors in other states as well. Deposits to Hogan's bank accounts indicate that Hogan received Two Million One Hundred Forty Nine Thousand Nine Hundred Sixty Five Dollars ($2,149,965.00) from investors. However, Hogan admitted to receiving approximately Four Million One Hundred Thousand Dollars ($4.1 Million) from investors. The evidence also supported the conclusion that Hogan did not use any of these funds for the purported venture, but instead converted investor funds for his own personal use.

On September 19, 2008, the Hearing Examiner issued his Report. In his Report, he found that: (i) the testimony and documentary evidence submitted by the Division proved by clear and convincing evidence the Defendants' violations of the Act; (ii) the magnitude of the fraud perpetrated on the Virginia investors warrants the imposition of the maximum penalties allowable pursuant to § 13.1-521 of the Act; (iii) pursuant to § 13.1-521 of the Act, Hogan should be penalized the maximum amount of Five Thousand Dollars ($5,000) per violation for the eleven (11) violations alleged in the Amended Rule, for an amount totaling Fifty-Five Thousand Dollars ($55,000), and accruing interest at the statutory rate until paid; (iv) pursuant to § 13.1-521 of the Act, TJH Associates should be penalized the maximum amount of Five Thousand Dollars ($5,000) per violation for the eight (8) violations alleged in the Amended Rule, for an amount totaling Forty Thousand Dollars ($40,000), and accruing interest at the statutory rate until paid; (v) the foregoing penalties should be waived if the Defendants make restitution to the Virginia investors within a reasonable period of time as determined by the Commission; (vi) the Defendants be permanently enjoined from any act which constitutes a violation of the Virginia Securities Act; and (vii) pursuant to § 13.1-518 of the Act, the Defendants be jointly and severally assessed the sum of Thirteen Thousand One Hundred Seventeen and 50/100 Dollars ($13,117.50) for the costs of investigation incurred by the Division. Additionally, the Report allowed the Defendants twenty-one (21) days in which to provide comments. The Defendants did not file comments.

The Hearing Examiner recommended that the Commission adopt the findings of his Report, enter a Judgment Order, and dismiss this case from the Commission's docket of active cases.

NOW THE COMMISSION, upon consideration of the Amended Rule, the record, the Hearing Examiner's Report, and the applicable statutes, is of the opinion and finds that: (1) the Division established by clear and convincing evidence that the Defendants violated the statutes as set forth in the Amended Rule; and (2) the Hearing Examiner's findings and recommendations as detailed in his Report are reasonable and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the September 19, 2008 Hearing Examiner's Report are hereby adopted;

(2) In accordance with the Commission's regulatory duties and powers and pursuant to § 13.1-521 of the Act, judgment is entered for the Commonwealth and against the Defendants, and a civil penalty of Fifty-Five Thousand Dollars ($55,000) shall be imposed on the Defendant Hogan, and Forty Thousand Dollars ($40,000) shall be imposed on the Defendant TJH Associates;

(3) Such penalty will be waived if each investor is offered rescission, if each investor accepting the offer of rescission is paid, and proof of payment satisfactory to the Division is filed with the Commission by January 1, 2009;

(4) Defendants are to pay jointly and severally the sum of Thirteen Thousand One Hundred Seventeen and 50/100 Dollars ($13,117.50) for the costs of investigation incurred by the Division;

(5) Pursuant to § 13.1-519 of the Act, the Defendants are hereby enjoined from any further violations of the Act; and

(6) The Commission retains jurisdiction in this matter for all purposes, including the institution of additional show cause proceedings, or taking such other action deemed appropriate on account of Defendants' failure to comply with this Order.

CASE NO. SEC-2007-00074
NOVEMBER 17, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
NICOLE GRAY,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Nicole Gray ("Defendant"): (i) violated § 13.1-502(2) of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, by omitting certain material facts necessary in order to make the statements made to potential investors, in the light of the circumstances under which they were made, not misleading;

(ii) violated § 13.1-504 A of the Act by selling securities without being duly registered with the Division as the agent of an issuer; and (iii) violated § 13.1-507 of the Act by offering and selling securities that were not registered under the Act or exempt from registration.

The State Corporation Commission ("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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, 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 fifteen (15) days from the date of entry of this Order, the Defendant will notify each investor of the settlement and provide a copy of this Settlement Order to each investor.

(2) Upon receipt of a release from the investors for the purposes of the funds paid by the Defendant pursuant to this Settlement Order, the Defendant will divide funds that consist of a loan payment made to her by Firm Grip Business Management and Holding Company, LLC ("FGBM"), and her commissions from Wealthmasters in the total amount of Twenty-Six Thousand Five Hundred Dollars ($26,500) and make equal payments to each identified investor of FGBM within one hundred twenty (120) days from the date of entry of this Order.

(3) Within one hundred fifty (150) days of this Order, the Defendant will provide the Division with an affidavit stating which investors were paid, the amount paid to each investor along with evidence of payment, including a copy of the certified mailing receipts and a copy of the checks, and confirmation that a copy of the Settlement Order was provided.

(4) The Defendant will be enjoined from registering or transacting business as a broker-dealer, agent of a broker-dealer, agent of an issuer, investment advisor, or investment advisor representative and from selling securities within the Commonwealth of Virginia for a period of one (1) year from the date of 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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply 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.

CASE NO. SEC-2007-00078
JUNE 25, 2008

COMMONWEALTH OF VIRGINIA, ex. rel.
STATE CORPORATION COMMISSION
v.
ROY DEAN HIGGS,
Defendant

FINAL ORDER

On March 3, 2008, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Roy Dean Higgs ("Defendant"). The Rule alleged that Higgs: (i) violated § 13.1-507 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia by offering and selling unregistered securities in the form of investment contracts as defined by § 13.1-501 of the Act by selling a Universal Lease on behalf of Resort Holdings International, Inc.; (ii) violated § 13.1-502 (2) of the Act by failing to state the risks associated with securities he offered and by failing to provide investors with material disclosures associated with the Universal Lease he offered and sold; and (iii) violated § 13.1-504 A of the Act by offering and selling securities, the Universal Lease, without being registered with the Division as an agent of the issuer or a broker-dealer.

The Rule assigned the matter to a Hearing Examiner and scheduled an evidentiary hearing for April 25, 2008. Additionally, the Rule provided that the Defendant may be found in default if he failed to either timely file responsive pleadings, or if he filed such pleadings and failed to make an appearance at the hearing.

Although the Defendant received notice of the hearing and was properly served, he did not file a responsive pleading and failed to appear at the hearing.

On April 25, 2008, the matter was heard by Alexander F. Skirpan, Jr., Hearing Examiner. Counsel appearing at the hearing was Gauhar R. Naseem, Esquire, for Commission Staff. The Division provided the affidavit and testimony of William Ward, who testified to the four (4) investments of Virginia investors Raymond and Mabel Thacker. The Division stated that its evidence supported a finding that the Defendant had violated the Act as alleged in the Rule. Counsel for the Division maintained that the Defendant was in default and moved that a default judgment be entered against the Defendant. The Division also requested that the Defendant be fined the maximum penalty allowed under the Act for each violation, as well as a judgment in the amount of $1,770.75 for the Division's cost of investigation.

On May 20, 2008, the Hearing Examiner issued his Report. In his Report, he found that based on the evidence presented: (1) the Defendant was in default; (2) that each of the four sales to the Virginia investors constituted a separate violation of the Act, for a total of twelve violations; (3) pursuant to § 13.1-521 of the Act, the Defendant should be fined in the amount of $60,000; and (4) pursuant to § 13.1-518 of the Act, the Defendant should be assessed the amount of $1,770.75 for the cost of the Division's investigation. Additionally, the Report allowed the Defendant twenty-one (21) days in which to provide comments. No comments were filed during this time period.

The Hearing Examiner recommended that the Commission adopt the findings of his Report and dismiss this case from the Commission's docket of active cases.

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: (1) the Division established by clear and convincing evidence that the Defendant violated the statutes as set forth in the Rule; and (2) the Hearing Examiner's findings and recommendations are reasonable and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the May 20, 2008, Hearing Examiner's Report are hereby adopted; and

(2) This case is dismissed from the Commission's docket and the papers herein shall be placed in the file for ended causes.

CASE NO. SEC-2007-00082
AUGUST 29, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THOMAS CLARK KEENER,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Thomas Clark Keener ("Defendant"): (1) violated § 13.1-502 (2) of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, by offering and selling an investment contract in the form of a Universal Lease issued by Resort Holdings International while omitting material disclosure information such as the risks associated with this investment; (2) violated § 13.1-504 A of the Act by transacting business in the Commonwealth of Virginia without being properly registered as an agent; and (3) violated § 13.1-507 of the Act by offering or selling securities that were not registered or exempt from registration.

The State Corporation Commission ("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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, 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 the Commonwealth of Virginia, within thirty (30) days from the date of entry of this Order, the amount of sixty-six thousand dollars ($66,000) in monetary penalties.

(2) The Defendant is enjoined from registering or transacting business as a broker-dealer, agent of a broker-dealer, agent of an issuer, investment advisor or investment advisor representative and from selling securities within the Commonwealth of Virginia for a period of one (1) year from the date of entry of this Order.

(3) The Defendant will submit to the Division, contemporaneously with the entry of this Order, a list of all investors to whom the Defendant sold unregistered Universal Leases, the amount of each investor's investment, and the investors' contact information.

(4) The Defendant will provide to each investor to whom Universal Leases were sold a copy of this Settlement Order. Additionally, the Defendant will submit proof of such notice to the Division within thirty (30) days of entry of this Order.

(5) The Defendant will pay to the Commission, contemporaneously with the entry of this Order, the amount of one thousand five hundred dollars ($1,500) to defray the cost of investigation.

(6) 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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply 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.

CASE NO. SEC-2007-00083
JULY 3, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERIPRISE FINANCIAL SERVICES, INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that during the period January 1, 2001, through March 31, 2002, Ameriprise Financial Services, Inc. ("Defendant"): (1) violated § 13.1-503 A (2) of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, by engaging in a transaction, practice, or course of business which operates or would operate as a fraud or deceit; (2) violated § 13.1-503 B of the Act by making an untrue statement of a material fact, or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; (3) violated Securities Rule 21 VAC 5-80-200 A 1 by recommending to clients to whom investment supervisory, management or consulting services are provided the purchase, sale or exchange of any security without reasonable grounds to believe that the recommendation is suitable for the clients on the basis of information furnished by the clients; and (4) violated Securities Rule 21 VAC 5-80-200 A 11 by failing to disclose to clients in writing before any advice is rendered any material conflict of interest relating to the investment advisor or federal covered advisor or any of his employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

The State Corporation Commission ("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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant neither admits nor denies these allegations. Without waiving potential jurisdictional defenses that may be available to federally-covered advisors, the Defendant admits to the Commission's jurisdiction and authority to enter this Settlement 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 the Commonwealth of Virginia the amount of seven hundred fifty thousand dollars ($750,000) in monetary penalties.

(2) The Defendant will pay to the Commission the amount of thirty thousand dollars ($30,000) to defray the cost of investigation.

(3) The Defendant will make a monetary offer to Virginia clients, to include:

The implementation of a claims-made process for Virginians who were financial planning clients from January 1, 2001 through March 31, 2002, in which:

(a) A qualified Virginia client who paid financial planning fees during the relevant time period and had purchased investments comprised of fifty percent (50%) or more of proprietary mutual fund products and who paid financial planning fees during the relevant time period, may file a claim for three hundred dollars ($300). This amount will be paid to the Virginia client within thirty (30) days from the date of receipt of the demand, or

(b) The Defendant will offer a payout of five hundred dollars ($500) or the actual financial planning fee, whichever is less, for those Virginia clients who provide reasonable factual information supporting their belief that their advisor committed an affirmative misrepresentation related to the availability of nonproprietary product in connection with the financial planning process. The payment will occur within thirty (30) days of the filing of the required supporting information.

(c) The Defendant will include with the monetary offer a copy of this Settlement Order.

(4) The Defendant agrees that it will comply with the Act in the future.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply with the aforesaid terms and undertakings of this settlement;

(3) The Defendant pay to the Treasurer of the Commonwealth of Virginia the amount of seven hundred fifty thousand dollars ($750,000) in monetary penalties;

(4) The Defendant pay to the Commission the amount of thirty thousand dollars ($30,000) to defray the cost of investigation; and

(5) 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.

CASE NO. SEC-2007-00084
JANUARY 14, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TROPICAL SMOOTHIE FRANCHISE DEVELOPMENT CORPORATION
and
ERIC D. JENRICH,
Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Tropical Smoothie Franchise Development Corporation and Eric D. Jenrich ("Defendants"), violated § 13.1-563 (e) of the Virginia Retail Franchising Act ("Act"), § 13.1-557 et seq. of the Code of Virginia ("Code"), by failing to provide the franchisee a copy of the disclosure document that was required by the State Corporation Commission ("Commission") in that the Defendants failed to disclose in their offering circular the Settlement Order that was entered by the Commission against them in Case No. SEC-2002-00039.

The Commission is authorized by § 13.1-562 of the Act to revoke the Defendants' 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 by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendants admit these allegations and admit to the Commission's jurisdiction and authority to enter this Settlement 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 the Commonwealth of Virginia the amount of twenty-five thousand dollars ($25,000).

(2) The Defendants will pay to the Commission the amount of one thousand dollars ($1,000) to defray the cost of investigation.

(3) The Defendants will make a rescission offer to identified Virginia franchisees ("franchisee").

(a) Within thirty (30) days of the date of this Settlement Order, the Defendants will make a written offer of rescission sent by certified mail to each franchisee who has signed an agreement but has not yet opened any franchise shop, which will include an offer to repay the full amount of the initial franchising fee, and a provision that gives each franchisee thirty (30) days from the date of receipt of the rescission offer to provide the Defendants with written notification of his decision to accept or reject the offer.

(b) The Defendants will include with the written offer of rescission a copy of this Settlement Order.

(c) If the rescission offer is accepted, the Defendants will forward the payment to the franchisee within seven (7) days of receipt of the acceptance.

(d) Within ninety (90) days from the date of the Settlement Order, the Defendants will submit to the Division an affidavit, executed by the Defendants, which contains the date on which each franchisee received the offer of rescission, each franchisee's response, and, if applicable, the amount and the date that payment was sent to each franchisee.

(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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted;

(2) The Defendants fully comply 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 Defendants failure to comply with the terms and undertakings of the settlement.

CASE NOS. SEC-2008-00006 and SEC-2008-00007
APRIL 28, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
G&G, LLC
and
D. TRENT GOURLEY,
Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that G&G, LLC ("G&G"): (1) violated § 13.1-507 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, by offering and selling securities in the form of membership interests which were not registered under the Act or exempt from registration; (2) violated § 13.1-504 B of the Act by selling securities in the form of membership interests through D. Trent Gourley ("Gourley") who was not registered with the Division as an agent of the issuer; and (3) violated § 13.1-502(2) of the Act by omitting to state material facts necessary in order to make the statements made to potential investors, in the light of the circumstances under which they were made, not misleading, in that G&G failed to provide adequate risk warnings to potential investors.

It is further alleged that Gourley: (1) violated § 13.1-504 A of the Act by selling securities in the form of membership interests in G&G without being registered with the Division as an agent of the issuer or as a broker-dealer; (2) violated § 13.1-507 of the Act, in that he offered and sold securities in the form of membership interests in G&G, which were not registered under the Act nor exempt from registration; and (3) violated § 13.1-502(2) of the Act by omitting to state material facts necessary in order to make the statements made to potential investors, in the light of the circumstances under which they were made, not misleading, in that Gourley failed to provide adequate risk warnings.

G&G is a Limited Liability Company domiciled in the Commonwealth of Virginia. Gourley, through Gourley & Gourley, LLC and Gourley & Associates, Inc. ("G&A"), substantially controls and directs the operations and affairs of G&G. Numerous investors in Virginia and other states were solicited by G&G, through Gourley, to make investments in a "mortgage pool" operated by G&G. Investors were referred to as Member Mortgage Bankers ("MMBs"). In return for the funds they supplied, investors received "membership interests" in G&G. The membership interests are securities as defined in the Act. G&G would then use those funds to make commercial real estate loans and equity investments in real estate. The G&G Amended and Restated Operating Agreement ("Operating Agreement"), dated January 1, 2002, as revised effective November 1, 2003, provides that investors would be paid a "Priority Return" ("Return") of 8% per annum on a pro rata monthly basis. That Return could be taken monthly, or capitalized and rolled back into the investment.

It appears that, from the beginning of the "mortgage pool" in 2002 to September 2007, MMBs received this Return in regular monthly distributions. Nevertheless, the G&G membership interests have never been registered as securities with the Division, nor has Gourley been registered with the Division to sell securities in the Commonwealth of Virginia.

Due to the real estate market downturn, and the prohibition from procuring additional capital through the sale of unregistered securities, G&G and Gourley began a plan of liquidation to wind down G&G in the 3rd quarter of 2007.

The State Corporation Commission ("Commission") is authorized by § 13.1-506 of the Act to revoke the Defendants' 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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendants neither admit nor deny these allegations but do admit to the Commission's jurisdiction and authority to enter this Settlement 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) G&G, under the direction of Gourley, will continue the plan of liquidation as provided for and outlined in the attached Exhibit A.

(2) The Defendants will continue to cooperate fully with the Division in connection with the execution of the plan of liquidation, agree to provide to the Division quarterly reports containing such information as the Division requests, and agree to provide total access to Defendants' books and records at any time during the liquidation process. Defendants will provide access to the quarterly reports to the MMBs. The reporting quarters will be from

January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31, with reports to be due the 15th of the month following the end of the quarter.

(3) Defendant Gourley will pay to the Treasurer of the Commonwealth of Virginia the amount of one million nine hundred fifty thousand dollars ($1,950,000) in monetary penalties. This penalty will be waived only if the Defendants repay investors a minimum equivalent to the investors' initial capital investment, plus 6% per annum starting with investments established as of January 1, 2002.

(4) Defendant Gourley's G&G accounts, as identified in Exhibit A, may be repaid only after investors are repaid in accordance with the terms set out in Exhibit A.

(5) Defendant Gourley agrees that he will not apply for, or act as, a broker-dealer, broker-dealer agent, investment advisor, investment advisor representative, agent of the issuer, or principal of either a broker-dealer or investment advisor for a period of one (1) year from the date of entry of this Order.

(6) Defendants further agree that they will not seek to register, or have held exempt from registration, any securities or other investment opportunities requiring registration under the laws of the Unites States or any state thereof for a period of one (1) year from the date of this Order.

(7) The Defendants will comply with the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendants fully comply 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 any failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of Exhibit A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2008-00010
JANUARY 29, 2008

APPLICATION OF
ECUMENICAL DEVELOPMENT CORPORATION, USA d/b/a OIKOCREDIT USA

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration upon the written application of Ecumenical Development Corporation, USA d/b/a Oikocredit USA ("Oikocredit") which the Commission received on October 22, 2007, together with attached exhibits. Such application, as subsequently amended, requested that Oikocredit's Global Community 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 Executive Director of Oikocredit, Terry Provance, be exempted from the agent registration requirements of the Act.

Based on the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) Oikocredit is a non-stock Illinois corporation operating not for private profit but exclusively for charitable and educational purposes; (ii) Oikocredit intends to offer and sell Global Community Notes as a continuous offering with a total offering amount of forty-four million dollars ($44,000,000), on terms and conditions more fully described in the prospectus which was filed as a part of the application; (iii) these securities are to be offered and sold by Terry Provance, Executive Director of Oikocredit, who will not be compensated for his sales efforts, and may also be offered and sold by broker-dealers so registered under the Act; and (iv) Oikocredit will discontinue issuer transactions for all Global Community Notes previously exempted by the Commission in case SEC-2005-00009 upon the grant of the exemption for the offering of the Global Community Notes described herein.

Based on the facts asserted by Oikocredit in the written application and exhibits, and pursuant to § 13.1-514.1 B of the Act, the Commission is of the opinion and does hereby ADJUDGE AND ORDER that the securities described above are exempted from the securities registration requirements of the Act. IT IS FURTHER ORDERED that Terry Provance is exempted from the agent registration requirements of said Act.

CASE NO. SEC-2008-00014
AUGUST 21, 2008

COMMONWEALTH OF VIRGINIA, ex. rel.
STATE CORPORATION COMMISSION
v.
STEVE SPILL,
Defendant

FINAL ORDER

The Commission's Division of Securities and Retail Franchising ("Division") previously conducted an investigation of Steve Spill ("Defendant") pursuant to the Virginia Securities Act § 13.1-501 et seq. ("Act") of the Code of Virginia. As a result of that investigation, the Division alleged that the Defendant violated §§ 13.1-504 A and 13.1-507 of the Act.

On May 7, 1999, the Defendant agreed to comply with a number of terms and undertakings with regards to the allegations, and on May 19, 1999, the Commission issued an Order Accepting Offer of Settlement ("May 1999 Order") incorporating the aforementioned terms. Additionally, the Defendant agreed that the Commission would retain jurisdiction for all purposes, including the institution of a show cause proceeding or such other action deemed appropriate if the Defendant failed to comply with the terms and undertakings of the settlement.

On October 18, 2000, the Commission issued a Final Order in that case. Therein, the Commission stated that the Division reported that the Defendant had fulfilled the requirements of the May 1999 Order and the case was dismissed against him.

On January 30, 2008, the Commission issued a Rule to Show Cause against the Defendant after having been advised by the Division that upon further investigation the Defendant had not complied with the May 1999 Order. The Rule ordered the Defendant to appear before the Commission on March 18, 2008, and directed him to file a responsive pleading on or before February 15, 2008. The Defendant was also advised that, among other things, failure to file a responsive pleading would result in the entry of a default judgment imposing some or all of the penalties permitted by the Act.

On March 18, 2008, the matter was heard by Deborah V. Ellenberg, Chief Hearing Examiner. Counsel appearing at the hearing was Gauhar R. Naseem, Esquire, for Commission Staff. Mr. Naseem advised that he had not achieved good service on the Defendant and moved for a continuance in order to seek an Amended Rule to Show Cause and reattempt service. The motion was granted.

The Commission issued an Amended Rule to Show Cause in the captioned case against the Defendant on April 8, 2008. The Amended Rule ordered the Defendant to appear before the Commission on July 16, 2008, and directed him to file a responsive pleading on or before May 23, 2008. The Defendant was also advised that, among other things, failure to file a responsive pleading would result in the entry of a default judgment imposing some or all of the penalties permitted by the Act.

On July 16, 2008, the matter was heard by the Chief Hearing Examiner, and Mr. Naseem appeared as counsel for Commission Staff. Mr. Naseem advised that the Amended Rule was properly served upon the Defendant. Additionally, Mr. Naseem moved for default judgment based upon the Defendant's failure to file a responsive pleading, appear at the hearing, or contact the Division or its counsel. The Division also provided the affidavit of Marc Bantel proving the allegations set forth in the Rule.

Mr. Naseem also contended that the Defendant was in contempt for his failure to comply with the May 1999 Order and failure to file a responsive pleading or appear at the hearing scheduled in this case. The Division recommended to the Chief Hearing Examiner that the Defendant should be fined from the date the Defendant failed to timely file a responsive pleading, May 24, 2008, with each day treated as a separate offense.

On July 17, 2008, the Chief Hearing Examiner issued her Report. In her Report, she found that: (i) the Defendant is in default; (ii) the Division's recommendation with regards to penalties is reasonable; (iii) the Defendant should be fined the sum of fifty-three thousand dollars ($53,000) for failure to obey an order of the Commission; (iv) that fifty thousand dollars ($50,000) of that penalty will be waived if each investor is offered rescission, if each investor accepting the offer of rescission is paid, if all other provisions of the May 1999 Order are fulfilled on or before September 15, 2008, and if proof of compliance satisfactory with the Division is filed with the Commission; (v) the Commission retain jurisdiction in this matter for all purposes, including the institution of show cause proceedings, or taking such action deemed appropriate on account of the Defendant's failure to comply with the May 1999 Order or the Commission's Final Order; and (vi) the Commission adopt the findings of the Chief Hearing Examiner's Report.

Additionally, the Report allowed the Defendant twenty-one (21) days in which to provide comments. The Defendant 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 Division established by clear and convincing evidence that the Defendant violated the statutes as set forth in the Rule; and the Hearing Examiner's findings and recommendations are reasonable and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the July 17, 2008, Chief Hearing Examiner's Report are hereby adopted; and

(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 May 1999 Order or this Final Order.

CASE NO. SEC-2008-00025
JUNE 4, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VICTORY CONFERENCE CENTER, LLC,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Victory Conference Center, LLC ("Defendant"): (1) violated § 13.1-507 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, by offering and selling securities in the form of limited liability membership interests that were not registered or exempt from registration; and (2) violated § 13.1-504 B of the Act by employing an unregistered agent, L. Louise Lucas.

The State Corporation Commission ("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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, 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 make a rescission offer to the investors.

(a) Within thirty (30) days of the date of this Settlement Order, the Defendant will make a written offer of rescission sent by certified mail to the investors, which will include an offer to repay all monies invested by or through the Defendant, including a pro rata share of any accrued interest on investor funds held in escrow, and a provision that gives each investor thirty (30) days from the date of receipt of the rescission offer to provide the Defendant with written notification of his decision to accept or reject the offer.

(b) The Defendant will include with the written offer of rescission a copy of this Settlement Order.

(c) If the rescission offer is accepted, the Defendant will forward the payment to the investors within seven (7) days of receipt of the acceptance.

(d) Within ninety (90) days from the date of the Settlement Order, the Defendant will submit to the Division an affidavit, executed by the Defendant, which contains the date on which each investor received the offer of rescission, the investor's response, and, if applicable, the amount and the date that payment was sent to the investor.

(2) 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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply 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 Defendants' failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC-2008-00026
MARCH 7, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting a Revision to the Rules Governing the Virginia Securities Act

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia 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. Section 13.1-523 of the Virginia Securities Act ("Act"),

§ 13.1-501 *et seq.* of the Code of Virginia provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of the Act.

The rules and regulations issued by the Commission pursuant to the Act are set forth in Title 21 of the Virginia Administrative Code. A copy also may be found at the Commission's website: http://www.scc.virginia.gov/case.

The Division of Securities and Retail Franchising ("Division") has submitted to the Commission proposed revisions to Chapter 20 and Chapter 80, of Title 21 of the Virginia Administrative Code entitled "Rules and Forms Governing Virginia Securities Act," which add new rules, Rules 21 VAC 5-20-280, 21 VAC 5-80-10 and 21 VAC 5-80-200.

Proposed new Rules 21 VAC 5-20-280 and 21 VAC 5-80-200 add language to both the prohibited business conduct regulations for broker-dealers and their agents and the dishonest or unethical practices regulations for investment advisors and their representatives. The new language addresses abusive practices directed at senior citizens and retirees regarding misleading certifications and designations used by these financial representatives that implies or indicates that these individuals have special training or expertise in servicing or advising senior citizens or retirees when in fact this is not true.

The new language prohibits the use of designations to mislead senior citizens or retirees, including use of certifications or designations that were not earned, nonexistent, ineligible to use, or self-conferred, through the failure to maintain any continuing educational requirement. The new regulation includes guidelines to determine if a certification or designation implies or indicates a person has special certification or training in servicing or advising senior citizens or retirees such as the use of the words senior, retiree, elder or other like words in certifications or designations. The regulations recognize legitimate designating or certifying organizations approved and accredited by "The American National Standards Institute," "The National Commission for Certifying Agencies," or other nationally recognized accreditation organizations approved by the Commission.

Proposed amendment to Rule 21 VAC 5-80-10 will address the new Web CRD/IARD software release, implementing electronic filing for Part II and Schedule F of Form ADV for registered investment advisors. The change will eliminate the need for a separate paper filing of these documents and thus Form ADV will be available as an electronic document.

The Division has recommended to the Commission that the proposed revisions should be considered for adoption with an effective date of July 1, 2008.

IT IS THEREFORE ORDERED that:

(1) The proposed revisions are appended hereto and made a part of the record herein.

(2) Comments or requests for hearing on the proposed revisions must be submitted in writing to Joel H. Peck, Clerk of the Commission, c/o Document Control Center, P. O. Box 2118, Richmond, Virginia 23218, on or before April 16, 2008. Requests for hearing shall state why a hearing is necessary and why the issues cannot be adequately addressed in written comments. All correspondence shall contain reference to Case No. SEC-2008-00026. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

(3) The proposed revisions shall be posted on the Commission's website at http://www.scc.virginia.gov/case and on the Division's website at http://www.scc.virginia.gov/srf. Interested persons may also request copies of the proposed revisions from the Division by telephone, mail or email.

AN ATTESTED COPY HEREOF, together with a copy of the proposed revisions, shall be sent to the Registrar of Regulations for publication in the Virginia Register.

NOTE: A copy of Attachment A entitled "21 VAC 5-20-280" 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-2008-00026
MAY 23, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting a Revision to the Rules Governing the Virginia Securities Act

ORDER ADOPTING AMENDED RULES

By Order entered on March 7, 2008, all interested persons were ordered to take notice that the State Corporation Commission ("Commission") would consider the adoption of a revision to Chapters 20 and 80 of Title 21 of the Virginia Administrative Code ("Regulations") entitled "Rules and Forms Governing Virginia Securities Act." On March 28, 2008, the Division of Securities and Retail Franchising ("Division") mailed the Order to Take Notice of the proposed Regulations to all registrants and applicants as of March 24, 2008, and to all interested parties pursuant to the Virginia Securities Act, § 13.1501 *et seq.* of the Code of Virginia. The Order to Take Notice described the proposed amendments and afforded interested parties an opportunity to file comments.

The Division received three comments. Each comment was received via e-mail correspondence. No hearing was requested and none was conducted. As a result of the comments, the Commission issued an Order Directing Response to Comments on April 22, 2008, directing the Division to respond to each commenter and address their concerns.

The Division sent a response to each commenter. The first commenter disagreed with the mandatory implementation of electronic filing of Part II of Form ADV for state registered investment advisors on the Investment Advisory Registration Depository ("IARD") operated through the Financial Industry Regulatory Authority (FINRA). The Division noted that the IARD filing requirements did not apply to the commenter's firm since it was a federally covered advisor and not subject to state registration requirements. Further, the Division stated that the enhancement to the IARD had been pending since April 2007.

The second commenter indicated that their association was concerned about the adoption of the proposed Regulations in 21 VAC 5-80-200 and 21 VAC 20-280 covering the abuse of professional designations. The third commenter supported the second commenter's comments. As a result of the second commenter, the Division added some clarifying language to the proposed regulations in order to make the language conform with the proposed language being adopted in other state jurisdictions covering the same issue. The Division notified the third commenter that the Division had addressed the second commenter's comments and that its constituency was not subject to the jurisdiction of the securities regulations.

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, should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The proposed Regulations, as modified, are attached hereto, made a part hereof, and are hereby ADOPTED effective July 1, 2008.

(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 Attachment A entitled "Rules Governing the Virginia Securities 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. SEC-2008-00027
MARCH 7, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting a Revision to the Rules Governing the Virginia Retail Franchising Act

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia 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. Section 13.1-572 of the Virginia Retail Franchising Act ("Franchising Act"), § 13.1-557 *et seq.* of the Code of Virginia, provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of the Franchising Act.

The rules and regulations issued by the Commission pursuant to the Franchising Act are set forth in Title 21 of the Virginia Administrative Code. A copy also may be found at the Commission's website: http://www.scc.virginia.gov/case.

The Division of Securities and Retail Franchising ("Division") has submitted to the Commission proposed revisions to Chapter 110 of Title 21 of the Virginia Administrative Code entitled "Retail Franchising Act Rules," in which the Division requests that the Commission adopt amendments to the Commission regulations that address the newly amended Federal Trade Commission ("FTC") Franchise Rule ("Amended FTC Franchise Rule"), 16 C.F.R., Part 436. As of July 1, 2008, all franchisors must prepare and distribute disclosure documents that, at a minimum, comply with the disclosure format of the Amended FTC Franchise Rule.

The proposed amendments accomplish the following: (1) incorporate the minimum presale franchise disclosures required by the Amended FTC Franchise Rule; (2) adopt in substantial part the disclosure format of the new Amended FTC Franchise Rule, except with respect to the financial statement required for start-up franchisors and a state cover page; (3) add certain definitions found in the Amended FTC Franchise Rule; (4) replace obsolete terms and references; and (5) repeal the Uniform Franchise Offering Circular Guidelines that exist in the current Division regulations.

The proposed amendments also make changes to the general requirements for preparing the disclosure documents and for filing registration applications; provide for registration applications to be filed on a CD-ROM, in addition to filing paper copies; specify procedures to follow for making disclosure via electronic means; and make some housekeeping changes.

New Rule 21 VAC 5-110-55 establishes a new form of disclosure document to be used by franchisors in offering and granting franchises the Franchise Disclosure Document or "FDD". New Rule 21 VAC 5-110-95 lists the specific items of disclosure that must be included in the FDD. Except for financial statement requirements for start-up franchise systems, these requirements are substantively equivalent to the requirements adopted under the Amended FTC Franchise Rule.

Revised Rule 21 VAC 5-110-10 adds and deletes certain definitions found in the Amended FTC Franchise Rule for use in the application and interpretation of the disclosure required by the new FDD. Definitions for the following terms are added: action, affiliate, confidentiality clause, disclose, state, describe, list, FDD, financial performance representation, fiscal year, franchise seller, grant or sale of a franchise, parent, person, plain English, predecessor, principal business address, prospective franchisee, signature, and trademark. The definitions for the terms franchise broker and UFOC are deleted.

Revised Rule 21 VAC 5-110-20 adds references to exemption of a franchise. Revised Rules 21 VAC 5-110-30, 21 VAC 5-110-40, and 21 VAC 5-110-50 contain revisions to forms, procedures and documents required for the franchise registration, amendment and renewal applications,

address the effectiveness period of the certifications made by a franchisor when submitting a franchise registration, amendment and renewal application, and provide for applications to be filed on a CD-ROM in PDF format, in addition to paper copies.

Revised Rule 21 VAC 5-110-60 replaces reference to Rule 21 VAC 5-110-90, which is being repealed, with two new rules, Rules 21 VAC 5-110-55 and 21 VAC 5-110-95. The new rules that are referenced in this section relate to the content of the FDD. The franchisor must agree to comply with these regulations in order to opt for automatic effectiveness.

Revised Rule 21 VAC 5-110-65 replaces the term "offering circular" with "Franchise Disclosure Document" where applicable. Revised Rule 21 VAC 5-110-70 changes a reference to the letter designation of the Consent to Service of Process Form and updates the telephone number for the office of the Clerk of the Commission. Revised Rule 21 VAC 5-110-75 replaces references to Rule 21 VAC 5-110-90, which is being repealed, with two new rules, Rules 21 VAC 5-110-55 and 21 VAC 5-110-95; deletes references to the FTC Franchise Rules that are obsolete; and replaces "Uniform Franchise Offering Circular" with "Franchise Disclosure Document".

Revised Rule 21 VAC 5-110-80 updates and makes additions to the general requirements for preparing disclosure documents and furnishing disclosure documents to prospective franchisees, clarifies registration and disclosure requirements associated with offerings by master franchisors and master franchisees (also known as subfranchising), adds new provisions for providing required disclosure to prospective franchisees via electronic means and preserves the Commission's authority to waive the regulations or require additional information.

The proposed revisions repeal Rule 21 VAC 5-110-90 which is the Uniform Franchise Offering Circular Guidelines.

The Division has recommended to the Commission that the proposed revisions be considered for adoption with an effective date of July 1, 2008.

IT IS THEREFORE ORDERED that:

(1) The proposed revisions are appended hereto and made a part of the record herein.

(2) Comments or requests for hearing on the proposed revisions must be submitted in writing to Joel H. Peck, Clerk of the Commission, c/o Document Control Center, P. O. Box 2118, Richmond, Virginia 23218, on or before April 16, 2008. Requests for hearing shall state why a hearing is necessary and why the issues cannot be adequately addressed in written comments. All correspondence shall contain reference to Case No. SEC-2008-00027. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case.

(3) The proposed revisions shall be posted on the Commission's website at http://www.scc.virginia.gov/case and on the Division's website at http://www.scc.virginia.gov/srf. Interested persons may also request copies of the proposed revisions from the Division by telephone, mail or email.

AN ATTESTED COPY HEREOF, together with a copy of the proposed revisions, shall be sent to the Registrar of Regulations for publication in the Virginia Register.

NOTE: A copy of Attachment A entitled "21 VAC 5-110-55 . The Franchise Disclosure Document" 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-2008-00027
MAY 21, 2008

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 March 7, 2008, 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") entitled "Virginia Retail Franchising Act Rules and Forms." On March 28, 2008, the Division of Securities and Retail Franchising ("Division") mailed the Order to Take Notice of the proposed Regulations to all registrants and applicants as of March 24, 2008, and to all interested parties pursuant to the Virginia Retail Franchising Act, § 13.1-557 *et seq*. of the Code of Virginia. The Order to Take Notice describes the proposed amendments and afforded interested parties an opportunity to file written comments or requests for hearing by April 16, 2008.

One comment letter was filed. Although the comment was filed late, the filer requested that the Commission grant him leave to comment. The Commission granted leave to file the comment and the Division responded to the comment letter by letter to the commenter and filing a copy of said letter with the Commission's Document Control Center.

The commenter requested that certain typographical errors be addressed, and the Division did so. The commenter also questioned the need for using the term "grant" instead of "sale" as required in the Federal Trade Commission Rule ("FTC Rule"). As indicated in the Division's response to the commenter, on file in the Commission's Document Control Center, the use of the term "grant" rather than "sale" or "sell" tracks the Virginia Retail Franchising Act and is not preempted by the FTC Rule. The FTC Rule only preempts state law if state law creates a lesser standard. The Division also added clarifying language to proposed Rule 21 VAC 5-110-55 and corrected a couple of typographical errors pointed out by the commenter.

The Division also corrected its forms, attached to the proposed amended Regulations, to conform to the new FTC Rule and other states using the same forms.

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, should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The proposed Regulations, as modified, are attached hereto, made a part hereof, and are hereby ADOPTED effective July 1, 2008.

(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 Attachment A entitled "Virginia Retail Franchising Act Rules and Forms" 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-2008-00028
NOVEMBER 4, 2008

COMMONWEALTH OF VIRGINIA, ex. rel.
STATE CORPORATION COMMISSION
v.
BEYOND JUICE, INC.,
Defendant

FINAL ORDER

On May 21, 2008, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Beyond Juice, Inc. ("Defendant"), and Morrie Friedman. The Rule alleged that the Defendant violated certain provisions of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia.

The Rule, among other things, assigned the matter to a Hearing Examiner and scheduled an evidentiary hearing for July 22, 2008. Additionally, the Rule ordered the Defendant to file a responsive pleading on or before June 16, 2008, in which the Defendant was required to expressly admit or deny the allegations in the Rule and present any affirmative defenses that it intended to assert. The Defendant was advised that it may be found in default if it failed to either timely file a responsive pleading or other appropriate pleading or if it filed such pleading and failed to make an appearance at the hearing. If found in default, the Defendant was advised that it would be deemed to have waived all objections to the admissibility of evidence and may have entered against it a judgment by default imposing some or all of the sanctions permitted by law.

On July 22, 2008, the Commission entered an Amended Rule to Show Cause ("Amended Rule"). The Amended Rule, among other things, provided the Division of Securities and Retail Franchising ("Division") the opportunity to properly serve and perfect service on the Defendant through the Secretary of the Commonwealth, rescheduled the hearing for September 23, 2008, and directed the Defendant to file a responsive pleading on or before August 15, 2008.

On September 3, 2008, the Division filed a Motion for Default Judgment. In support, the Division stated that the Defendant had not filed an answer or other responsive pleading. The Division provided legal authority for the Commission to enter a default judgment and provided a sworn affidavit from Marc Bantel, Senior Investigator with the Division, along with accompanying documentary proof to provide the facts necessary to prove the allegations set forth in the Amended Rule.

A hearing on the Amended Rule was convened on September 23, 2008. The Division was represented by its counsel, Mary Beth Williams, who offered into the record the affidavit of Marc Bantel and other attachments relating to proving proper service of the Amended Rule. The Defendant, who was served via the Secretary of the Commonwealth pursuant to § 8.01-329 of the Code of Virginia, failed to appear at the hearing. Additionally, the Division requested that the Commission enter a default judgment against the Defendant on the counts alleged in the Amended Rule and impose the maximum penalty allowed under the Act for each violation.

On October 3, 2008, the Hearing Examiner issued his Report. In his Report, he found that based upon the evidence presented: (1) the Defendant was in violation of the Act as alleged in the Amended Rule; (2) the Motion for Default Judgment should be granted; (3) the imposition of the maximum penalties as recommended by the Division is warranted; and (4) the Defendant should be permanently enjoined from any act which constitutes a violation of the Act. Additionally, the Report allowed for the parties to file comments within twenty-one (21) days of the entry of the Report. As of this date, the Defendant has not filed 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: (1) the Division established by clear and convincing evidence that the Defendant violated the statutes as set forth in the Amended Rule; and (2) the Hearing Examiner's findings and recommendations are reasonable and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the October 3, 2008 Hearing Examiner's Report are hereby adopted;

(2) In accordance with the Commission's regulatory duties and powers and pursuant to § 13.1-570 of the Act, judgment is entered for the Commonwealth against the Defendant in the amount of $25,000 for each statutory violation, for a total penalty of One Hundred and Fifty Thousand Dollars ($150,000); and

(3) Pursuant to § 13.1-568 of the Act, the Defendant is hereby enjoined from any further violation of the Act.

CASE NO. SEC-2008-00030
MAY 23, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON SQUARE SECURITIES, INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that, during the year 1999 through August 15, 2001, Washington Square Securities, Inc. (n/k/a ING Financial Partners, Inc. ("IFP")) ("Defendant") violated Securities Rule 21 VAC 5-20-260 B by failing to exercise diligent supervision over the securities activities of its agent Scott Kramnick and agents of the Kramnick Agency. Mr. Scott Kramnick resigned from Washington Square on August 15, 2001, and the Kramnick Agency closed on or about September 1, 2001. After the violations occurred, on January 1, 2004, Washington Square merged with Locust Street Securities, Inc. to become ING Financial Partners, Inc. ("IFP"). After the merger, significant changes took place. Management, supervisors, and compliance personnel changed completely, as did the company's location. Additional supervisory and compliance personnel were added and supervisory and compliance procedures were enhanced.

The State Corporation Commission ("Commission") is authorized by § 13.1-506 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, 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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

The Division acknowledges the violations took place prior to IFP's involvement with Washington Square Securities, that IFP has made significant changes to its supervisory processes and systems to eliminate the risk of similar violations in the future, and also that IFP has voluntarily made an offer of restitution to certain former customers of the Kramnick Agency. These facts have been considered by the Division in reaching this settlement.

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 has made a rescission offer to certain former customers of the Kramnick Agency.

(2) The Defendant provided the Division with a Declaration, executed by the Chief Compliance Officer that contained:

(a) The date the rescission letter was sent to each investor;

(b) The date upon which each investor responded to the rescission offer, the investor's response, and, if applicable, the amount and the date that payment was sent to the investor; and

(c) A statement identifying any investor who refused the rescission offer, if applicable.

(3) The Defendant will provide the Division with a copy of all future correspondence that the Defendant sends to each investor to whom the Defendant has made rescission.

(4) The Defendant will not violate the Act in the future.

(5) As of the date of entry of this Order, the Defendant will exercise reasonable and diligent supervision of its agents in accordance with the Rules of the Commission.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply 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.

CASE NO. SEC-2008-00034
APRIL 16, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MORGAN STANLEY & CO. INCORPORATED,
Defendant

CONSENT ORDER

FINDINGS OF FACT
CONCLUSIONS OF LAW

Morgan Stanley & Co. Incorporated ("MS&Co") is a broker-dealer registered in the Commonwealth of Virginia through the State Corporation Commission ("Commission"); and

Morgan Stanley DW Inc. ("MSDW"), formerly known as Dean Witter, Discover & Co. ("Dean Witter"), was a broker-dealer registered by the Commission[1]; and

In May 2005, MSDW & MS&Co, collectively referred to as Morgan Stanley, discovered deficiencies in some of their order entry systems that permitted the execution of transactions for certain types of securities without checking to determine whether the transactions complied with applicable securities registration requirements under state securities laws ("Blue Sky laws"); and

Immediately upon discovery of the deficiencies, Morgan Stanley formed a team to examine the issues and correct the problems; and

Morgan Stanley conducted an internal investigation into the reasons why the affected order entry systems were not functioning properly and voluntarily provided the results of the internal investigation to members of a multi-state task force (collectively, the "State Regulators"); and

Morgan Stanley self-reported the Blue Sky problem to all affected state and federal regulators; and

The State Regulators have conducted a coordinated investigation into the activities of Morgan Stanley, and its predecessors, in connection with Morgan Stanley sales of securities over a several year period which did not satisfy the Blue Sky laws; and

Morgan Stanley identified transactions which were executed in violation of the Blue Sky laws as a result of the system deficiencies and offered rescission to such customers with terms and conditions that are consistent with the provisions set out in § 13.1-522A of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia; and

Morgan Stanley has since adopted policies and procedures, as well as further actions, designed to ensure compliance with all legal and regulatory requirements regarding Blue Sky laws, including applicable state securities laws and regulations; and

Morgan Stanley has advised the State Regulators of its agreement to resolve the investigation relating to its practices of complying with state Blue Sky laws; and

Morgan Stanley, elects to permanently waive any right to a hearing and appeal under §§ 12.1-28 and 12.1-39 of the Code of Virginia with respect to this Consent Order ("Order");

PRELIMINARY STATEMENT

On or about August of 2005, Morgan Stanley notified the North American Securities Administrators Association ("NASAA"), the association for state securities regulators, as well as the Division of Securities and Retail Franchising ("Division"), that it learned that certain order entry systems in place at its primary retail broker-dealer, MSDW, did not check whether certain securities transactions complied with Blue Sky law registration requirements. The Blue Sky surveillance problem included most fixed income securities and certain equity securities sold to customers in solicited and non-exempt transactions, from at least 1995.

Morgan Stanley discovered the Blue Sky issue in late May 2005. Shortly thereafter, Morgan Stanley commissioned an internal investigation to determine the origins and reasons for the oversight. Morgan Stanley discovered that its surveillance systems were deficient for the following reasons:

- Broker workstations, the automated trading system used at Morgan Stanley, did not have any type of Blue Sky block or other exception report for trades involving fixed income securities;

- Morgan Stanley's Blue Sky surveillance system covered only securities contained in its Blue Sky databases, which were maintained separately for MSDW and MS&Co. As such, if the surveillance system did not locate a particular security in the Blue Sky database, the systems would allow the transaction to proceed without further checking or creating any exception report noting the inability to locate Blue Sky registration confirmation;

[1] Morgan Stanley, the product of a 1997 merger of Morgan Stanley Group, Inc. and Dean Witter, Discover & Co., is a Delaware corporation whose common stock trades on the New York Stock Exchange. Morgan Stanley & Co. Incorporated is a wholly owned subsidiary of Morgan Stanley. Morgan Stanley DW Inc., formerly known as Dean Witter, Discover & Co., was a wholly owned subsidiary of Morgan Stanley until April 1, 2007, when Morgan Stanley DW Inc. merged into Morgan Stanley & Co. Incorporated to form a single broker-dealer.

- Morgan Stanley did not adequately stock its Blue Sky database with sufficient information, either by way of internal research or outside vendors research, to properly review all transactions for Blue Sky compliance;

- Morgan Stanley did not direct enough resources and personnel during the ten-year period to adequately manage the Blue Sky issues.

The result of the surveillance failures was that thousands of securities transactions during the time frame January 1997 – May 2005, particularly fixed income securities, were approved and executed without first confirming Blue Sky registration status.

History of the Blue Sky Issue at Morgan Stanley
Blue Sky Compliance Pre-1995

Before 1995, Dean Witter brokers entered customer transactions using paper order tickets and the internal electronic wire. Dean Witter's Blue Sky surveillance system compared orders (by CUSIP number) with information in its internal Blue Sky database, known as BSKS.

If the system detected a possible problem, it would allow the order to be filled out, but it would list the trade on a next-day T+1 exception report. Dean Witter's Blue Sky Manager then reviewed the report and contacted branch officers involved to determine whether particular trades had to be cancelled.

BSKS contained information on equities in which Dean Witter made a market, a total of about 1,200 to 1,500 stocks. BSKS did not regularly contain information on fixed income securities unless the Blue Sky Manager was asked to manually enter such information by the fixed income trading area.

Where Dean Witter's Blue Sky system could not locate a security in BSKS, it did not reflect its inability to find the security in a "security-not-found" or other exception report.

As a result, before 1995, Dean Witter had no surveillance system in place that would check for possible Blue Sky violations for most fixed income securities or equities in which Dean Witter was not making a market.

Automation of Trading Systems in 1995
Did Not Correct Blue Sky Compliance Issue

In 1995, Dean Witter began developing its automated order entry system, called the Financial Advisor Workstation ("Workstation"). In addition to using the Workstation to enter customer orders, Financial Advisors ("FAs") could use it to look up the Blue Sky status of securities in BSKS. After a customer order was entered on the Workstation, the system compared securities (by CUSIP number) with information in BSKS and automatically blocked trades not meeting specified requirements, including transactions that potentially posed Blue Sky issues.

However, the Workstation design team noted that the system was not designed to block fixed income securities and noted that such a feature would be added in a later phase:

> . . . As previously discussed, the Order Entry System will perform the Blue Sky validation on-line. Initially, the Blue Sky and Compliance edits will be built into the **Equity Ticket, while Blue Sky validation in Fixed Income Ticket will be added in a later phase.** (emphasis added)

Until May 2005, no one on the Workstation design team or anyone else at the firm followed up on whether or when fixed income securities would be added to the Blue Sky validation process.

FAs using the Workstation to research the Blue Sky status of fixed income products did not receive either the requested Blue Sky information or a warning message to contact MSDW's Compliance Department ("Compliance") which resulted in the processing of fixed income transactions without the performance of proper Blue Sky checks.

In response to early complaints about the Workstation's slowness, MSDW programmed the system to execute an order for equity securities regardless of whether the system had completed Blue Sky screening. However, the system compared all such trades at the end of the day to BSKS and listed possibly violative transactions on the T+1 exception report.

In addition, MSDW did not include surveillance for Blue Sky compliance in the various trading platforms that it subsequently built out to support MSDW's managed account business. Although MSDW initially built and revised these systems over time, it failed to incorporate Blue Sky surveillance into these systems.

During the automation process in 1995, MSDW's Blue Sky Manager advised the Compliance Director and the Deputy Compliance Director that the new automated system would require her to monitor more than 15,000 equity securities, rather than about 1,500 equity securities which she previously monitored.

During this time, the Firm, the Compliance Director and his deputy, failed to recognize the significant compliance issue that existed due to the pre-automation system not providing Blue Sky checks on many equities or fixed income securities.

To assist the Blue Sky Manager, MSDW bought a newly available automated Blue Sky information feed covering only equities from an outside vendor, Blue Sky Data Corp ("BSDC"), on April 11, 1996 (an information feed for fixed income securities was not available until 1997). Upon buying the service, MSDW terminated the Blue Sky Manager's only assistant.

The new BSDC equity feed resulted in a substantial increase of information (from 1,500 to 15,000 covered equities) causing the volume of possible Blue Sky violations appearing on the daily T+1 exception report to increase substantially, which overwhelmed the Blue Sky Manager.

Blue Sky Problem Not Detected Following The Merger

On or about May 31, 1997, Dean Witter merged with Morgan Stanley Group, Inc. After the merger, the Blue Sky problems continued.

The predecessor Morgan Stanley Group, Inc. had conducted a retail business, including Blue Sky checking, through its relatively small Private Wealth Management Group ("PWM"), which served ultra-high net worth clients.

After the merger, the combined firm kept the two predecessor firms' trading systems (including the corresponding Blue Sky systems) running in parallel-one for MSDW and the other for PWM. Beginning in 1998, Morgan Stanley assigned MSDW's Blue Sky Manager to monitor the PWM Blue Sky system as well, even though the Blue Sky Manager had difficulties with the increased review responsibilities created by the MSDW T+1 exception reports.

The two Blue Sky systems produced different, but similar, exception reports that identified transactions with possible Blue Sky violations. For PWM this included all such trades, and for MSDW this included trades that had not been stopped by the front-end block then in place.

Morgan Stanley's Blue Sky databases contained only a small amount of fixed income Blue Sky information entered manually over the years and did not cross-reference the information they each separately contained.

Beginning sometime in 1997, BSDC began offering a fixed income Blue Sky information feed, and on December 15, 1997, BSDC contacted Morgan Stanley to solicit the new fixed income feed. Morgan Stanley elected to add BSDC's fixed income feed to the PWM Blue Sky System, but not to MSDW's Blue Sky system.

For the next eight (8) years, although some of Morgan Stanley's employees in Compliance were aware that MSDW did not have an adequate fixed income Blue Sky registration verification system neither Morgan Stanley nor any of its employees took any action to rectify the situation.

Blue Sky Violations Not Detected By Internal Audit

Morgan Stanley's Internal Audit Department commenced an audit of Blue Sky surveillance in the Fall of 2002. Internal Audit noted that the "objective of the audit was to assess whether adequate internal controls and procedures exist[ed] to ensure that Product Surveillance activity for …Blue Sky…[was] properly performed, documented, and monitored, in accordance with [Morgan Stanley] policy, applicable laws and regulatory requirements."

The audit workpapers stated that a control objective was to assure that the Blue Sky unit monitored "equity security trading activity" and "market maker securities and those securities recommended by Morgan Stanley's Research Department," but they did not mention the need to monitor fixed income trading activity or securities beyond those where Morgan Stanley made a market or provided research coverage.

A review of the Internal Audit revealed that fixed income, as well as other types of transactions, were reviewed. In particular, workpapers show an October 29, 2002 trade in a particular bond which noted: "Bond originally was not blue sky available," but found this trade was appropriately resolved, from a Blue Sky perspective, by "Signed Solicitation letter obtained from client acknowledging unsolicited order."

Despite the fact that some fixed income transactions were reviewed, the Internal Audit failed to recognize that there were no hard blocks when a security was not found in the Blue Sky database.

While the workpapers from the Internal Audit concluded that Morgan Stanley's performance was "adequate" for most Blue Sky surveillance activities, the workpapers also concluded that performance was "inadequate" in the area of communicating Blue Sky surveillance findings to management and commented that "there is no evidence of analysts/supervisory review over Surveillance Reports."

In its final report dated July 31, 2003, the Internal Audit concluded, in part, that there were "[n]o control deficiencies noted" in the areas of "Exception Reporting" ("Review of daily exception reports") and "Management Oversight / Monitoring" ("Supervision of Compliance analyst activities to ensure the adequacy of investigation and corrective action").

After noting that the Internal Audit "evaluated the existence and the adequacy of the design of the monitoring mechanisms employed to ensure that key controls are operating effectively," the report concluded that there were "[n]o findings…that warranted discussion with the Board Audit Committee."

The State Of Blue Sky Systems Existing In Early 2005

At the beginning of 2005, MSDW had in place an up-front order entry block, but it covered only transactions involving equities, certificates of deposit, mutual funds, managed futures, insurance, and unit investment trusts. The block did not cover fixed income securities, apart from certificates of deposit.

MSDW's Blue Sky system did not contain information for all securities (especially fixed income) and failed to include any sort of "security-not-found" exception report to flag transactions in securities not contained in the Blue Sky database, resulting in no surveillance for such transactions.

PWM operated on a different platform that never included any automated block to prevent execution of transactions possibly violating Blue Sky requirements. Instead, PWM's system automatically generated a T+1 exception report covering both equities and fixed income securities containing possible Blue Sky violations.

At the beginning of 2005, MSDW's Blue Sky policies and procedures had remained fundamentally unchanged for a decade. While the policies articulated the obligation of individual FAs and branch managers to check for Blue Sky compliance, MSDW did not provide the FAs and branch managers with the proper tools to assist them in fulfilling their Blue Sky responsibilities and did not require adequate monitoring systems to check for Blue Sky compliance.

Moreover, Morgan Stanley did not adequately staff the Blue Sky Manager's office with sufficient resources and personnel to assist and supervise all security transactions.

Recognition Of The Blue Sky Surveillance Problem, Morgan Stanley's Self-Reporting To Regulators And Remediation Efforts

At the end of 2004, Morgan Stanley hired a new Compliance employee in the Policies and Procedures Group. The employee came with considerable experience in Blue Sky and other surveillance related matters and soon was charged with managing certain surveillance functions.

On or about May 23, 2005, during a review of MSDW's Blue Sky compliance surveillance, the employee learned that while MSDW had an equity Blue Sky feed from BSDC, it received no similar feed for fixed income securities. The employee reported the situation to MSDW's new Head of Compliance the following day.

Upon hearing the report, the Head of Compliance directed the employee to have MSDW acquire the fixed income feed from BSDC as soon as possible. MSDW began receiving the fixed income feed from BSDC on May 30, 2005.

Morgan Stanley then took steps to assess the significance and extent of the gaps in surveillance. A team of persons was formed in June 2005 to examine the issues and worked through the balance of June and July in an effort to identify the deficiencies and to begin to immediately correct the problems. In doing so, the team created a list of Blue Sky compliance requirements for all trading platforms and identified a list of Blue Sky compliance gaps.

On August 12, 2005, an Executive Director in the Regulatory Group of Morgan Stanley's Law Division began the process of self-reporting the Blue Sky problem to state regulators. Over the next couple of weeks, the Executive Director notified regulators in all fifty (50) states, the District of Columbia and Puerto Rico, as well as the National Association of Securities Dealers ("NASD"). The head of the Regulatory Group had already given preliminary notice to the New York Stock Exchange ("NYSE").

Upon receiving the fixed income feed from BSDC, MSDW made necessary system enhancements and conducted testing of the system enhancements, resulting in MSDW putting the fixed income feed into production on June 20, 2005. The changes permitted a daily updating of MSDW's internal Blue Sky database and allowed fixed income exceptions to appear on the daily T+1 exception report.

On or about July 15, 2005, MSDW developed a "security-not-found" report to address instances where the BSDC feed may not contain data for a particular security. This report, generated on a T+1 basis, identifies all transactions in securities (by CUSIP number) not recognized by the Blue Sky database that could potentially violate Blue Sky laws. Currently, the security-not-found report covers both equities and fixed income transactions entered through the equity and fixed income order entry platforms on the Workstations.

On a daily basis, Compliance personnel analyze the security-not-found report to ascertain the Blue Sky registration or exemption status of the flagged transaction and make a determination regarding the Blue Sky status of the identified transactions prior to settlement date. If they discover a transaction that violated Blue Sky restrictions, they instruct the branch that effected the transaction to cancel it. When analyzing the report, Compliance personnel also update the Blue Sky database to include relevant information about the securities they research.

On or about July 29, 2005, MSDW programmed a hard block – *i.e.* a block a FA cannot override—that prevents the entry of fixed income transactions that could violate Blue Sky regulations.

MSDW has also refined the process to filter out transactions that qualify for certain exemptions that span all Blue Sky jurisdictions. By eliminating the covered transactions, the system yields a smaller and more manageable pool of securities with potential Blue Sky issues for manual review by Compliance.

Additionally, MSDW directed its IT Department to examine all of MSDW's trading platforms to determine the nature and scope of the Blue Sky compliance problem. The review uncovered a gap in Blue Sky coverage for MSDW's managed account platforms to the extent that such platforms include affiliated money managers or accommodate broker discretionary trading. MSDW has taken the necessary steps to close the gaps in the managed account platforms and has incorporated trading in the managed account platforms into the securities-not-found report.

By the end of 2005, Morgan Stanley remedied all of the previously identified Blue Sky compliance gaps in both MSDW and PWM systems.

Morgan Stanley hired additional Compliance employees to staff its Blue Sky function. In particular, the new personnel include a new Blue Sky Manager who is dedicated exclusively to Blue Sky compliance. A full time temporary employee was hired to assist the Blue Sky Manager and Morgan Stanley subsequently hired this individual as a permanent full-time employee. Morgan Stanley also assigned a back-up person to cover the Blue Sky Manager's responsibilities in the event of absences.

At great expense, Morgan Stanley conducted a review of millions of historical transactions and identified those which were executed in violation of the Blue Sky laws as a result of the system deficiencies and offered rescission to customers with terms and conditions that are consistent with the provisions from the state securities statutes which correspond to the state of residence of each affected customer.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to the Act.

2. Morgan Stanley's failure to maintain adequate systems to reasonably ensure compliance with Blue Sky laws resulted in the sale of unregistered securities in violation of § 13.1-507 of the Act.

3. Morgan Stanley failed to reasonably supervise its agents or employees, in violation of Securities Rule 21 VAC 5-20-260.

4. This Order is necessary and appropriate in the public interest and for the protection of investors, and is consistent with the purposes fairly intended by the policy and the provisions of § 13.1-521 of the Act.

5. Pursuant to § 13.1-522 of the Act, Morgan Stanley is liable to investors for any sales of securities that are conducted in violation of § 13.1-507 of the Act, unless among other defenses, Morgan Stanley offers and completes rescission to investors as set forth in the Act.

ORDER

On the basis of the Findings of Fact and Conclusions of Law, Morgan Stanley consents to the entry of this Order for the sole purpose of settling this matter, prior to a hearing and without admitting or denying the Findings of Fact or the Conclusions of Law,

IT IS HEREBY ORDERED,

1. This Order concludes the Investigation by the Division and any other action that the Division could commence under the Act on behalf of the Commission as it relates to the Defendant, Morgan Stanley, or any of its affiliates, and their current or former officers, directors, and employees, arising from or relating to the subject of the Investigation, provided, however, that excluded from and not covered by the paragraph are any claims by the Division arising from or relating to enforcement of the Order provisions contained herein.

2. Morgan Stanley will refrain from violating the Act in connection with the sales of unregistered securities as referenced in this Order and will comply with Securities Rule 21 VAC 5-20-260.

3. This Order shall become final upon entry.

4. As a result of the Findings of Fact and Conclusions of Law contained in this Order, Morgan Stanley shall pay $103,415 to the Commonwealth of Virginia as a civil monetary penalty pursuant to § 13.1-521 of the Act, to be paid to the Treasurer of the Commonwealth of Virginia within ten (10) days of the date on which this Order becomes final. This amount constitutes the Commission's proportionate share of the state settlement amount of 8.5 Million Dollars ($8,500,000.00).

5. If payment is not made by Morgan Stanley, the Commission may vacate this Order, at its sole discretion, upon ten (10) days notice to Morgan Stanley and without opportunity for civil hearing and Morgan Stanley agrees that any statute of limitations applicable to the subject of the Investigation and any claims arising from or relating thereto are tolled from and after the date of this Order.

6. This Order is not intended by the Commission to subject any Covered Person to any disqualifications under the laws of the United States, any state, the District of Columbia or Puerto Rico, including, without limitation, any disqualification from relying upon the state or federal registration exemptions or safe harbor provisions. "Covered Person," means Morgan Stanley or any of its affiliates and their current or former officers, directors, employees, or other persons that would otherwise be disqualified as a result of the Orders (as defined below).

7. This Order and the order of any other State in related proceedings against Morgan Stanley (collectively, the "Orders") shall not disqualify any Covered Person from any business that they otherwise are qualified, licensed or permitted to perform under applicable law of the Commonwealth of Virginia and any disqualifications based upon this state's registration exemptions or safe harbor provisions that arise from the Orders are hereby waived.

8. For any person or entity not a party to this Order, this Order does not limit or create any private rights or remedies against Morgan Stanley or create liability of Morgan Stanley or limit or create defenses of Morgan Stanley to any claims.

9. This Order and any dispute related thereto shall be construed and enforced in accordance, and governed by, the laws of the Commonwealth of Virginia without regard to any choice of law principles.

10. The parties represent, warrant and agree that they have received legal advice from their attorneys with respect to the advisability of executing this Order.

11. Morgan Stanley agrees not to take any action or to make or permit to be made on its behalf any public statement denying, directly or indirectly, any finding in this Order or creating the impression that this Order is without factual basis. Nothing in this Paragraph affects Morgan Stanley's: (i) testimonial obligations or (ii) right to take legal or factual positions in defense of litigation or in defense of a claim or other legal proceedings to which the Commission is not a party.

12. This Order shall be binding upon Morgan Stanley and its successors and assigns. Further, with respect to all conduct subject to Paragraph 4 above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions, the terms "Morgan Stanley" as used here shall include Morgan Stanley's successors or assigns.

13. Morgan Stanley, through its execution of this Consent Order, voluntarily waives its right to a hearing on this matter and to judicial review of this Consent Order under § 12.1-29 of the Code of Virginia.

CASE NO. SEC-2008-00037
OCTOBER 22, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SHAPOUR JAVADIZADEH,
Defendant

ORDER OF DISMISSAL

This matter is before the State Corporation Commission ("Commission") on the Motion to the Division of Securities and Retail Franchising ("Division") filed on September 22, 2008. The Commission's Hearing Examiner issued a Report on September 23, 2008, advising the Commission that the Division requested the dismissal of the Rule to Show Cause issued in this case.

The Commission, upon consideration of this matter, is of the opinion and finds that the request should be granted.

Accordingly, IT IS ORDERED THAT this case is dismissed and that this matter be removed from the Commission's docket of active cases.

CASE NO. SEC-2008-00047
APRIL 15, 008

APPLICATION OF
BAPTIST GENERAL CONFERENCE CORNERSTONE 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 Baptist General Conference Cornerstone Fund ("Baptist Cornerstone Fund"), which the Commission received on March 3, 2008, with attached exhibits. The application requested that the Fixed Rate Certificates, Six (6) Month, One (1) Year, Two (2) Year, Three (3) Year, Four (4) Year, Five (5) Year, Demand and Individual Retirement Account (IRA) 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 of Baptist Cornerstone Fund 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) Baptist Cornerstone Fund is an Illinois corporation operating not for private profit but exclusively for charitable, religious, and educational purposes; (ii) Baptist Cornerstone Fund intends to offer and sell $75,000,000 of the Certificates in a continuous offering on terms and conditions as more fully described in the Offering Circular filed as a part of the application, and as subsequently amended; and (iii) these securities are to be offered and sold by the officers of Baptist Cornerstone Fund who will not be compensated for the sales efforts.

Based on the facts asserted by Baptist Cornerstone Fund in the written application and exhibits, and pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion 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 officers authorized by Baptist Cornerstone Fund to assist in the offer and sale of the Certificates are exempt from the agent registration requirements of § 13.1-504 of the Act.

CASE NO. SEC-2008-00048
APRIL 15, 2008

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 received March 3, 2008, with exhibits attached thereto, as subsequently amended, of National Covenant Properties, requesting that: 5-Year Fixed Rate Renewable Certificates (Series A), Variable Rate Certificates (Series G), Individual Retirement Account Certificates, and Health Savings Account 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 certain officers of National Covenant Properties be exempted from the agent registration requirements of the Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: National Covenant Properties is an Illinois corporation operating not for private profit but exclusively for religious, charitable, and educational purposes; National Covenant Properties intends to offer and sell the Certificates in an approximate aggregate amount of up to $75,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the application; said securities are to be offered and sold by officers of National Covenant Properties who

will not be compensated for their sales efforts; and that National Covenant Properties will discontinue issuer transactions for all Certificates previously exempted by the Commission upon the grant of the exemption for the offering of Certificates described herein.

THE COMMISSION, based on the facts asserted by National Covenant Properties in the written application and exhibits, is of the opinion and finds, and does hereby 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, and the officers of National Covenant Properties are exempt from the agent registration requirements of § 13.1-504 of the Act.

CASE NO. SEC-2008-00055
MAY 1, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LUIS A. GARCIA d/b/a GPS NANNY
and
d/b/a PCPHONELINK,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Luis A. Garcia, as an individual, d/b/a GPS Nanny and d/b/a/ PCPhoneLink ("Defendant"): (1) violated § 13.1-504 A of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, by transacting business in the Commonwealth of Virginia without being properly registered as an agent; and (2) violated § 13.1-507 of the Act by offering or selling securities of GPS Nanny and PCPhoneLink that were not registered or exempt from registration.

The State Corporation Commission ("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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant admits to these allegations and admits to the Commission's jurisdiction and authority to enter this Settlement 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 provided the Division with proof of financial hardship in the form of an affidavit and supporting documents, and therefore all penalties were waived.

(2) The Defendant will provide a copy of this Settlement Order to every current and former investor in GPS Nanny and PCPhoneLink within thirty (30) days from the date of entry of this Settlement Order. No later than forty-five (45) days from the date of entry of this Settlement Order, the Defendant will submit an affidavit to the Division as proof thereof.

(3) The Defendant agrees to be permanently enjoined from participating in the securities industry in any capacity in the Commonwealth of Virginia.

(4) 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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply 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.

CASE NO. SEC-2008-00056
OCTOBER 22, 2008

COMMONWEALTH OF VIRGINIA, ex. rel.
STATE CORPORATION COMMISSION
v.
MORRIE FRIEDMAN,
Defendant

FINAL ORDER

On May 21, 2008, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Beyond Juice, Inc. and Morrie Friedman ("Defendant"). The Rule alleged that the Defendant violated certain provisions of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia.

The Rule, among other things, assigned the matter to a Hearing Examiner and scheduled an evidentiary hearing for July 22, 2008. Additionally, the Rule ordered the Defendant to file a responsive pleading on or before June 16, 2008, in which the Defendant was required to expressly admit or deny the allegations in the Rule and present any affirmative defenses that he intended to assert. The Defendant was advised that he may be found in default if he failed to either timely file a responsive pleading or other appropriate pleading, or if he filed such pleading and failed to make an appearance at the hearing. If found in default, the Defendant was advised that he would be deemed to have waived all objections to the admissibility of evidence and may have entered against him a judgment by default imposing some or all of the sanctions permitted by law.

On July 3, 2008, the Division of Securities and Retail Franchising ("Division") filed a Motion for Default. In support, the Division stated that the Defendant had not filed an answer or other responsive pleading. The Division provided legal authority for the Commission to enter a default judgment, and provided a sworn affidavit from Marc Bantel, Senior Investigator with the Division, along with accompanying documentary proof to provide the facts necessary to prove the allegations set forth in the Rule.

A hearing on the Rule was convened on July 22, 2008. The Division was represented by its counsel, Mary Beth Williams, who offered into the record the affidavit of Marc Bantel and other attachments, as well as evidence to establish proper service of the Rule. The Defendant, who was served by certified mail, failed to appear at the hearing. Additionally, the Division requested that the Commission enter a default judgment against the Defendant on the counts alleged in the Rule and impose the maximum penalty allowed under the Act for each violation.

On September 5, 2008, the Hearing Examiner issued his Report. In his Report, he found that based upon the evidence presented: (1) the Defendant was in violation of the Act as alleged in the Rule; (2) the Motion for Default Judgment should be granted; (3) the imposition of the maximum penalties as recommended by the Division is warranted; and (4) the Defendant should be permanently enjoined from any act which constitutes a violation of the Virginia Retail Franchising Act. Additionally, the Report allowed for the parties to file comments within twenty-one (21) days of the entry of the Report. The Division filed comments only to the extent that it had misquoted the maximum penalty amount allowed under the Act in its Motion for Default, and that the Hearing Examiner had relied upon that erroneous representation when making his recommendation for the amount of penalties to be assessed. As of this date, the Defendant has not filed 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: (1) the Division established by clear and convincing evidence that the Defendant violated the statutes as set forth in the Rule; and (2) the Hearing Examiner's findings and recommendations are reasonable and should be adopted, with the penalties changed to reflect the correct statutory amount of $25,000 per violation, in accordance with § 13.1-570 of the Act.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the September 5, 2008 Hearing Examiner's Report are hereby adopted, with the penalty changed to the correct statutory amount of $25,000 per violation;

(2) In accordance with the Commission's regulatory duties and powers and pursuant to § 13.1-570 of the Act, judgment is entered for the Commonwealth against the Defendant in the amount of $75,000; and

(3) Pursuant to § 13.1-568 of the Act, the Defendant is hereby enjoined from any further violation of the Act.

CASE NO. SEC-2008-00057
APRIL 24, 2008

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 ("Columbia Union"), which the Commission received on March 21, 2008, with attached exhibits. The application requested that the 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) Columbia Union is a Delaware corporation operating not for private profit but exclusively for charitable, religious, and educational purposes; (ii) Columbia Union intends to offer and sell $45,000,000 of the Notes in a continuous offering on terms and conditions as more fully described in the Offering Circular filed as a part of the application, and as subsequently amended; (iii) Columbia Union asks the Commission to terminate the prior exemption for securities issues under Case No. SEC-2005-00015; and (iv) these Notes are to be offered and sold by a registered agent.

Based on the facts asserted by Columbia Union in the written application and exhibits, and pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion 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 Columbia Union will discontinue issuer transactions for all notes previously exempted by the Commission.

CASE NO. SEC-2008-00058
APRIL 24, 2008

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 the Mission Investment Fund of the Evangelical Lutheran Church in America ("Mission Fund"), which the Commission received on April 2, 2008, with attached exhibits. The application requested that the Mission TermSelect-adjustable rate unsecured debt obligations, Mission TermSelect-fixed rate unsecured debt obligations, Mission TermSelect/Grand-fixed rate unsecured debt obligations, MissionFuture4KIDZ unsecured debt obligations, MissionPlus unsecured debt obligations, and MissionFirst unsecured debt obligations (collectively, "Unsecured Debt Obligations") 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 Mission Fund is a Minnesota corporation operating not for private profit but exclusively for religious purposes; (ii) the Mission Fund intends to offer and sell $240,000,000 of the Unsecured Debt Obligations in a continuous offering on terms and conditions as more fully described in the Offering Circular filed as a part of the application, (iii) Mission Fund will discontinue issuer transactions for all other securities previously exempted by Commission Order and (iv) the Unsecured Debt Obligations are to be offered and sold by certain registered agents of Mission Fund who are employed to assist in the offer and sale of the Unsecured Debt Obligations, but will not be compensated separately for the offers and sales of the Unsecured Debt Obligations.

Based on the facts asserted by the Mission Fund in the written application and exhibits, and pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and does hereby ADJUDGE AND ORDER that, the securities described above are exempt from the securities registration requirements of the Act.

CASE NO. SEC-2008-00060
JUNE 6, 2008

APPLICATION OF
CHURCH EXTENSION SERVICES, 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 Church Extension Services, Inc. ("Church Extension"), which the Commission received on April 14, 2008, with attached exhibits. The application requested that the Mission Investment Certificates ("Certificates") 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) Church Extension is a Kansas membership corporation operating not for private profit but exclusively for charitable, religious, and educational purposes; (ii) Church Extension intends to offer and sell $7,000,000 of the Certificates in a continuous offering on terms and conditions as more fully described in the Offering Circular filed as a part of the application, and as subsequently amended; (iii) Church Extension will discontinue issuer transactions for all Certificates previously exempted by the Commission upon grant of the exemption for the offering of the Certificates described herein; and (iv) these securities are to be offered and sold by the President of Church Extension, who will not be compensated for the sales efforts and registered broker-dealers.

Based on the facts asserted by Church Extension in the written application and exhibits, and pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and does hereby ADJUDGE AND ORDER that, the securities described above are exempt from the securities registration requirements of the Act and the exemption requested and granted by the Commission in SEC-2007-00042 be terminated upon the effectiveness of this order. IT IS FURTHER ORDERED that the President authorized by Church Extension to assist in the offer and sale of the Certificates is exempt from the agent registration requirements of § 13.1-504 of the Act.

CASE NO. SEC-2008-00061
JUNE 6, 2008

APPLICATION OF
FULL GOSPEL FELLOWSHIP CHURCH

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 Full Gospel Fellowship Church ("Fellowship Church"), which the Commission received on April 15, 2008, with attached exhibits. The application requested that the First Mortgage Bonds ("Bonds") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) Fellowship Church is a Virginia corporation operating not for private profit but exclusively for charitable, religious, and educational purposes; (ii) Fellowship Church intends to offer and sell $2,000,000 of the Bonds in a continuous offering on terms and conditions as more fully described in the Prospectus filed as a part of the application, and as subsequently amended; (iii) Fellowship Church will only offer and sell the Bonds in Virginia to members of the Fellowship Church; and (iv) Fellowship Church Bonds are to be offered and sold by a registered broker-dealer, Rives, Leavell & Co.

Based on the facts asserted by Fellowship Church in the written application and exhibits, and pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and does hereby ADJUDGE AND ORDER that, the securities described above are exempt from the securities registration requirements of the Act and that the offers and sales of the Bonds in Virginia are to be made only to members of Fellowship Church.

CASE NO. SEC-2008-00068
SEPTEMBER 24, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
RALPH HENDRY,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Ralph Hendry ("Defendant"): (1) violated § 13.1-502 (2) of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, by making various material misrepresentations and omissions in the offer and sale of securities; (2) violated § 13.1-504 A of the Act by transacting business in the Commonwealth of Virginia without being properly registered as an agent; (3) violated § 13.1-507 of the Act by offering or selling securities that were not registered or exempt from registration; and (4) violated Securities Rule 21 VAC 5-20-280 B (3) by establishing or maintaining an account containing fictitious information in order to execute a transaction which would otherwise be unlawful or prohibited.

The State Corporation Commission ("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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant neither admits nor denies these allegations and admits to the Commission's jurisdiction and authority to enter this Settlement 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 the Commonwealth of Virginia, contemporaneously with the entry of this Order, the amount of twenty thousand dollars ($20,000) in monetary penalties.

(2) The Defendant will pay to the Commission, contemporaneously with the entry of this Order, the amount of one thousand three hundred dollars ($1,300) to defray the cost 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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply with the aforesaid terms and undertakings of this settlement; and

(3) This case is dismissed and the papers herein shall be placed in the file for ended causes.

Dismissal of this case does not relieve the Defendant from his reporting obligations to any regulatory authority.

CASE NO. SEC-2008-00070
SEPTEMBER 3, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
KING LOMBARDI ACQUISITIONS, INC., D/B/A VR BUSINESS BROKERS,
PETER C. KING,
and
JOANN A. LOMBARDI,
Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that King Lombardi Acquisitions, Inc. d/b/a VR Business Brokers, Peter C. King, and JoAnn A. Lombardi ("Defendants"): (1) violated § 13.1-560 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 et seq. of the Code of Virginia ("Code"), by granting or offering to grant franchises in the Commonwealth of Virginia prior to registering under the provisions of the Act; and (2) violated § 13.1-563 (e) of the Act by failing to, directly or indirectly, provide franchisees with (i) the franchise agreement and (ii) such disclosure documents as may be required by rule or order of the State Corporation Commission ("Commission").

The Commission is authorized by § 13.1-562 of the Act to revoke the Defendants' 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 by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendants neither admit nor deny these allegations but admit to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from 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, jointly and severally, to the Treasurer of the Commonwealth of Virginia the amount of eight thousand dollars ($8,000) in monetary penalties. The monetary penalties will be paid in four (4) monthly installments of two thousand dollars ($2,000) each. The first installment is due on or before September 30, 2008, and the final installment is due on or before December 31, 2008.

(2) The Defendants will pay, jointly and severally, to the Commission the amount of two thousand dollars ($2,000) to defray the cost of investigation.

(3) 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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted;

(2) The Defendants 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.

CASE NO. SEC-2008-00071
AUGUST 14, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITY INVESTMENT, INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Unity Investment, Inc. ("Defendant"): (1) violated § 13.1-502 (2) of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, by directly or indirectly, obtaining money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; (2) violated § 13.1-504 B of the Act by employing unregistered agents in the offer and sale of securities; and (3) violated § 13.1-507 of the Act by offering or selling securities that were not registered under the Act or exempt from registration.

The State Corporation Commission ("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, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant admits to these allegations and admits to the Commission's jurisdiction and authority to enter this Settlement 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) Within eighteen (18) months of the entry of this Order, the Defendant's assets will be distributed to current shareholders in proportion to each shareholder's investment.

(2) 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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply 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.

CASE NO. SEC-2008-00087
DECEMBER 18, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JTH TAX, INC. d/b/a LIBERTY TAX SERVICE,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that JTH Tax, Inc. d/b/a Liberty Tax Service ("Defendant") violated Franchise Rule 21 VAC 5-110-40 in that, upon the occurrence of a material change, the Defendant failed to amend the effective registration filed with the State Corporation Commission ("Commission").

The Commission is authorized by § 13.1-562 of the Act to revoke the 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 by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegation but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from the allegation, 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 the Commonwealth of Virginia, contemporaneously with the entry of this Order, the amount of Ten Thousand Dollars ($10,000) in monetary penalties.

(2) The Defendant will mail to each franchisee who purchased a Liberty Tax Service franchise in Virginia between March 5, 2008, and September 29, 2008, a copy of the March 4, 2008 Settlement Order entered by the Commission in Case No. SEC-2008-00024 and proof of such mailing to the Division by December 15, 2008.

(3) The Defendant will amend its currently effective registration statement by January 15, 2009, to reflect the entry of this Order along with any other material changes as required by the Act or Franchise Rules.

(4) 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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted;

(2) The Defendant 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.

Dismissal of this case does not relieve the Defendant from its reporting obligations to any regulatory authority.

CASE NO. SEC-2008-00088
OCTOBER 1, 2008

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 received August 26, 2008, with exhibits attached thereto, of Lutheran Church Extension Fund-Missouri Synod ("LCEF"), requesting that: Dedicated Certificates, Family Emergency StewardAccount Certificates, StewardAccount Certificates, FlexPlus Certificates, Fixed-Rate Term Notes, Floating-Rate Term Notes, Congregation Demand Certificates, Congregation StewardAccount Certificates, Congregation Cemetery Perpetual Care StewardAccount Certificates, Congregation Fixed-Rate Endowment Certificates, Congregation Floating-Rate Endowment Certificates and K.I.D.S. Stamps (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 certain officers of LCEF be exempt from the agent registration requirements of the Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: (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 $75,000,000 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 LCEF who will not be compensated for their sales efforts and; (iv) that LCEF will discontinue issuer transactions for all other securities previously exempt by the Commission upon the grant of the exemption for the offering of Certificates described herein.

THE COMMISSION, based on the facts asserted by LCEF in the written application and exhibits, is of the opinion and finds, and does hereby 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, and the officers of LCEF 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 other securities previously exempt by the Commission.

CASE NO. SEC-2008-00091
OCTOBER 22, 2008

APPLICATION OF
WELS CHURCH EXTENSION 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 received September 19, 2008, with exhibits attached thereto, of WELS Church Extension Fund, Inc. ("WELS"), requesting that: Loan Certificates, Savings Certificates and Retirement Certificates (collectively "Certificates"), be exempt from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia and that certain officers and employees of WELS be exempt from the agent registration requirements of the Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: (i) WELS is a Wisconsin nonstock corporation operating not for private profit but exclusively for religious, charitable, and educational purposes; (ii) WELS intends to offer and sell the Certificates in an approximate aggregate amount of up to $60,000,000 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 WELS who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by WELS in the written application and exhibits, is of the opinion and finds, and does hereby 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, and the officers and employees of WELS are exempt from the agent registration requirements of § 13.1-504 of the Act.

CASE NO. SEC-2008-00100
DECEMBER 29, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
I.D.A. FRANCHISES, INC.
and
JEFFREY C. TRICE,
Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that I.D.A. Franchises, Inc. and Jeffrey C. Trice ("Defendants"): (1) violated § 13.1-560 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 et seq. of the Code of Virginia ("Code"), by granting or offering to grant franchises in the Commonwealth of Virginia prior to registering under the provisions of the Act; and (2) violated § 13.1-563 (b) of the Act by making an untrue statement of a material fact in connection with the offer to grant or grant of a franchise.

The State Corporation Commission ("Commission") is authorized by § 13.1-562 of the Act to revoke the Defendants' 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 by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendants neither admit nor deny these allegations but admit to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from 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 make a rescission offer to the Virginia franchisee.

(a) Within thirty (30) days of the date of this Settlement Order, the Defendants will make a written offer of rescission sent by certified mail to the franchisee, which will include an offer to return the initial franchise fee and a provision that gives the franchisee thirty (30) days from the date of receipt of the rescission offer to provide the Defendants with written notification of his decision to accept or reject the offer.

(b) The Defendants will include with the written offer of rescission a copy of this Settlement Order.

(c) If the rescission offer is accepted, the Defendants will forward the payment to the franchisee within seven (7) days of receipt of the acceptance.

(d) Within ninety (90) days from the date of the Settlement Order, the Defendants will submit to the Division an affidavit executed by the Defendants, which contains the date on which the franchisee received the offer of rescission, the franchisee's response, and, if applicable, the amount and the date that payment was sent to the franchisee.

(2) 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.

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 THEREFORE ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted;

(2) The Defendants fully comply 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 Defendants' failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC-2008-00104
DECEMBER 9, 2008

APPLICATION OF
RSF SOCIAL INVESTMENT FUND, 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 RSF Social Investment Fund, Inc. ("RSF Fund") dated May 5, 2008, with exhibits attached thereto, and subsequently amended, requesting that certain securities 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: RSF Fund intends to offer and sell Investment Notes for an aggregate amount of $5,000,000.

NOW THE COMMISSION, having considered the facts asserted by RSF Fund in the written application and exhibits, 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 a prospectus, a copy of which is filed as a part of the record. The Investment Notes will be offered and sold through a registered agent of RSF Fund.

No change shall be made in the prospectus reflecting a material change in the conditions or terms of RSF Fund's offering without prior submission to the Division of Securities and Retail Franchising and acceptance by the Commission.

CASE NO. SEC-2008-00115
DECEMBER 29, 2008

APPLICATION OF
UNIVERSITY OF NOTRE DAME DU LAC

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 University of Notre Dame du Lac ("Notre Dame"), which the Commission received on December 4, 2008. The application requested that the Taxable Fixed Rate Notes, Series 2008 ("Series 2008 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) Notre Dame is an Indiana non-stock corporation operating not for private profit but exclusively for charitable, religious, and educational purposes; (ii) Notre Dame intends to offer and sell $100,000,000 of the Series 2008 Notes in a continuous offering on terms and conditions as more fully described in the Offering Circular filed as a part of the application, and as subsequently amended; and (iii) these securities are to be offered and sold by registered broker-dealers.

Based on the facts asserted by Notre Dame in the written application, and pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and does hereby ADJUDGE AND ORDER that, the securities described above are exempt from the securities registration requirements of the Act.

DIVISION OF UTILITY AND RAILROAD SAFETY

CASE NO. URS-2004-00203
FEBRUARY 11, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.

ORDER DISMISSING PROCEEDING AND SUSPENDING BALANCE OF FINE

On July 8, 2005, the State Corporation Commission ("Commission") entered an Order of Settlement ("Order") that, among other things, directed Virginia Natural Gas, Inc. ("VNG" or the "Company"), to begin the remedial actions prescribed in Undertaking Paragraph (2) of the Order by July 1, 2005. The Order also directed VNG to file on or before August 1, 2006, with the Commission and the Division of Utility and Railroad Safety ("Division"), an affidavit executed by the President of VNG, certifying that the Company had completed the remedial actions required by Undertaking Paragraph (2) of the Order.

Ordering Paragraph (3) of the July 8, 2005 Order provided that $37,600 of the $82,400 fine imposed by the Order could be suspended in whole or in part, provided the Company timely undertook the actions required in Undertaking Paragraphs (2) and (3) of the Order and filed the timely certification of the remedial actions set forth in Undertaking Paragraph (2) of the Order.

On August 1, 2006, VNG taxed the Affidavit of Henry P. Linginfelter, President of VNG, to the Division certifying that the Company had complied with the requirements set out in Undertaking Paragraph (2) of the Order. This faxed copy of the Affidavit was filed with the Clerk of the Commission on August 1, 2006. On August 7, 2006, the Company filed the original signed Affidavit of Henry P. Linginfelter with the Clerk of the Commission.

NOW THE COMMISSION, upon consideration of the foregoing and having been advised by its Staff, is of the opinion and finds that the remaining $37,600 of the $82,400 fine imposed by the Order should be suspended, and that this proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) In accordance with the findings made herein and Ordering Paragraph (3) of the July 8, 2005 Order, the $37,600 balance of the $82,400 fine is hereby suspended.

(2) There being nothing further to be done herein, this case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission' s file for ended causes.

CASE NO. URS-2005-00205
APRIL 24, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER DISMISSING PROCEEDING AND SUSPENDING BALANCE OF FINE

On May 4, 2006, the State Corporation Commission ("Commission") entered an Order of Settlement ("Order") that, among other things, directed Virginia Natural Gas, Inc. ("VNG" or the "Company"), to begin to undertake the actions described in Paragraphs (2) (a) and (b) at pages 4-5 of the Order, on or before May 15, 2006. The Order also directed VNG to file on or before May 31, 2006, with the Commission, with a copy to the Commission's Division of Utility and Railroad Safety ("Division"), an affidavit executed by the President of VNG certifying that the Company had begun to perform the actions required by Undertaking Paragraph (2) of the Order. Ordering Paragraph (3) of the May 4, 2006 Order provided that $75,625 of the $171,625 fine imposed therein could be suspended in whole or in part, provided the Company timely undertook the actions required in Undertaking Paragraphs (2) and (3) on pages 4 and 5 of the Order and filed the timely certification of the actions required by Undertaking Paragraph (2) of the Order.

On May 18, 2006, VNG filed the Affidavit of Henry P. Linginfelter, President of VNG, with the Division certifying that VNG had complied with the requirements set out in Undertaking Paragraph (2) on page 4 of the Order.

On April 22, 2008, VNG submitted the Affidavit of Jodi S. Gidley, President of VNG, to clarify that VNG has complied with the requirements set forth in Paragraph (2) found on pages 4 and 5 of the May 4, 2006 Order entered herein.

NOW THE COMMISSION, upon consideration of the foregoing and having been advised by its Staff, is of the opinion and finds that the remaining $75,625 of the $171,625 fine should be suspended and that this proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) In accordance with the findings made herein and Ordering Paragraph (3) of the May 4, 2006 Order, the $75,625 balance of the $171,625 fine is hereby suspended.

(2) There being nothing further to be done herein, this case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2005-00262
FEBRUARY 11, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.

ORDER DISMISSING PROCEEDING AND SUSPENDING BALANCE OF FINE

On December 21, 2006, the State Corporation Commission ("Commission") entered an Order of Settlement ("Order") that, among other things, directed Virginia Natural Gas, Inc. ("VNG" or the "Company"), to take over the operation and maintenance of nine gas master meter systems served by VNG by August 31, 2007, as provided for in Undertaking Paragraph (2) of the Order. The Order also directed VNG to file on or before September 17, 2007, with the Commission an affidavit executed by the President of the Company, certifying that the Company had completed the action prescribed in Undertaking Paragraph (2) of the Order.

Ordering Paragraph (4) of the Order provided that $45,000 of the $50,000 fine imposed by the Order could be suspended and subsequently vacated, in whole or in part, provided the Company timely undertook the action required by Undertaking Paragraph (2) by August 31, 2007, and filed with the Commission, on or before September 17, 2007, an affidavit certifying that the Company had completed the action prescribed by Undertaking Paragraph (2) of the Order.

On September 7, 2007, VNG filed with the Clerk of the Commission the Affidavit of Jodi S. Gidley, President of VNG, certifying that the Company had complied with the requirements set forth in Undertaking Paragraph (2) at page 4 of the Order.

NOW THE COMMISSION, upon consideration of the foregoing and having been advised by its Staff, is of the opinion and finds that the remaining $45,000 of the $50,000 fine should be suspended, and that this proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) In accordance with the findings made herein and Ordering Paragraph (4) of the December 21, 2006 Order, the $45,000 balance of the $50,000 fine is hereby suspended.

(2) There being nothing further to be done herein, this case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2005-00616
FEBRUARY 1, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ATMOS ENERGY CORPORATION,
Defendant

ORDER GRANTING MOTION AND DISMISSING PROCEEDING

On September 11, 2006, the State Corporation Commission ("Commission") entered an Order of Settlement ("Order") in the captioned proceeding wherein, among other things, the Commission accepted an offer by Atmos Energy Corporation ("Atmos" or the "Company") to settle certain alleged violations of the Commission's pipeline safety regulations. In its settlement offer, Atmos agreed that a fine of $38,000 could be imposed, $10,700 of which could be suspended in whole or part, provided the Company timely undertook the remedial actions set out in Undertaking Paragraph (2) of the Order and timely filed an affidavit on or before September 15, 2006, certifying that it had begun to perform the remedial actions prescribed by the Order.

On January 22, 2008, the Company, by counsel, filed a "Motion to Accept a Late-Filed Affidavit" ("Motion") together with the Affidavit of Roger D. Nash, Vice President of Operations for Atmos' southern region. Atmos' Motion advised that while the Company began to take the remedial actions required by the September 11, 2006 Order of Settlement on or before September 15, 2006, it overlooked the obligation to provide the Commission and the Division of Utility and Railroad Safety ("Division") an affidavit certifying that it had begun to take the prescribed remedial actions. Atmos' Motion requested that the Commission accept the affidavit of Roger D. Nash in compliance with the terms of the Order.

On January 29, 2008, the Division, by counsel, filed its Response to Atmos' Motion. In its Response, the Division advised that it did not oppose the relief requested by the Company's Motion and recommended that the Commission suspend the remaining $10,700 balance of the penalty imposed on Atmos and dismiss this case from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Motion is hereby granted.

(2) The Affidavit of Roger D. Nash appended to the Motion shall be accepted for filing.

(3) The $10,700 balance of the $38,000 penalty shall be suspended as permitted by Ordering Paragraph (4) of the Order.

(4) This case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be lodged in the Commission's file for ended causes.

CASE NO. URS-2006-00581
APRIL 17, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER DISMISSING PROCEEDING AND SUSPENDING BALANCE OF FINE

On April 9, 2007, the State Corporation Commission ("Commission") entered an Order of Settlement ("Order") that, among other things, directed Virginia Natural Gas, Inc. ("VNG" or the "Company") to take certain remedial actions described in Paragraph (2) on page 4 of the Order. The Order directed VNG to file on or before May 15, 2007, with the Clerk of the Commission an affidavit executed by VNG's President certifying that the Company had undertaken the actions set forth in Paragraphs (2)(a), (2)(b), and (2)(c) above. The Order further directed VNG to file an affidavit by VNG's President on or before August 17, 2007, with the Clerk of the Commission certifying that the Company had completed the actions set forth on page 4 in Paragraph (2)(d) of the Order. Additionally, the Order directed VNG to file an affidavit by its President with the Clerk of the Commission on or before April 17, 2008, certifying that the Company completed the actions set forth on page 4 in Paragraph (2)(e) of the Order.

Ordering Paragraph (4) of the Order provided that the remaining $73,000 balance of the $103,000 fine imposed therein could be suspended and subsequently vacated in whole or in part by the Commission provided the Company timely undertook the actions required in Paragraphs (2), (3), (4), and (5) set out on pages 4 and 5 of the Order and filed timely certifications of the actions outlined therein.

On May 7, 2007, VNG filed the Affidavit of Henry P. Linginfelter, President of VNG, certifying that the Company had complied with the requirements set forth in Paragraphs (2)(a), (2)(b), and (2)(c) found at page 4 of the Order.

On August 16, 2007, VNG filed the Affidavit of Jodi S. Gidley, President of VNG, certifying that VNG had complied with the requirements set forth in Paragraph (2)(d) found at page (4) of the Order.

On April 8, 2008, VNG filed the Affidavit of Jodi S. Gidley, its President, certifying that VNG had complied with the requirements set forth in Paragraph (2)(e) found at page 4 of the Order entered by the Commission on April 9, 2007.

NOW THE COMMISSION, upon consideration of the foregoing and having been advised by its Staff, is of the opinion and finds that the remaining $73,000 balance of the $103,000 fine should be suspended, and that this proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) In accordance with the findings made herein and Ordering Paragraph (4) of the April 9, 2007 Order, the $73,000 balance of the $103,000 fine is hereby suspended.

(2) There being nothing further to be done herein, this case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NOS. URS-2007-00086 and URS-2007-00508
MARCH 6, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TRIPLE E UTILITY SERVICE, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of 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 13, 2006, and September 25, 2007, listed in Attachment A, involving Triple E Utility Service, Inc. ("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 of Virginia; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.17 C and §§ 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of §§ 56-265.19 A, B, and D of the Code of Virginia.

(d) Failing on certain occasions to provide marking for duct structures and conduit systems in accordance with the horizontal marking symbols for such structures and conduit systems as shown in item nine of the Virginia Underground Utility Marking Best Practices in violation of 20 VAC 5-309-110 O of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, and § 56-265.19 D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on March 13, 2007 and October 9, 2007, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $31,250 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $31,250 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00140
MARCH 3, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,

ORDER SUSPENDING BALANCE OF PENALTY AND DISMISSING PROCEEDING

On December 12, 2007, the State Corporation Commission ("Commission") entered an Order of Settlement ("Order") in the captioned matter. That Order related that Columbia Gas of Virginia, Inc. ("Columbia" or the "Company"), as an offer to settle various alleged violations of the Commission's regulations governing gas pipeline safety standards, agreed to pay a fine in the amount of $181,500, of which $80,900 would be paid contemporaneously with the entry of the Order. The Order further directed that $100,600 of the $181,500 penalty could be suspended, provided that the Company timely filed the affidavits required by Undertaking Paragraphs (3) and (4) of the Order. The Order dismissed the instant proceeding.

On December 27, 2007, the Commission entered an Amending Order herein, reopening the docket for the purpose of permitting Columbia to undertake the remedial actions prescribed by the December 12, 2007 Order, and to allow the Commission to consider suspending, in whole or in part, the remaining balance of the penalty.

On January 15, 2008, Columbia, by counsel, filed with the Commission, with a copy to the Division of Utility and Railroad Safety ("Division"), the affidavit of Carl W. Levander, Columbia's President, certifying that the Company had begun to undertake the remedial actions set forth in Paragraph (2)A of the Order. Further, on February 14, 2008, the Company, by counsel, filed with the Commission, with a copy to the Division, the affidavit of Carl W. Levander, Columbia's President, certifying that the Company had completed the remedial actions set forth in Paragraph (2)B of the Order in accordance with Undertaking Paragraph (4) thereof.

NOW UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that, based on the representations made in the January 15, 2008, and February 14, 2008 affidavits of Carl W. Levander, Columbia's President, the remaining $100,600 balance of the $181,500 penalty should be suspended as provided for in Ordering Paragraph (4) of the Order; and that this case should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) Based upon the representations made in the Company's January 15, 2008, and February 14, 2008 affidavits of Carl W. Levander, the $100,600 balance of the $181,500 penalty imposed by the Commission's Order shall be suspended.

(2) This case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be lodged in the Commission's file for ended causes.

CASE NO. URS-2007-00141
APRIL 2, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,

ORDER SUSPENDING BALANCE OF PENALTY AND DISMISSING PROCEEDING

On September 11, 2007, the State Corporation Commission ("Commission") entered an Order of Settlement ("Order") in the captioned matter. That Order noted that Virginia Natural Gas, Inc. ("VNG" or the "Company"), as an offer to settle various alleged violations of the Commission's regulations governing gas pipeline safety standards, agreed to pay a fine in the amount of $193,000, of which $56,200 would be paid contemporaneously with the entry of the Order. The Order further directed that $136,800 of the $193,000 penalty could be suspended, provided that the Company timely undertook the actions set forth in Undertaking Paragraph (2) of the Order and filed an affidavit executed by the President of VNG with the Clerk of the Commission on or before March 14, 2008, certifying that the Company had taken the actions set forth in Undertaking Paragraph (2) of the Order.

On March 10, 2008, VNG filed with the Commission the affidavit of Jodi S. Gidley, VNG's President, certifying that the Company had complied with the requirements set forth in Undertaking Paragraph (2) set out on pages 3 and 4 of the Order.

NOW UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that, based on the representations made in the March 10, 2008, affidavit of Jodi S. Gidley, VNG's President, the remaining $136,800 balance of the $193,000 penalty should be suspended as provided for in Ordering Paragraph (4) of the Order; and that this case should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) Based upon the representations made in the Company's March 10, 2008, affidavit of Jodi S. Gidley, VNG's President, the remaining $136,800 balance of the $193,000 penalty imposed by the Commission's Order shall be suspended.

(2) This case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be lodged in the Commission's file for ended causes.

CASE NO. URS-2007-00408
JANUARY 16, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UTILIQUEST, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of 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 5, 2007, and June 28, 2007, 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 of Virginia; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of §§ 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of §§ 56-265.19 A and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on August 7, 2007, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $49,500 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.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $49,500 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00467
JANUARY 17, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, 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 of Virginia. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about December 7, 2005, Waterfront Marine Construction, Inc., damaged a two-inch plastic gas main line operated by Virginia Natural Gas, Inc. ("Company"), located at or near 107 College Place, Norfolk, Virginia, while excavating;

(2) On or about May 31, 2007, Arc Electric, Incorporated, damaged a four-inch plastic gas main line operated by the Company located at or near Ukrops Way, Williamsburg, Virginia, while excavating;

(3) On or about June 21, 2007, Ivy H. Smith, LLC, damaged a three-quarter inch steel gas service line operated by the Company located at or near 174 Queensbury Court, Newport News, Virginia, while excavating;

(4) On or about June 25, 2007, Coastline Utilities and Grading, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 1405 Buckingham Avenue, Norfolk, Virginia, while excavating;

(5) On or about June 25, 2007, Hamilton Contractors, Inc., damaged a three-quarter inch steel gas service line operated by the Company located at or near 5312 Rivers Edge Road, Norfolk, Virginia, while excavating;

(6) On or about June 26, 2007, Hamilton Contractors, Inc., damaged a one-inch steel gas service line operated by the Company located at or near 8305 Rivers Edge Road, Norfolk, Virginia, while excavating;

(7) On or about June 28, 2007, Coastline Utilities and Grading, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 1411 Buckingham Avenue, Norfolk, Virginia, while excavating;

(8) On or about July 3, 2007, Suburban Grading & Utilities, Inc., damaged a three-quarter inch steel gas service line operated by the Company located at or near 12458 Warwick Boulevard, Newport News, Virginia, while excavating; and

(9) On the occasions set out in paragraphs (1) through (8) above, the Company failed 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 of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $9,350 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 fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $9,350 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00468
MAY 1, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UTILIQUEST, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of 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 29, 2006, and August 2, 2007, 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 of Virginia, and is subject to the civil penalties in § 56-265.32 of the Code of Virginia pursuant to § 56-265.19 D of the Code of Virginia; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.17 C and § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

(d) Failing on certain occasions to provide markings extending a reasonable distance beyond the boundaries of the specific location of the proposed work in violation of 20 VAC 5-309-110 I of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act.

(e) Failing on certain occasions to use all information necessary to mark their 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.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on September 11, 2007, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $42,550 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.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $42,550 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00504
MARCH 20, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ONE VISION UTILITY SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of 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 25, 2007, and July 24, 2007, listed in Attachment A, involving One Vision Utility Services, 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 of Virginia; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.17 C and §§ 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of §§ 56-265.19 A and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on October 9, 2007, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $11,100 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $11,100 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00511
JANUARY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about June 27, 2007, Northern Pipeline Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company ("Company"), located at or near 12 Fairfax Street, Loudoun County, Virginia, while excavating;

(2) On or about July 10, 2007, the City of Falls Church damaged a one-half inch plastic gas service line operated by the Company, located at or near 6308 Long Meadow Road, Fairfax County, Virginia, while excavating;

(3) On or about July 13, 2007, Interstate Enterprises, Inc., damaged a three-eighths inch plastic gas service line operated by the Company, located at or near 9202 Setter Place, Fairfax County, Virginia, while excavating;

(4) On or about August 8, 2007, Palmer Brothers Contractors damaged a two inch plastic gas main line operated by the Company, located at or near 1427 28th Street S, Arlington County, Virginia, while excavating;

(5) On or about August 14, 2007, Total Engineering, Inc. damaged a one-half inch steel gas service line operated by the Company, located at or near 3300 King Street, Alexandria Virginia, while excavating;

(6) On the occasions set out in paragraphs (1), (4) and (5) above, the Company failed to mark the underground utility lines by no later than 7:00 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 of Virginia; and

(7) On the occasions set out in paragraphs (2) and (3) above, the Company failed 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 of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,100 to be paid contemporaneously with the entry of this Order. This payment will be made by 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 fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $5,100 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00512
MAY 2, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UTILIQUEST, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of 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 11, 2007, and August 23, 2007, 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 of Virginia, and is subject to the civil penalties in § 56-265.32 of the Code of Virginia pursuant to § 56-265.19 D of the Code of Virginia; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.17 C and § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on October 9, 2007, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $40,900 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.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $40,900 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00574
MAY 1, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PROMARK UTILITY LOCATORS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, 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 of Virginia. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) Promark Utility Locators, Inc. (the "Company") is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia, and is subject to the civil penalties in § 56-265.32 of the Code of Virginia pursuant to § 56-265.19 D of the Code of Virginia;

(2) On or about July 10, 2007, the City of Buena Vista damaged a one-inch plastic gas service line operated by Columbia Gas of Virginia, Inc. located at or near 140 Culvert Street, Rockbridge County, Virginia, while excavating;

(3) On or about July 16, 2007, JWS Communications, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc. located at or near 3556 Round Hill Road, Lynchburg, Virginia, while excavating;

(4) On or about July 19, 2007, Counts & Dobyns, Inc., damaged a one-inch plastic gas service line operated by Columbia Gas of Virginia, Inc. located at or near 132 Linden Avenue, Lynchburg, Virginia, while excavating;

(5) On the occasions set out in paragraphs (2) through (4) 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 of Virginia;

(6) On or about August 17, 2007, Doodle's Backhoe Service, LLC, damaged a two-inch plastic gas main line operated by Columbia Gas of Virginia, Inc. located at or near 725 Hillcrest Drive, Augusta County, Virginia, while excavating;

(7) On or about August 20, 2007, McGuire Plumbing & Heating, Inc., damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 54462 Stayman Drive, Roanoke County, Virginia, while excavating;

(8) On or about August 21, 2007, Roanoke Pump Sales & Service, Inc., damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 610 Winesap Road, Roanoke County, Virginia, while excavating; and

(9) On the occasions set out in paragraphs (6) through (8) above, the Company failed 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 of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As 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 $5,550 to be paid contemporaneously with the entry of this Order. The payment will be made by cashier's check or money order payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of 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) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $5,550 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is hereby dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00575
MAY 2, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UTILIQUEST, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of 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 11, 2006, and September 12, 2007, 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 of Virginia, and is subject to the civil penalties in § 56-265.32 of the Code of Virginia pursuant to § 56-265.19 D of the Code of Virginia; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

(d) Failing on certain occasions to respond to the designer's request for underground utility line information within fifteen working days in violation of § 56-265.17:3 of the Code of Virginia.

(e) Failing on certain occasions to use all information necessary to mark their 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.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on November 6, 2007, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $23,150 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.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $23,150 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00576
JANUARY 7, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, 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 of Virginia. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about July 16, 2007, JCB Construction Co., Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc. ("Company"), located at or near 4889 Wyandotte Road, Virginia Beach, Virginia, while excavating;

(2) On of about July 27, 2007, Branscome Inc. damaged a two-inch plastic gas main line operated by the Company, located at or near 1800 West Mercury Boulevard, Hampton, Virginia, while excavating;

(3) On or about July 31, 2007, Vanguard Development, Inc., damaged a three-quarter inch plastic gas service line operated by the Company, located at or near 910 Barton Street, Norfolk, Virginia, while excavating;

(4) On or about August 2, 2007, Suburban Grading & Utilities, Inc., damaged a three-quarter inch steel gas service line operated by the Company, located at or near 12368 Warwick Boulevard, Newport News, Virginia, while excavating;

(5) On or about August 2, 2007, Wayjo, Inc., damaged a one and one-quarter inch plastic gas service line operated by the Company, located at or near 5249 Olde Towne Road, James City County, Virginia, while excavating;

(6) On or about August 2, 2007, Mastec North America, Inc., damaged a one-half inch plastic gas service line operated by the Company, located at or near 169 Hicks Street, Norfolk, Virginia, while excavating;

(7) On or about August 3, 2007, Ivy H. Smith Company, LLC, damaged a two-inch plastic gas main line operated by the Company, located at or near 364 Menchville Road, Newport News, Virginia, while excavating;

(8) On or about August 10, 2007, Dorey Electric Company damaged a three-quarter inch steel gas service line operated by the Company, located at or near 4019 Bainbridge Boulevard, Chesapeake, Virginia, while excavating;

(9) On or about August 22, 2007, Triad Demolition, LLC, damaged a one-inch steel gas service line operated by the Company, located at or near 768 West 52nd Street, Norfolk, Virginia, while excavating;

(10) On or about August 27, 2007, Suburban Grading & Utilities, Inc., damaged a two-inch plastic gas main line operated by the Company, located at or near Warwick Boulevard and University Place, Newport News, Virginia, while excavating; and

(11) On the occasions set out in paragraphs (1) through (10) above, the Company failed 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 of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $10,250 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 fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $10,250 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00613
MARCH 11, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ATMOS ENERGY CORPORATION,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, 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 of Virginia. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about September 12, 2007, R & G Underground Cable, Inc., damaged a one-half inch plastic gas service line operated by Atmos Energy Corporation ("Company"), located at or near 1406 Crestview Drive, Montgomery County, Virginia, while excavating;

(2) On or about October 1, 2007, Virginia Tech Mechanical Utilities damaged a two-inch plastic gas service line operated by the Company, located at or near Incinerator Plant Road, Montgomery County, Virginia, while excavating;

(3) On or about October 8, 2007, the Town of Christiansburg damaged a three-quarter inch plastic gas service line operated by the Company, located at or near 2170 Roanoke Street, Montgomery County, Virginia, while excavating;

(4) On or about October 11, 2007, Total Lawn Care damaged a three-quarter inch plastic gas service line operated by the Company, located at or near 290 Patricia Lane, Montgomery County, Virginia, while excavating;

(5) On or about October 13, 2007, John Weaver, Excavator, damaged a one-half inch steel gas service line operated by the Company located at or near 301 Henry Street, Radford, Virginia, while excavating;

(6) On or about October 17, 2007, the Town of Wytheville damaged a two-inch plastic gas main line operated by the Company, located at or near the intersection of East Main Street and 7th Street, Wythe County, Virginia, while excavating;

(7) On or about October 23, 2007, Jason Worrell, Excavator, damaged a one-half inch plastic gas service line operated by the Company, located at or near 4724 Cleburne Boulevard, Pulaski County, Virginia, while excavating; and

(8) On the occasions set out in paragraphs (1) through (7) above, the Company failed 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 of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $7,950 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 fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $7,950 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00616
MARCH 11, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.

PROMARK UTILITY LOCATORS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, 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 of Virginia. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about September 11, 2007, S&N Communications, Inc., damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 5393 Gloucester Court, SW, Roanoke County, Virginia, while excavating;

(2) On or about September 18, 2007, Mendon Pipeline, Inc., damaged a one-inch plastic gas service line operated by Columbia Gas of Virginia, Inc. located at or near 334 King Street, Waynesboro, Virginia, while excavating;

(3) On or about September 19, 2007, Western Virginia Water Authority damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 4036 Belford Street, SW, Roanoke County, Virginia, while excavating;

(4) On or about October 4, 2007, Boring Contractors, Inc., damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 3351 Hollins Road, N.E., Roanoke County, Virginia, while excavating;

(5) On the occasions set out in paragraphs (1) through (4) above, Promark Utility Locators, Inc. ("Company") failed to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of §§ 56-265.19 A and D of the Code of Virginia;

(6) On or about September 12, 2007, Western Virginia Water Authority damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 4124 Belford Street, SW, Roanoke County, Virginia, while excavating;

(7) On or about September 13, 2007, English Construction Company, Incorporated, damaged a one-inch plastic gas service line operated by Columbia Gas of Virginia, Inc. located at or near 14720 Forest Avenue, Bedford County, Virginia, while excavating; and

(8) On the occasions set out in paragraphs (6) and (7) above, the Company failed to mark the underground utility lines by no later than 7:00 a.m. on the third working day following the excavator's notice to the notification center, in violation of §§ 56-265.19 A and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As 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 $5,500 to be paid contemporaneously with the entry of this Order. The payment will be made by cashier's check or money order payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of 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) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $5,500 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is hereby dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00617
MAY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UTILIQUEST, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of 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 17, 2007, and October 15, 2007, 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 of Virginia, and is subject to the civil penalties in § 56-265.32 of the Code of Virginia pursuant to § 56-265.19 D of the Code of Virginia; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

(d) Failing on certain occasions to use all information necessary to mark their 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.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on December 4, 2007, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $25,450 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.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $25,450 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2007-00618
FEBRUARY 12, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, 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 of Virginia. 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 24, 2007, Wayjo, Inc., damaged a one-inch plastic gas service line operated by Virginia Natural Gas, Inc. ("Company"), located at or near 4032 Campbell Road, Newport News, Virginia, while excavating;

(2) On or about August 28, 2007, the City of Hampton damaged a three-quarter inch plastic gas service line operated by the Company, located at or near 3611 Spottswood Place, Hampton, Virginia, while excavating;

(3) On or about August 30, 2007, Clean Masters, Inc., damaged a three-quarter inch copper gas service line operated by the Company, located at or near 707 15th Street, Virginia Beach, Virginia, while excavating;

(4) On or about September 4, 2007, T. A. Sheets Mechanical General Contractor, Inc., damaged a one and one-quarter inch steel gas service line operated by the Company, located at or near 605 West Ocean View Avenue, Norfolk, Virginia, while excavating;

(5) On or about September 24, 2007, Innerview, Ltd., damaged a one and one-quarter inch steel gas service line operated by the Company, located at or near 357 West Ocean View Avenue, Norfolk, Virginia, while excavating;

(6) On or about September 25, 2007, Precon Construction Company damaged a one-inch steel gas service line operated by the Company, located at or near 8353 Chesapeake Boulevard, Norfolk, Virginia, while excavating;

(7) On or about September 26, 2007, Full Circle Concepts LLC damaged a one and one-quarter inch plastic gas service line operated by the Company, located at or near 932 Ventures Way, Chesapeake, Virginia, while excavating;

(8) On the occasions set out in paragraphs (1) through (7) above, the Company failed 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 of Virginia;

(9) On or about September 12, 2007, Jamestown Management Company, LLC, damaged a two-inch plastic gas main line operated by the Company, located at or near Shadwell Lane, James City County, Virginia, while excavating; and

(10) On the occasion set out in paragraph (9) above, the Company failed to provide to the notification center data that would allow proper notification to the operator of excavation near the operator's utility lines, in violation of 20 VAC 5-309-130 of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $8,200.00 to be paid contemporaneously with the entry of this Order. This payment will be made by check payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $8,200.00 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00001
DECEMBER 4, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found at 49 U.S.C. § 60101 et seq. ("Act") 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. The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 of the Code of Virginia, which allows the Commission to impose the fines and penalties authorized in § 56-257.2 B of the Code of Virginia.

The Commission's Division of Utility and Railroad Safety ("Division") is 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. ("CGV" or "Company"), the Defendant, and alleges that:

(1) CGV is a person within the meaning of § 56-257.2 B of the Code of Virginia; and

(2) The Company violated the Commission's Safety Standards by the following conduct:

a) 49 C.F.R. § 192.605 (a) - Failing on three occasions to make construction records, maps, and operating history available to appropriate operating personnel as required by 49 C.F.R. 192.605 (b)(3);

b) 49 C.F.R. § 192.605 (a) - Failing on one occasion to perform a weld in accordance with Company Procedure 641-2 (SMAW-33), developed to comply with 49 C.F.R. § 192.225;

c) 49 C.F.R. § 192.273 (b) - Failing on one occasion to perform a socket fusion in accordance with Company Procedure JM 1308, by not maintaining a specific temperature on the heating iron;

d) 49 C.F.R. § 192 .353 (a) - Failing on one occasion to protect a meter and service regulator installed outside a building from vehicular damage that may be anticipated;

e) 49 C.F.R. § 192.605 (a) - Failing on two occasions to follow Company Procedure 659-1(38), Section 4, Temporary Marking of Underground Facilities, developed to comply with 49 C.F.R. § 192.614 (a) and (c)(5), by not providing temporary markings of buried pipelines;

f) 49 C.F.R. § 192.605 (b)(9) - Failure to have procedures that take adequate precautions in excavated trenches to protect personnel from unsafe accumulations of escaping gas in the excavation after the initial Combustible Gas Indicator ("CGI") reading;

g) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow Company Procedure 445-4(38), Section 4(a), developed to comply with 49 C.F.R. § 192.605 (b)(9), by not performing a CGI reading after gas was introduced into an excavation;

h) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow Company Procedure 640-2(3 8), Section 25.2, developed to comply with 49 C.F.R. § 192.751, by not grounding the cutting tool and the main during a service tapping operation;

i) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow Company Procedure 640-2(38), Section 10.4, developed to comply with Virginia Code § 56-257, by not maintaining twelve inches of clearance between a one-half-inch service and another underground structure; and

j) 49 C.F.R. § 193.2445 (a) - Failing to provide at least two sources of power such that the failure of one source does not affect the capability of the other source for electrical control systems, means of communication, emergency lighting, and fire fighting systems at the Company's LNG Plant in Lynchburg, Virginia.

The Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters arising from the allegations made against it, CGV represents and undertakes that:

(1) The Company shall pay to the Commonwealth of Virginia the amount of Seventy-Three Thousand Seven Hundred Fifty Dollars ($73,750), of which Thirty-Four Thousand Seven Hundred Fifty Dollars ($34,750) shall be paid contemporaneously with the entry of this Order. The remaining Thirty Nine Thousand Dollars ($39,000) shall be due as outlined in Paragraph (5) on page 4, and may be suspended in whole or in part by the Commission, provided the Company timely takes the actions required in Paragraphs (2) and (3) on page 4 and tenders the requisite certification as required by Paragraph (4) on page 4 of this order. 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, Post Office Box 1197, Richmond, Virginia 23218-1197.

(2) On or before December 15, 2008, the Company shall revise its written procedures to include specific language concerning the appropriate actions a Company employee must take while working in a trench and the natural gas begins to escape.

(3) On or before January 31, 2009, the Company shall begin the use of GPS-enabled mobile phones when notifying the notification center of proposed excavations for its operation and maintenance activities.

(4) On or before February 16, 2009, CGV shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit, executed by the President of Columbia Gas of Virginia, Inc., certifying that the Company has begun to perform the remedial actions set forth in Paragraphs (2) and (3) above.

(5) Upon timely receipt of said affidavit, the Commission may suspend up to Thirty-Nine Thousand Dollars ($39,000) of the fine amount set forth in Paragraph (1) on pages 3 and 4 hereof. Should CGV fail to tender the affidavit required by Paragraph (4) above or begin to take the actions required by Paragraphs (2) and (3) above, a payment of Thirty-Nine Thousand Dollars ($39,000) shall become due and payable, and the Company shall immediately notify the Division of the reasons for CGV's failure to accomplish the actions required by Paragraphs (2), (3) and (4) hereof. If, upon investigation, the Division determines that the reason for said failure justifies a payment lower than Thirty-Nine Thousand Dollars ($39,000), 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.

(6) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates as part of CGV's cost of service. Any such 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 Public Utility Accounting.

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 shall be docketed and assigned Case No. URS-2008-00001.

(2) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of compromise and settlement made by CGV be, and it hereby is, accepted.

(3) Pursuant to § 56-257.2 B of the Code of Virginia, CGV shall be fined the amount of Seventy-Three Thousand Seven Hundred Fifty Dollars ($73,750), which may be suspended in whole or part as provided in paragraph (1) at page 3 hereof.

(4) The sum of Thirty-Four Thousand Seven Hundred Fifty Dollars ($34,750) tendered contemporaneously with the entry of this Order is accepted. The remaining Thirty-Nine Thousand Dollars ($39,000) is due as outlined herein and may be suspended and subsequently vacated, in whole or in part, provided the Company timely undertakes the actions required in Paragraphs (2) and (3) found on page 4 of this Order and files the timely certification of the remedial actions as required by Paragraph (4) on page 4 herein.

(5) The Commission shall retain jurisdiction over this matter for all purposes, and this case shall be continued pending further orders of the Commission.

CASE NO. URS-2008-00002
JUNE 2, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROANOKE GAS COMPANY,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found at 49 U.S.C. § 60101 et seq. ("Act"), 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. The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia, which allows the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division") is 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 ("RGC" or "Company"), the Defendant, and alleges that:

(1) RGC is a person within the meaning of § 56-257.2 B of the Code of Virginia; and

(2) The Company violated the Commission's Safety Standards by the following conduct:

a) 49 C.F.R. § 192.465 (a) - Failing on four occasions to perform cathodic protection surveys on at least 10 percent of the protected short sections of mains each calendar year;

b) 49 C.F.R. § 192.605 (a) - Failing on two occasions to follow procedures when installing a full circle band clamp; and

c) 49 C.F.R. § 192.605 (a) - Failing on two occasions to follow procedures developed to comply with 49 C.F.R. § 192.605 (b)(3) by not making accurate construction records, maps, and operating history available to appropriate operating personnel.

The Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters arising from the allegations made against it, RGC represents and undertakes that:

(1) The Company shall pay to the Commonwealth of Virginia the amount of $78,750, of which $7,750 shall be paid contemporaneously with the entry of this Order. The remaining $71,000 shall be due as outlined in Paragraph (4) on pages 3 and 4, and may be suspended in whole or in part by the Commission, provided the Company timely tenders the requisite certification as required by Paragraphs (2) and (3) below. 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, Post Office Box 1197, Richmond, VA 23218-1197;

(2) The Company shall take the following remedial actions:

(A) Take over the operation and maintenance of the gas distribution systems of 12 master meter operations in Roanoke Gas's service area.

(B) Modify the damage prevention message on the Company's LNG tank to reflect the new 811 phone number for providing notice of excavations to the notification center by no later than July 31, 2008.

(C) Begin the use of GPS-enabled mobile phones by Company crew and Company contractors when notifying the notification center of proposed excavations by July 1, 2008.

(D) Replace 4,740 feet of 6-inch bare steel gas main from the intersection of 12th Street to the intersection of 22nd Street on Moorman Avenue in Roanoke, Virginia, by no later than September 30, 2008.

(3) On or before October 15, 2008, 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 has completed the remedial actions set forth in Paragraph (2) above.

(4) Upon timely receipt of said affidavits, the Commission may suspend up to $71,000 of the fine amount set forth in Paragraph (1) on pages 2 and 3 hereof. Should RGC fail to tender the affidavit required by Paragraph (3) above or begin to take the actions required by Paragraph (2) above, a payment of $71,000 shall become due and payable, and the Company shall immediately notify the Division of the reasons for RGC's failure to accomplish the actions required by Paragraphs (2) and (3) on page 3. If upon investigation the Division determines that the reason for said failure justifies a payment lower than $71,000, 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.

(5) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates as part of RGC's 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 trial balance showing this entry with the Commission's Division of Public Utility Accounting.

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 RGC has made a good faith effort to cooperate with the Staff during the investigation of this matter; and that the offer of compromise and settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2008-00002.

(2) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of compromise and settlement made by RGC be, and it hereby is, accepted.

(3) Pursuant to § 56-257.2 B of the Code of Virginia, RGC shall pay the amount of $78,750 in settlement hereof.

(4) The sum of $7,750 tendered contemporaneously with the entry of this Order is accepted. The remaining $71,000 is due as outlined herein and may be suspended and subsequently vacated, in whole or in part, provided the Company timely undertakes the actions required in Paragraphs (2) and (3) found on page 3 of this Order and files the timely certification of the remedial actions as outlined herein.

(5) The Commission shall retain jurisdiction over this matter for all purposes, and this case shall be continued pending further orders of the Commission.

CASE NO. URS-2008-00002
NOVEMBER 13, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROANOKE GAS COMPANY,
Defendant

ORDER SUSPENDING PAYMENT AND DISMISSING PROCEEDING

On June 2, 2008, the State Corporation Commission ("Commission") entered an Order of Settlement ("Order") that, among other things, fined Roanoke Gas Company ("RGC" or "Company") Seventy Eight Thousand Seven Hundred Fifty Dollars ($78,750) for certain alleged violations of the Commission's minimum pipeline safety standards.[1] In accordance with the provisions thereof, Seven Thousand Seven Hundred Fifty Dollars ($7,750) was paid contemporaneously with the Order's entry.

Undertaking Paragraph (1) and Ordering Paragraph (4) of the Order provided that the remaining Seventy One Thousand Dollars ($71,000) would be due, but could be suspended in whole, or in part, provided that the Company timely tendered an affidavit executed by the President of RGC certifying that the Company had completed the remedial actions set forth in Undertaking Paragraph (2) of the Order. Undertaking Paragraph (2) (A) of the Order required RGC to take over the operation and maintenance of the gas distribution systems of twelve (12) master meter operations in the Company's service area. Undertaking Paragraph (2) (B) of the Order required RGC to modify the damage prevention message on the Company's LNG tank to reflect the new 811 phone number for providing notice of excavations to the notification center by no later than July 31, 2008. Undertaking Paragraph (2) (C) of the Order required RGC to begin the use of GPS-enabled mobile phones by Company crew and Company contractors when notifying the notification center of proposed excavations by July 1, 2008. Undertaking Paragraph (2) (D) of the Order required RGC to replace four thousand seven hundred forty (4,740) feet of a 6-inch bare steel gas main from the intersection of 12th Street to the intersection of 22nd Street on Moorman Avenue in Roanoke, Virginia, by no later than September 30, 2008.

Pursuant to Undertaking Paragraph (3) of the Order, the Company's Affidavit was due to be filed with the Clerk of the Commission, with a copy to the Division, on or before October 15, 2008, certifying that the Company had completed the remedial actions set forth in Undertaking Paragraph (2) of the Order.

The affidavit required by Undertaking Paragraph (3) of the Order was timely filed by the Company on August 18, 2008, certifying that the Company had completed all of the remedial actions set forth in Undertaking Paragraph (2) of the Order.

NOW UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that in accordance with its representations, the Company has complied with the remedial provisions of the June 2, 2008 Order of Settlement; that the remaining Seventy-One Thousand Dollar ($71,000) payment provided for in the June 2, 2008 Order of Settlement should be suspended; and that this case should be dismissed from the Commission's docket of active cases.

Accordingly, IT IS ORDERED THAT:

(1) RGC's affidavit filed herein on August 18, 2008, shall be accepted as demonstrating compliance with the terms of the June 2, 2008 Order of Settlement in accordance with the representations therein.

(2) The remaining Seventy-One Thousand Dollar ($71,000) payment provided for in the June 2, 2008 Order of Settlement shall be suspended.

(3) The captioned case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended causes.

[1] 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 in Virginia. See Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte, In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312.

CASE NO. URS-2008-00003
DECEMBER 22, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found at 49 U.S.C. § 60101 et seq. ("Act"), 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. The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia, which allows the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division") is 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 Virginia Natural Gas, Inc. ("VNG" or "Company"), the Defendant, and alleges that:

(1) VNG is a person within the meaning of § 56-257.2 B of the Code of Virginia; and

(2) The Company violated the Commission's Safety Standards by the following conduct:

a) 49 C.F.R. § 192.273 (b) - Failing on six occasions to make a fusion joint in accordance with written procedures that have been proven by test or experience to produce strong gastight joints;

b) 49 C.F.R. § 192.614 (c)(6)(i) - Failing on one occasion to perform an inspection of a pipeline as frequently as necessary to verify the integrity of the pipeline;

c) 49 C.F.R. § 192.319 (b)(2) - Failing on one occasion to backfill a main in a manner that would prevent damage to the pipe from equipment or from backfill material;

d) 49 C.F.R. § 192.321 (c) - Failing on one occasion to install plastic pipe so as to minimize shear or tensile stresses;

e) 49 C.F.R. § 192.321 (e) - Failing on one occasion to install a plastic pipeline that is not encased with an electrically conducting wire or other means of locating the pipe;

f) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow the written procedure found in VNG Procedure Division IV, Section 6.2.2 by not using the fitting as a reference, and marking the appropriate stab length on the pipe;

g) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow the written procedure found in VNG Procedure 10.2.1, developed to comply with 49 C.F.R. § 192.751, by not taking appropriate precautionary measures before using electrical heating tools in areas where combustible mixtures may be present;

h) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow the written procedure found in VNG Procedure Division I, Section 2 page 16, developed to comply with 49 C.F.R. § 192.614 (c)(5), by not marking and locating buried pipelines;

i) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow the written procedure found in VNG Procedure Division 11, Section 19.2.2, developed to comply with 49 C.F.R. § 192.605 (b)(9), by not using a combustible gas indicator to determine if the atmosphere was safe;

j) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow the written procedure found in VNG Procedure, Division 11, Section 19.2.4, by not having a fire extinguisher in a work area where gas is present;

k) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow the written procedure found in VNG Procedure, Division 11, Section 10.4.2 (c), by not marking the fusion zone on both pipe ends to measure the stab depth;

1) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow procedures developed to comply with 49 C.F.R. § 192.605 (b)(3), by not having an active gas pipeline facility accurately displayed on company service record card;

m) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow the written procedure found in VNG Emergency Manual, Division 11, Section 22 , Page 10, paragraph 22.3.7 (b), by not checking for the presence of gas in surrounding buildings while gas was escaping;

n) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow the written procedure found in VNG Emergency Manual, Division 11, Section 22, Page 4, paragraph 22.3.3 (A)(b), by not identifying and eliminating possible ignition sources on the premises while gas was escaping;

o) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow the written procedure found in VNG Procedure Division I, Section 2, 2.5.2, by not backfilling a main or protecting an excavation;

p) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow the written procedure found in VNG Emergency Manual, Division 11, Section 22, Page 4, paragraph 22.3.3 (A)(a), by not evacuating the surrounding premises while gas was escaping;

q) 49 C.F.R. § 192.605 (a) - Failing on one occasion to follow the written procedure found in VNG Procedure Division 11, Section 7, developed to comply with 49 C.F.R. § 192.617, by not analyzing a failure of a butt fusion joint on the pipeline;

r) 49 C.F.R. § 192.725 (a) - Failing on two occasions to test each disconnected service line in the same manner as a new service line, before being reinstated;

s) 49 C.F.R. § 192.805 - Failing on one occasion to follow a written qualification program by allowing an individual to perform a covered task who was not qualified under the written qualification program; and

t) 49 C.F.R. § 192.805 (b) - Failing on one occasion to ensure through evaluation that individuals performing covered tasks are qualified to perform a covered task.

The Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters arising from the allegations made against it, VNG represents and undertakes that:

(1) The Company shall pay to the Commonwealth of Virginia the amount of One Hundred Eighty-Nine Thousand Seven Hundred Fifty Dollars ($189,750), of which Eighty-Seven Thousand Seven Hundred Fifty Dollars ($87,750) shall be paid contemporaneously with the entry of this Order. The remaining One Hundred Two Thousand Dollars ($102,000) shall be due as outlined in paragraph (7) on pages 5 and 6, and may be suspended in whole or in part and subsequently vacated by the Commission, provided the Company timely takes the actions required in paragraphs (2), (3), (4) and (5) on pages 4 and 5 and tenders the requisite certification as required by paragraph (6) on page 5 of this order. 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, Post Office Box 1197, Richmond, Virginia 23218-1197.

(2) The Company shall take over the operation and maintenance of ten (10) gas master meter systems served by VNG by December 31, 2009. These ten (10) systems are in addition to the twelve (12) master meter systems VNG agreed to take over in Case No. URS-2006-00591. At least six (6) of the ten (10) gas master meter systems to betaken over must currently serve more than two hundred (200) units.

(3) On or before January 31, 2009, the Company shall revise its written procedures to include specific language concerning the use of a Combustible Gas Indicator when responding to a leak.

(4) On or before January 31, 2009, the Company shall install the new "811 CARE" stickers on hard hats and Company and contractor vehicles.

(5) On or before January 31, 2009, the Company shall begin the use of a minimum of twelve (12) GPS-enabled mobile phones when notifying the notification center of proposed excavations for its operation and maintenance activities. In addition to these twelve (12) phones, VNG will require any contractor working on the Hampton Roads Crossing Project calling in notices of excavation to the notification center to also use GPS-enabled mobile phones.

(6) On or before February 16, 2009, VNG shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit, executed by the Senior Vice President of Virginia Natural Gas, Inc., certifying that the Company has begun to perform the remedial actions set forth in paragraphs (2), (3), (4) and (5) on pages 4 and 5 herein.

(7) Upon timely receipt of said affidavit, the Commission may vacate up to One Hundred Two Thousand Dollars ($102,000) of the amount set forth in paragraph (1) on page 4 hereof. Should VNG fail to tender the affidavit required by paragraph (6) above or begin to take the actions required by paragraphs (2), (3), (4) and (5) on pages 4 and 5, a payment of One Hundred Two Thousand Dollars ($102,000) shall become due and payable, and the Company shall immediately notify the Division of the reasons for VNG's failure to accomplish the actions required by paragraphs (2), (3), (4), (5) and (6) on pages 4 and 5 hereof. If, upon investigation, the Division determines that the reason for said failure justifies a payment lower than One Hundred Two Thousand Dollars ($102,000), 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.

(8) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates as part of VNG's cost of service. Any such 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 Public Utility Accounting.

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 shall be docketed and assigned Case No. URS-2008-00003.

(2) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of compromise and settlement made by VNG be, and it hereby is, accepted.

(3) Pursuant to § 56-257.2 B of the Code of Virginia, VNG shall pay the amount of One Hundred Eighty-Nine Thousand Seven Hundred Fifty Dollars ($189,750), which may be suspended or vacated in part as provided in paragraph (1) at page 4 hereof.

(4) The sum of Eighty-Seven Thousand Seven Hundred and Fifty Dollars ($87,750) tendered contemporaneously with the entry of this Order is accepted. The remaining One Hundred Two Thousand Dollars ($102,000) is due as outlined herein and may be suspended and subsequently vacated, in whole or in part, provided the Company timely undertakes the actions required in paragraphs (2), (3), (4) and (5) found on pages 4 and 5 of this Order and files the timely certification of the remedial actions as required by paragraph (6) on page 5 herein.

(5) The Commission shall retain jurisdiction over this matter for all purposes, and this case shall be continued pending further orders of the Commission.

CASE NO. URS-2008-00060
APRIL 23, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PROMARK UTILITY LOCATORS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of 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 31, 2007, and December 12, 2007, listed in Attachment A, involving Promark Utility Locators, Inc. ("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 of Virginia, and is subject to the civil penalties in § 56-265.32 of the Code of Virginia pursuant to § 56-265.19 D of the Code of Virginia; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

(d) Failing on certain occasions to use all information necessary to mark their 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.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on February 5, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $11,550 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $11,550 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00062
MAY 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about September 8, 2007, First Choice Communication Systems L.L.C. damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company ("Company"), located at or near 4502 Glendale Road, Prince William County, Virginia, while excavating;

(2) On or about October 22, 2007, Ivy H. Smith Company, LLC, damaged a three-eighths inch plastic gas service line operated by the Company located at or near 10904 Spurlock Court, Fairfax, Virginia, while excavating;

(3) On or about October 22, 2007, Ivy H. Smith Company, LLC, damaged a one-quarter inch plastic gas service line operated by the Company located at or near 5414 Governor Yeardley Road, Fairfax, Virginia, while excavating;

(4) On or about October 30, 2007, Ivy H. Smith Company, LLC, damaged a three-eighths inch plastic gas service line operated by the Company located at or near 5407 Quincy Marr Drive, Fairfax, Virginia, while excavating;

(5) On or about November 7, 2007, Ivy H. Smith Company, LLC, damaged a three-eighths inch plastic gas service line operated by the Company located at or near 10900 Paynes Church Drive, Fairfax County, Virginia, while excavating;

(6) On or about November 10, 2007, the City of Fairfax damaged a three-quarter inch steel gas service line operated by the Company located at or near 3615 Prince William Drive, Fairfax County, Virginia, while excavating;

(7) On or about November 24, 2007, Fairfax County Water Authority damaged a one-half inch copper gas service line operated by the Company located at or near 6202 Tyner Street, Fairfax County, Virginia, while excavating; and

(8) On the occasions set out in paragraphs (1) through (7) above, the Company failed 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 of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $6,250 to be paid contemporaneously with the entry of this Order. This payment will be made by 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 fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $6,250 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00090
MARCH 24, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, 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 of Virginia. 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 21, 2007, Lewis Construction & Development Company, LLC, damaged a one and one-quarter inch steel gas service line operated by Virginia Natural Gas, Inc. ("Company"), located at or near 21 East Sherwood Avenue, Hampton, Virginia, while excavating;

(2) On or about October 3, 2007, W. R. Hall, Inc., damaged a one and one-half inch steel gas service line operated by the Company, located at or near 133 West Seaview Avenue, Norfolk, Virginia, while excavating;

(3) On or about October 17, 2007, the City of Hampton damaged a two-inch steel gas main line operated by the Company, located at or near 800 Homestead Avenue, Hampton, Virginia, while excavating;

(4) On or about October 18, 2007, Discount Plumbing, Inc., damaged a three-quarter inch plastic gas service line operated by the Company, located at or near 1333 Chesapeake Avenue, Chesapeake, Virginia, while excavating;

(5) On or about October 22, 2007, the City of Newport News damaged a one-inch steel gas service line operated by the Company, located at or near 735 31st Street, Newport News, Virginia, while excavating;

(6) On or about October 24, 2007, Kevcor Contracting Corporation damaged a four-inch steel gas main line operated by the Company, located at or near Powhatan Avenue, Norfolk, Virginia, while excavating;

(7) On or about November 14, 2007, Dunn Construction Company damaged a three-quarter inch plastic gas service line operated by the Company, located at or near 557 East Little Creek Road, Norfolk, Virginia, while excavating;

(8) On or about November 20, 2007, Newport News Waterworks damaged a three-quarter inch steel gas service line operated by the Company, located at or near 18 Quinn Street, Hampton, Virginia, while excavating;

(9) On the occasions set out in paragraphs (1) through (8) above, the Company failed 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 of Virginia;

(10) On or about October 5, 2007, Rountree Construction Co., Inc., damaged a four-inch plastic gas service line operated by the Company, located at or near 1368 Progress Road, Suffolk, Virginia, while excavating; and

(11) On the occasion set out in paragraph (10) above, the Company failed to mark the underground utility line by no later than 7:00 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 of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $11,400 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 fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $1 1,400 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00091
AUGUST 13, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UTILIQUEST, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of 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 17, 2007, and January 7, 2008, 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 of Virginia, and is subject to the civil penalties in § 56-265.32 of the Code of Virginia pursuant to § 56-265.19 D of the Code of Virginia; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

(d) Failing on certain occasions to provide markings at sufficient intervals to clearly indicate the approximate horizontal location and direction of the underground utility line in violation of 20 VAC 5-309-110 B of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act.

(e) Failing on certain occasions to use all information necessary to mark their 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.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on February 5, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $55,900 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.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $55,900 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00130
MAY 30, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UTILIQUEST, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of 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 4, 2006, and January 24, 2008, 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 of Virginia, and is subject to the civil penalties in § 56-265.32 of the Code of Virginia pursuant to § 56-265.19 D of the Code of Virginia; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.17 C and § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

(d) Failing on certain occasions to report to provide a minimum of three separate marks for each underground utility line marking in violation of 20 VAC 5-309-110 E of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act.

(e) Failing on certain occasions to provide markings at intervals that clearly define the route of the underground line in violation of 20 VAC 5-309-110 H of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act.

(f) Failing on certain occasions to use all information necessary to mark their facilities in violation of 20 VAC 5-309-110 M of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on March 4, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $16,450 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.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $16,450 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00131
JUNE 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE FISHEL COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, 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 of Virginia. 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 29, 2007, The Fishel Company ("Company") damaged a one-half inch plastic gas service line operated by the City of Richmond, located at or near 34 West Locke Lane, Richmond, Virginia, while excavating;

(2) On or about January 16, 2008, the Company damaged a four pair copper service telecommunications line operated by Verizon Virginia Inc., located at or near 8235 Reams Road, Chesterfield County, Virginia, while excavating;

(3) On the occasions set out in paragraphs (1) and (2) above, the Company failed to exercise due care at all times to protect underground utility lines, in violation of § 56-265.24 A of the Code of Virginia; and

(4) On the occasion set out in paragraph (2) above, the Company failed to immediately notify the operator of the damage, in violation of § 56-265.24 D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order of Settlement.

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) That it will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,800;

(2) That $2,000 of said penalty will be suspended upon the condition that the Company accepts a training session for its employees on the subject of underground utility damage prevention and submits documentation evidencing the training session to the Commission within 60 days of the entry of this Order, and the Company's Safety coordinator working in Virginia successfully completes the Division's *Train the Trainer* program to be held April 23 and 24, 2008; and

(3) That the balance of said penalty, $3,800, will be paid contemporaneously with the entry of this Order by check payable to the Treasurer of Virginia and 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 acceptance of the Company's offer of settlement, hereby accepts this offer of settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The Company fully comply with the aforesaid terms and undertakings of the settlement.

(3) The Company is hereby penalized in the amount of $5,800.

(4) The sum of $3,800 tendered contemporaneously with the entry of this Order is accepted.

(5) The balance of the penalty amount, $2,000, will be suspended if the Company tenders evidence of having received training as outlined herein.

(6) 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 the account of the Company's failure to comply with the terms and undertakings of the settlement.

CASE NO. URS-2008-00131
JULY 7, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE FISHEL COMPANY,
Defendant

FINAL ORDER

WHEREAS, by entry of the Order of Settlement ("Order") dated June 19, 2008, the State Corporation Commission ("Commission") accepted the offer of settlement of The Fishel Company (the "Company") for alleged violations of the Underground Utility Damage Prevention Act, § 56-265.14 et seq. of the Code of Virginia, and retained jurisdiction of this case;

WHEREAS, by execution of an Admission and Consent document by a representative of the Company, the Company consented to the form, substance, and entry of the Order; and

WHEREAS, the Company has complied fully with the terms and undertakings as outlined in the Order. Undertaking Paragraph (2) of the Order provided that $2,000 of the $5,800 penalty would be suspended upon the condition that the Company conducts a training session for its employees on the subject of underground utility damage prevention and submits documentation evidencing the training session to the Commission within 60 days of the entry of the Order and upon the condition that the Company's safety coordinator working in Virginia successfully completes the Division's Train the Trainer program to be held April 23 and 24, 2008. Documentation evidencing the training session and demonstrating that the Company's safety coordinator has successfully completed the Division's Train the Trainer program on April 23 and 24, 2008, has been received. Therefore, the $2,000 remaining balance of the penalty should be suspended, and this case should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The $2,000 balance of the $5,800 penalty shall be suspended.

(2) This case is hereby dismissed from the Commission's docket of active cases, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00133
APRIL 25, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ATMOS ENERGY CORPORATION,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, 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 of Virginia. 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 23, 2007, Mike Mucha damaged a one-half inch plastic gas service line operated by Atmos Energy Corporation ("Company"), located at or near 120 Main Street, Smyth County, Virginia, while excavating;

(2) On or about November 8, 2007, Contracting Enterprises, Inc., damaged a one-half inch plastic gas service line operated by the Company, located at or near 204 East Roanoke Street, Montgomery County, Virginia, while excavating;

(3) On or about December 22, 2007, Tim's Excavation damaged a three-quarter inch steel gas service line operated by the Company, located at or near 309 Charles Street, Pulaski County, Virginia, while excavating;

(4) On or about December 28, 2007, the City of Radford damaged a one-half inch plastic gas service line operated by the Company, located at or near 22 Montgomery Street, Radford, Virginia, while excavating;

(5) On or about January 8, 2008, the Town of Pulaski damaged a one-half inch plastic gas service line operated by the Company, located at or near 1071 Crescent Street, Pulaski County, Virginia, while excavating; and

(6) On the occasions set out in paragraphs (1) through (5) above, the Company failed 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 of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,250 to be paid contemporaneously with the entry of this Order. This payment will be made by 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 fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $5,250 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00194
MAY 23, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PROMARK UTILITY LOCATORS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between October 23, 2007, and January 25, 2008, listed in Attachment A, involving Promark Utility Locators, Inc. ("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 of Virginia, and is subject to the civil penalties in § 56-265.32 of the Code of Virginia pursuant to § 56-265.19 D of the Code of Virginia; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on April 8, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $9,200 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $9,200 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00197
MAY 23, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, 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 of Virginia. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about November 7, 2007, Coastline Utilities and Grading Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc. ("Company"), located at or near 4902 Powhatan Avenue, Norfolk, Virginia, while excavating;

(2) On the occasion set out in paragraph (1) above, the Company failed to report the marking status to the excavator-operator information exchange system by no later than 7:00 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 of Virginia;

(3) On or about November 19, 2007, Tidewater Utility Construction, Inc., damaged a two-inch plastic gas main line operated by the Company, located at or near 3413 Virginia Beach Boulevard, Virginia Beach, Virginia, while excavating;

(4) On or about November 30, 2007, Ivy H. Smith Company, LLC, damaged a three-quarter inch plastic gas service line operated by the Company, located at or near 5401 Masada Drive, Virginia Beach, Virginia, while excavating;

(5) On or about December 6, 2007, Kevcor Contracting Corporation damaged a three-quarter inch copper gas service line operated by the Company, located at or near 402 26th Street, Virginia Beach, Virginia, while excavating;

(6) On or about February 11, 2008, Arc Electric, Incorporated, damaged a one-half inch plastic gas service line operated by the Company, located at or near 600 21st Street, Virginia Beach, Virginia, while excavating;

(7) On the occasions set out in paragraphs (3) through (6) above, the Company failed 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 of Virginia;

(8) On the occasion set out in paragraph (4) above, the Company failed to prepare and maintain reasonably accurate installation records of the underground utility lines, in violation of 20 VAC 5-309-160 of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act; and

(9) On the occasion set out in paragraph (6) above, the Company failed to use all information necessary to mark their 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.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,350 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 fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $5,350 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00199
AUGUST 27, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UTILIQUEST, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia ("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 July 24, 2007, and April 1, 2008, 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; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.17 C and § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on May 22, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $101,250 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.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $101,250 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00246
JULY 15, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PROMARK UTILITY LOCATORS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia ("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 January 25, 2008, and March 28, 2008, listed in Attachment A, involving Promark Utility Locators, Inc. ("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; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

(d) Failing on certain occasions to use all information necessary to mark their 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.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on May 6, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $9,350 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $9,350 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00287
AUGUST 15, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ONE VISION UTILITY SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia ("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 18, 2008, and April 11, 2008, listed in Attachment A, involving One Vision Utility Services, LLC ("Company"), and alleges that:

(1) Virginia Natural Gas, Inc. ("VNG"), is an operator as that term is defined in § 56-265.15 of the Code and, as an operator, is subject to the duties imposed by the Act and the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act as well as the penalties imposed by the Act;

(2) VNG has contracted with the Company for the Company to serve as a contract locator on VNG's behalf;

(3) As a contract locator as that term is defined in § 56-265.15 of the Code, 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;

(4) During the aforementioned period, the Company, when acting as a contract locator for VNG, has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations involving the Company's locates of VNG's underground utility lines presented to the Underground Utility Damage Prevention Advisory Committee on June 10, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $7,200 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $7,200 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00288
AUGUST 15, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UTILIQUEST, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia ("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 May 24, 2007, and April 3, 2008, 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; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on June 10, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $21,450 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.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $21,450 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00289
JUNE 25, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ONE VISION UTILITY SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia ("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 January 8, 2008, and March 28, 2008, listed in Attachment A, involving One Vision Utility Services, 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 of Virginia pursuant to § 56-265.19 D of the Code; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

(d) Failing on certain occasions to use all information necessary to mark the 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.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on April 8, 2008, May 6, 2008, and June 10, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $14,600 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $14,600 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00290
JUNE 25, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ONE VISION UTILITY SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia ("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 12, 2007, and March 18, 2008, listed in Attachment A, involving One Vision Utility Services, 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 of Virginia pursuant to § 56-265.19 D of the Code; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

(d) Failing on certain occasions to provide markings extending a reasonable distance beyond the boundaries of the specific location of the proposed work in violation of 20 VAC 5-309-110 I of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act.

(e) Failing on certain occasions to use all information necessary to mark the 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.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on November 6, 2007, December 4, 2007, February 5, 2008, March 4, 2008, April 8, 2008, May 6, 2008, and June 10, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $70,850 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $70,850 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00352
DECEMBER 19, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE MATTHEWS GROUP, INC.,
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 March 26, 2008, The Matthews Group, Inc. ("Company"), damaged a three-inch plastic gas service line operated by Washington Gas Light Company, located at or near ARFF Fire Station 301, Arlington County, Virginia, while excavating;

(2) On the occasion set out in paragraph (1) above, the Company failed to notify the notification center (Miss Utility) before beginning its excavation, in violation of § 56-265.17 A of the Code of Virginia; and

(3) On the occasion set out in paragraph (1) above, the Company failed to exercise due care at all times to protect underground utility lines, in violation of § 56-265.24 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order of Settlement.

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) That it will pay a civil penalty to the Commonwealth of Virginia in the amount of Five Thousand Dollars ($5,000) by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety unless it complies with undertaking paragraph (2) below;

(2) That the penalty be suspended upon the condition that the Company accepts a training session for its employees on the subject of underground utility damage prevention and submits documentation evidencing the training session to the Commission within sixty (60) days of the entry of this Order.

(3) If the Company fails to conduct a training session and fails to submit documentation within sixty (60) days of the entry of this Order, the civil penalty of Five Thousand Dollars ($5,000) will be immediately due and payable to the Commonwealth of Virginia as provided in undertaking paragraph (1).

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for acceptance of the Company's offer of settlement, hereby accepts this offer of settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The Company fully comply with the aforesaid terms and undertakings of the settlement.

(3) The Company is hereby penalized in the amount of Five Thousand Dollars ($5,000).

(4) The penalty amount, Five Thousand Dollars ($5,000), will be suspended if the Company tenders evidence of having received training as outlined herein, but shall otherwise be due and payable as provided in paragraphs (1) and (3) of page 2, supra.

(5) 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 the account of the Company's failure to comply with the terms and undertakings of the settlement.

CASE NO. URS-2008-00356
AUGUST 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ONE VISION UTILITY SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia ("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 January 30, 2008, and May 28, 2008, listed in Attachment A, involving One Vision Utility Services, LLC ("Company"), the Defendant, and alleges that:

(1) Virginia Natural Gas, Inc. ("VNG"), is an operator as that term is defined in § 56-265.15 of the Code and, as an operator, is subject to the duties imposed by the Act and the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act as well as the penalties imposed by the Act;

(2) VNG has contracted with the Company for the Company to serve as a contract locator on VNG's behalf;

(3) As a contract locator as that term is defined in § 56-265.15 of the Code and, 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;

(4) During the aforementioned period, the Company when acting as a contract locator for VNG, has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code of Virginia.

(c) Failing on one occasion to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on July 8, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $14,050 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $14,050 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00357
AUGUST 8, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ONE VISION UTILITY SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), § 56-265.14 et seq. of the Code of Virginia ("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 28, 2008, and May 23, 2008, listed in Attachment A, involving One Vision Utility Services, LLC ("Company"), the Defendant, and alleges that:

(1) Columbia Gas of Virginia, Inc. ("CGV"), is an operator as that term is defined in § 56-265.15 of the Code and, as an operator, is subject to the duties imposed by the Act and the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act as well as the penalties imposed by the Act;

(2) CGV has contracted with the Company for the Company to serve as a contract locator on CGV's behalf;

(3) As a contract locator as that term is defined in § 56-265.15 of the Code, 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;

(4) During the aforementioned period, the Company, when acting as a contract locator for CGV, has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on July 8, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $7,250 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $7,250 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00365
AUGUST 25, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, 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 of Virginia. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about February 27, 2008, Ivy H. Smith Company, LLC, damaged a two-inch plastic gas main line operated by Virginia Natural Gas, Inc. ("Company"), located at or near 6217 Auburn Drive, Virginia Beach, Virginia, while excavating;

(2) On or about March 11, 2008, Curbside Appeal Landscaping damaged a one-half inch plastic gas service line operated by the Company, located at or near 4942 Kemps Lake Drive, Virginia Beach, Virginia, while excavating;

(3) On or about March 26, 2008, C.P.G., Inc., damaged a two-inch plastic gas main line operated by the Company, located at or near Ravenscroft Lane, Hampton, Virginia, while excavating;

(4) On the occasions set out in paragraphs (1) through (3) 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 of Virginia;

(5) On or about May 7, 2008, Vico Construction Corporation, damaged an eight-inch plastic gas main line operated by the Company, located at or near 1217 Bells Road, Virginia Beach, Virginia, while excavating;

(6) On the occasion set out in paragraph (5) 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 of Virginia; and

(7) On the occasions set out in paragraphs (1) through (3) and (5) above, the Company failed to prepare and maintain reasonably accurate installation records of the underground utility lines, in violation of 20 VAC 5-309-160 of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,700 to be paid contemporaneously with the entry of this Order. This payment will be made by check payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of $5,700 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00420
NOVEMBER 3, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PROMARK UTILITY LOCATORS, INC.,
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) Promark Utility Locators, Inc. ("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) On or about March 3, 2008, the Town of Bluefield damaged a one-inch plastic gas service line operated by Appalachian Natural Gas Distribution Company, located at or near 102 Tolbert Street, Tazewell County, Virginia, while excavating;

(3) On or about April 2, 2008, Prince William Construction, L.L.C., damaged a one-half-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 9406 Stonewall Road, Manassas, Virginia, while excavating;

(4) On or about May 14, 2008, G & L Underground, Inc., damaged a one-half-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 4925 Locksview Road, Lynchburg, Virginia, while excavating;

(5) On the occasions set out in paragraphs (2) through (4) above, the Company failed to mark the underground utility lines by no later than 7:00 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;

(6) On the occasion set out in paragraph (4) above, the Company failed to use all information necessary to mark their 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;

(7) On or about March 15, 2008, Keith Roberts ("Excavator") damaged a one-half-inch plastic gas service line operated by Roanoke Gas Company, located at or near 1079 Kessler Mill Road, Roanoke County, Virginia, while excavating;

(8) On or about June 14, 2008, Campbell General Contracting damaged an electric secondary line operated by American Electric Power, located at or near 327 River Oak Drive, Smyth County, Virginia, while excavating; and

(9) On the occasions set out in paragraphs (4), (7) and (8) above, the Company failed 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.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As 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 Six Hundred Fifty Dollars ($5,650) to be paid contemporaneously with the entry of this Order. The payment will be made by cashier's check or money order payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of 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) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of Five Thousand Six Hundred Fifty Dollars ($5,650) tendered contemporaneously with the entry of this Order is accepted.

(3) This case is hereby dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00489
OCTOBER 24, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ONE VISION UTILITY 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 ("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 June 9, 2008, and July 11, 2008, listed in Attachment A, involving One Vision Utility Services, LLC ("Company"), the Defendant, and alleges that:

(1) Columbia Gas of Virginia, Inc. ("CGV"), is an operator as that term is defined in § 56-265.15 of the Code and, as an operator, is subject to the duties imposed by the Act and the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, as well as the penalties imposed by the Act;

(2) CGV has contracted with the Company for the Company to serve as a contract locator on CGV's behalf;

(3) As a contract locator as that term is defined in § 56-265.15 of the Code, 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;

(4) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code;

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code;

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code; and

(d) Failing on certain occasions to use all information necessary to mark their facilities in violation of 20 VAC 5-309-110 M of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on September 9, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of Ten Thousand Seven Hundred Fifty Dollars ($10,750) to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of Ten Thousand Seven Hundred Fifty Dollars ($10,750) tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00491
DECEMBER 22, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PROMARK UTILITY LOCATORS, INC.,
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) Promark Utility Locators, Inc. ("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 of Virginia pursuant to § 56-265.19 D of the Code;

(2) On or about April 7, 2008, Davis Underground, Inc., damaged a four-inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near Moreel Avenue, Prince William County, Virginia, while excavating;

(3) On or about May 30, 2008, Abel's Backhoe Rental, Inc., damaged a one-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 18322 Sharon Road, Prince William County, Virginia, while excavating;

(4) On or about May 30, 2008, F .L. Showalter, Inc., damaged a one-and-one-quarter-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 301 Allegheny Street, Alleghany County, Virginia, while excavating;

(5) On or about June 3, 2008, Branch Highways, Inc., damaged a one-and-one-quarter-inch plastic gas service line operated by Roanoke Gas Company, located at or near Aviation Drive, Roanoke County, Virginia, while excavating;

(6) On or about June 5, 2008, the City of Lynchburg damaged a one-and-one-quarter-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3625 Craighill Street, Lynchburg, Virginia, while excavating;

(7) On or about June 17, 2008, Stokes Hauling & Grading, Inc., damaged a one-inch plastic gas service line operated by Roanoke Gas Company, located at or near 5046 Ranchcrest Drive, S.W., Roanoke County, Virginia, while excavating;

(8) On the occasions set out in paragraphs (2) through (7) above, the Company failed 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 of Virginia;

(9) On or about June 10, 2008, Richard R. Brogan Plumbing damaged a two-inch plastic gas main line operated by Roanoke Gas Company, located at or near 1022 Jeanette Avenue, Roanoke County, Virginia, while excavating; and

(10) On the occasion set out in paragraph (9) above, the Company failed to mark the underground utility line 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 of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As 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 Two Hundred Dollars ($7,200) to be paid contemporaneously with the entry of this Order. The payment will be made by cashier's check or money order payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of 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) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of Seven Thousand Two Hundred Dollars ($7,200) tendered contemporaneously with the entry of this Order is accepted.

(3) This case is hereby dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00539
DECEMBER 22, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PROMARK UTILITY LOCATORS, INC.,
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 ("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 June 20, 2008, and August 7, 2008, listed in Attachment A, involving Promark Utility Locators, Inc. ("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; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code.

(d) Failing on certain occasions to use all information necessary to mark their 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.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on October 14, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of Twelve Thousand Eight Hundred Dollars ($12,800) to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of Twelve Thousand Eight Hundred Dollars ($12,800) tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00542
NOVEMBER 20, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
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 June 17, 2008, T. A. Sheets General Mechanical Contractor, Inc., damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc. ("Company"), located at or near 2737 Saint Mihiel Avenue, Norfolk, Virginia, while excavating;

(2) On or about June 18, 2008, Kevcor Contracting Corporation damaged a one-and-one-quarter-inch copper gas main line operated by the Company, located at or near 2416 Arctic Avenue, Virginia Beach, Virginia, while excavating;

(3) On or about June 18, 2008, T. A. Sheets General Mechanical Contractor, Inc., damaged a one-half-inch plastic gas service line operated by the Company, located at or near 2710 Saint Mihiel Avenue, Norfolk, Virginia, while excavating;

(4) On or about July 9, 2008, Coastline Contractors, Inc., damaged a two-inch plastic gas main line operated by the Company, located at or near 300 Shea Drive, Chesapeake, Virginia, while excavating;

(5) On or about July 29, 2008, Team EAS, Inc., damaged a one-half-inch plastic gas service line operated by the Company, located at or near 15 Towne Square Drive, Newport News, Virginia, while excavating;

(6) On or about August 25, 2008, Orion Associates, Inc., damaged a one-and-one-quarter-inch plastic gas service line operated by the Company, located at or near 3388 Princess Anne Road, Virginia Beach, Virginia, while excavating;

(7) On the occasions set out in paragraphs (1) through (6) 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;

(8) On or about June 23, 2008, T. A. Sheets General Mechanical Contractor, Inc., damaged a one-half-inch plastic gas service line operated by the Company, located at or near 2411 Shoop Avenue, Norfolk, Virginia, while excavating;

(9) On or about June 24, 2008, T. A. Sheets General Mechanical Contractor, Inc., damaged a one-half-inch plastic gas service line operated by the Company, located at or near 2826 Somme Avenue, Norfolk, Virginia, while excavating;

(10) On or about June 30, 2008, Cinter Construction Co., Inc., damaged a two-inch plastic gas main line operated by the Company, located at or near Powhatan Avenue, Norfolk, Virginia, while excavating;

(11) On or about July 15, 2008, Precon Construction Company damaged a two-inch plastic gas main line operated by the Company, located at or near 1700 Liberty Street, Chesapeake, Virginia, while excavating;

(12) On or about July 21, 2008, S&N Communications, Inc., damaged a one-half-inch plastic gas service line operated by the Company, located at or near 548 Denver Avenue, Chesapeake, Virginia, while excavating;

(13) On the occasions set out in paragraphs (8) through (12) above, the Company failed to mark the underground utility line by no later than 7:00 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; and

(14) On the occasions set out in paragraphs (5) and (12) above, the Company failed to prepare and maintain reasonably accurate installation records of the underground utility lines, in violation of 20 VAC 5-309-160 of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of Ten Thousand Seven Hundred Dollars ($10,700) to be paid contemporaneously with the entry of this Order. This payment will be made by check payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of Ten Thousand Seven Hundred Dollars ($10,700) tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. URS-2008-00608
DECEMBER 22, 2008

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PROMARK UTILITY LOCATORS, INC.,
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 ("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 July 1, 2008, and September 16, 2008, listed in Attachment A, involving Promark Utility Locators, Inc. ("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; and

(2) During the aforementioned period, the Company has violated the Act by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines in violation of § 56-265.19 A of the Code.

(b) Failing on certain occasions to mark within the time prescribed in the Act in violation of § 56-265.19 A of the Code.

(c) Failing on certain occasions to report to the notification center that lines had been marked or that they were not in conflict with the proposed excavation in violation of § 56-265.19 A of the Code.

(d) Failing on certain occasions to use all information necessary to mark their 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.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on November 12, 2008, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of Nine Thousand Eight Hundred Dollars ($9,800) to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The sum of Nine Thousand Eight Hundred Dollars ($9,800) tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

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 2007 and 2008.

CORPORATIONS

Virginia Corporations	12/31/07	12/31/08
Certificates of Incorporation issued	17,721	15,768
Voluntary terminations	3,754	3,150
Involuntary terminations	1	0
Automatic terminations (Assessment/AR/RA Resignation)	16,612	18,811
Reinstatement of terminated corporations	5,705	5,317
Charters amended	2,946	2,656
On Record		
Active Stock Corporations	149,518	145,768
Active Non-Stock Corporations	36,197	37,680
Active Virginia Corporations	185,715	183,448
Foreign Corporations		
Certificates of Authority to do business in Virginia issued	4,724	4,435
Voluntary withdrawals from Virginia	1,351	1,191
Automatic Revocations (Assessment/AR/RA Resignation)	2,330	2,793
Reentry of surrendered or revoked certificates	908	904
Charters amended	1,025	932
On Record		
Active Stock Corporations	34,798	35,589
Active Non-Stock Corporations	2,330	2,401
Active Foreign Corporations	37,128	37,990
Total Active Corporations (Virginia and Foreign)	222,843	221,438

LIMITED LIABILITY COMPANIES

Virginia Limited Liability Companies		
Certificates of Organization issued	35,820	34,192
Voluntary cancellations	3,637	3,370
Automatic cancellations (Assessment/RA Resignation)	17,571	22,078
Reinstatement of canceled certificates	2,681	2,922
Articles of Organization amended	3,354	3,274
On Record		
Active Virginia Limited Liability Companies	153,230	164,744
Foreign Limited Liability Companies		
Certificates of Registration issued	3,546	3,018
Voluntary cancellations	690	705
Automatic cancellations (Assessment/RA Resignation)	1,244	1,542
Reinstatement of canceled certificates	193	278
Certificates of Registration amended	10	356
On Record		
Active Foreign Limited Liability Companies	14,934	15,947
Total Active Limited Liability Companies (Virginia and Foreign)	168,164	180,691

BUSINESS TRUSTS

Virginia Business Trusts		
Certificates of Trust issued	33	35
Voluntary cancellations	2	1
Automatic cancellations (Assessment/RA Resignation)	28	22
Reinstatement of canceled certificates	1	0
Articles of Trust amended	1	0
On Record		
Active Virginia Business Trusts	104	115
Foreign Business Trusts		
Certificates of Registration issued	9	4
Voluntary cancellations	0	1
Automatic cancellations (Assessment/RA Resignation)	1	2
Reinstatement of canceled certificates	0	0
Certificates of Registration amended	0	0
On Record		
Active Foreign Business Trusts	45	46
Total Active Business Trusts (Virginia and Foreign)	149	161

LIMITED PARTNERSHIPS

Virginia Limited Partnerships		
Certificates of Limited Partnership filed	295	258
Voluntary cancellations	222	142
Automatic cancellations (Assessment/RA Resignation)	449	398
Reinstatement of canceled certificates	108	100
Certificates of Limited Partnership amended	381	197
On Record		
Active Virginia Limited Partnerships	6,198	5,996
Foreign Limited Partnerships		
Certificates of Registration issued	172	142
Voluntary cancellations	140	82
Automatic cancellations (Assessment/RA Resignation)	120	122
Reinstatement of canceled certificates	23	48
Certificates of Registration amended	0	40
On Record		
Active Foreign Limited Partnerships	1,751	1,716
Total Active Limited Partnerships (Virginia and Foreign)	7,949	7,712

GENERAL PARTNERSHIPS

General Partnership Statements filed	232	220
On Record		
Active Virginia General Partnerships	1,096	1,134
Active Foreign General Partnerships	101	112
Total Active General Partnerships (Virginia and Foreign)	1,197	1,246

REGISTERED LIMITED LIABILITY PARTNERSHIPS

Virginia Registered Limited Liability Partnerships filed	120	95
Foreign Registered Limited Liability Partnerships filed	24	28
Total Active Registered Limited Liability Partnerships (Virginia and Foreign)	1,353	1,338

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 2007, AND JUNE 30, 2008

General Fund	**2007**	**2008**	**(Difference)**
Securities Application Fees-Utilities	$9,875.00	$8,400.00	($1,475.00)
Charter Fees	1,543,065.00	1,448,697.00	(94,368.00)
Entrance Fees	1,497,200.00	1,611,617.00	114,417.00
Filing Fees	870,905.00	816,789.50	(54,115.50)
Registered Name	2,380.00	2,900.00	520.00
Registered Office and Agent	0.00	0.00	0.00
Service of Process	39,990.00	48,330.00	8,340.00
Copy and Recording Fees	465,082.11	429,458.00	(35,624.11)
SCC Annual Report Sales	656.00	563.76	(92.24)
Uniform Commercial Code Revenues	1,705,521.00	1,667,684.00	(37,837.00)
Excess Fees Paid into State Treasury	285,742.28	295,947.17	10,204.89
Miscellaneous Sales	50.00	0.00	(50.00)
TOTAL	$6,420,466.39	$6,330,386.43	($90,079.96)
Special Fund			
Domestic-Foreign Corp. Registration Fee	$32,529,375.48	$32,306,613.51	($222,761.97)
Limited Partnership Registration Fee	407,775.00	392,490.00	(15,285.00)
Reserved Name - Limited Partnership	14,720.00	16,500.00	1,780.00
Certificate Limited Partnership	32,600.00	33,275.00	675.00
Application Reg. Foreign LP	18,900.00	16,600.00	(2,300.00)
Reinstatement LP	14,400.00	14,700.00	300.00
Registration Fee LLC	5,876,315.00	6,774,730.00	898,415.00
Application For. Reg. LLC	356,955.00	338,150.00	(18,805.00)
Art of Org. Dom. LLC	3,512,166.00	3,528,200.00	16,034.00
AMEND, CANC, CORR. RAC, Etc. LLC	203,325.00	229,125.00	25,800.00
SCC Bad Check Fee	21,005.50	21,135.00	129.50
Interest on Del. Tax	0.00	0.00	0.00
Penalty on Non-Pay Fees by Due Date	1,035,198.00	1,053,295.55	18,097.55
Statement of Reg. As Domestic LLP	5,640.00	6,600.00	960.00
LLP Annual Continuation	54,900.00	65,400.00	10,500.00
Statement of Partnership Authority GP Dom	6,175.00	4,950.00	(1,225.00)
Statement of Partnership Authority GP For	325.00	775.00	450.00
Statement of Amendments - GP	1,425.00	1,750.00	325.00
Statement of Reg. As Foreign LLP	1,900.00	1,900.00	0.00
Statement of Amendment LLP	900.00	625.00	(275.00)
Reinstatement/Reentry LLC	260,000.00	303,400.00	43,400.00
Tape Sales, Misc Fees	85,000.00	85,000.00	0.00
Copies, Recording Fees	10.00	52.00	42.00
Recovery of Prior Yr Expenses	0.00	0.00	0.00
LLP Reinstatement	150.00	0.00	(150.00)
Expedite Fee Collected	1,856,051.00	1,903,560.00	47,509.00
TOTAL	$46,295,210.98	$47,098,826.06	$803,615.08
Valuation Fund			
Corp Operations Rec Of Copy and Cert Fees	$1,403.00	$2,093.50	$690.50
Recovery of Prior Yr. Expenses	0.00	18.00	18.00
TOTAL	$1,403.00	$2,111.50	$708.50
Trust & Agency Fund			
Fines Imposed and Collected by SCC	$245,125.00	$154,650.00	($90,475.00)
Debt Set Off Collections	0.00	0.00	0.00
TOTAL	$245,125.00	$154,650.00	($90,475.00)
GRAND TOTAL	$52,962,205.37	$53,585,973.99	$623,768.72

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 2007, AND JUNE 30, 2008

	2007	2008
Banks	$7,973,121	$7,807,985
Savings Institutions and Savings Banks	5,635	7,723
Consumer Finance Licensees	628,614	691,510
Credit Unions	1,009,229	1,032,949
Trust subsidiaries and Trust Companies	46,035	54,240
Industrial Loan Associations	14,148	10,174
Money Order Sellers and Transmitters	51,000	53,500
Credit Counseling Agency Licensees	15,150	11,550
Mortgage Lenders and Mortgage Brokers	2,173,424	1,914,443
Check Cashers	73,200	96,850
Payday Lenders	353,880	617,721
Miscellaneous Collections	88,031	192,595
TOTAL	$12,431,467	$12,491,240

CONSUMER SERVICES

The Bureau received and acted upon 941 formal written complaints during 2008 and recovered $908,307 on behalf of Virginia consumers.

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR THE FISCAL YEARS ENDING JUNE 30, 2007, AND JUNE 30, 2008

Kind General Fund	2007	2008	Increase or (Decrease)
Gross Premium Taxes of Insurance Companies	$384,894,000.28	$396,857,786.77	$11,963,786.49
Fraternal Benefit Societies Licenses	500.00	440.00	(60.00)
Interest on Delinquent Taxes	25,387.59	543,020.37	517,632.78
Penalty on non-payment of taxes by due date	303,759.51	182,675.45	(121,084.06)
Special Fund			
Company License Application Fee	31,000.00	26,000.00	(5,000.00)
Health Maintenance Organization License Fee	0.00	0.00	0.00
Automobile Club/ Agent Licenses	6,200.00	6,800.00	600.00
Insurance Premium Finance Companies Licenses	14,300.00	14,400.00	100.00
Agents Appointment Fees	16,831,942.00	16,872,679.00	40,737.00
Surplus Lines Broker Licenses	68,100.00	71,950.00	3,850.00
Home Service Contract Providers License Fee	6,000.00	0.00	(6,000.00)
Producer License Application Fees	802,545.00	847,275.00	44,730.00
Surety Bail Bondsmen License Fee	0.00	0.00	0.00
P&C Consultant License Fees	66,745.00	66,450.00	(295.00)
Recording, Copying, and Certifying Public Records Fee	24,513.00	54,440.50	29,927.50
SCC Bad Check Fee	116.25	210.00	93.75
Managed Care Health Ins. Plan Appeals Fee	1,850.00	2,700.00	850.00
Administrative Penalty Payment	0.00	234,000.00	234,000.00
State Publication Sales	0.00	0.00	0.00
Assessments To Insurance Companies for Maintenance of the Bureau of Insurance	7,605,240.83	7,682,918.16	77,677.33
Reinsurance Intermediary Broker Fees	500.00	3,000.00	2,500.00
Reinsurance Intermediary Managers Fee	0.00	0.00	0.00
Managing General Agent Fees	7,000.00	8,500.00	1,500.00
Viatical Settlement Provider License Fees	5,800.00	7,200.00	1,400.00
Viatical Settlement Broker License Fees	15,850.00	16,650.00	800.00
MCHIP Assessment	0.00	0.00	0.00
Appointment Fee Penalty	253,900.00	113,700.00	(140,200.00)
Miscellaneous Revenue	2,660.00	0.00	(2,660.00)
Recovery of Prior Year Expenses	41,784.09	101,990.67	60,206.58
Fire Programs Fund	27,352,995.17	28,190,505.27	837,510.10

Fire Programs Fund Interest	116,999.68	141,767.00	24,767.32
DMV Uninsured Motorist Transfer	7,121,955.26	7,102,784.20	(19,171.06)
Flood Assessment Fund	316,337.94	334,137.98	17,800.04
Heat Assessment Fund	1,591,189.30	1,573,544.63	(17,644.67)
Fines Imposed by State Corporation Commission	1,391,350.00	1,341,690.39	(49,659.61)
Fraud Assessment Fund	5,156,332.61	5,160,652.39	4,319.78
Fraud Assessment Interest	33,445.98	36,951.57	3,505.59
TOTAL	$454,090,299.49	$467,596,819.35	$13,506,519.86

COMPARISON OF ASSESSMENT OF PUBLIC SERVICE COMPANIES FOR THE YEARS 2007 AND 2008

	Value of all Taxable Property Including Rolling Stock		
Class of Company	2007	2008	Increase or (Decrease)
Electric Light & Power Corporations	$19,120,771,377.00	$19,997,787,346.00	$877,015,969.00
Gas Corporations	1,587,679,894.00	1,688,031,531.00	100,351,637.00
Motor Vehicle Carriers (Rolling Stock only)	38,874,733.00	42,680,259.00	3,805,526.00
Telecommunications Companies	9,347,902,601.00	9,033,779,389.00	(314,123,212.00)
Water Corporations	154,643,723.00	166,981,784.00	12,338,061.00
TOTAL	$30,249,872,328.00	$30,929,260,309.00	$679,387,981.00

COMPARISON OF ASSESSMENT OF STATE TAXES OF PUBLIC SERVICE COMPANIES FOR THE YEARS 2007 AND 2008

	The Yearly License Tax		
Class of Company	2007	2008	Increase or (Decrease)
Electric Light & Power Corporations	$0.00	$0.00	$0.00
Gas Corporations	0.00	0.00	0.00
Water Corporations	1,136,039.00	1,199,017.00	62,978.00
TOTAL	$1,136,039.00	$1,199,017.00	$62,978.00

Note: STATE TAXES ABOVE EXCLUDE License Tax for 2007 and 2008 on Electric and Gas companies. As a result of deregulation, these companies now pay a net corporate income tax and a consumption tax.

COMPARISON OF ASSESSMENT OF ADDITIONAL ANNUAL STATE TAX FOR VALUATION AND RATE MAKING OF CERTAIN CLASSES OF UTILITY COMPANIES FOR THE YEARS 2007 AND 2008

Class of Company	2007	2008	Increase or (Decrease)
Electric Light & Power Corporations	$0.00	$0.00	$0.00
Gas Corporations	0.00	0.00	0.00
Motor Vehicle Carriers	29,402.00	31,055.00	1,653.00
Railroad Companies	935,061.00	962,988.00	27,927.00
Telecommunications Companies	5,769,775.00	5,962,907.00	193,132.00
Virginia Pilots Association	19,956.00	21,778.00	1,822.00
Water Corporations	56,801.00	59,950.00	3,149.00
TOTAL	$6,810,995.00	$7,038,678.00	$227,683.00

Railroad Companies assessed at seven-hundredths of one percent and all other companies at one-tenth of one percent.

Note: STATE TAXES ABOVE EXCLUDE Special Tax for 2007 and 2008 on Electric and Gas companies. As a result of deregulation, these companies now pay a net corporate income tax and a consumption tax.

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Cities	2007	2008	Increase or Decrease
Alexandria	$759,354,029	$735,107,910	($24,246,119)
Bedford	7,748,513	6,444,264	(1,304,249)
Bristol	11,190,977	12,217,704	1,026,727
Buena Vista	10,936,402	10,072,743	(863,659)
Charlottesville	108,120,704	100,367,200	(7,753,504)
Chesapeake	871,709,413	913,990,088	42,280,675
Colonial Heights	25,347,159	26,647,792	1,300,633
Covington	17,441,458	19,033,864	1,592,406
Danville	45,463,375	40,160,218	(5,303,157)
Emporia	15,016,779	16,511,629	1,494,850
Fairfax	112,123,565	104,771,055	(7,352,510)
Falls Church	27,026,310	22,028,704	(4,997,606)
Franklin	6,985,838	6,126,833	(859,005)
Fredericksburg	43,174,283	83,209,245	40,034,962
Galax	13,145,695	13,938,302	792,607
Hampton	229,686,890	247,593,512	17,906,622
Harrisonburg	41,236,248	41,639,404	403,156
Hopewell	313,573,569	323,818,189	10,244,620
Lexington	15,035,285	13,819,815	(1,215,470)
Lynchburg	162,054,483	181,163,378	19,108,895
Manassas	62,636,926	62,048,363	(588,563)
Manassas Park	22,377,217	24,277,973	1,900,756
Martinsville	25,163,532	21,220,324	(3,943,208)
Newport News	318,712,190	383,019,353	64,307,163
Norfolk	556,307,170	618,614,805	62,307,635
Norton	19,539,794	20,976,996	1,437,202
Petersburg	64,396,063	71,133,690	6,737,627
Poquoson	13,973,492	13,644,007	(329,485)
Portsmouth	196,414,378	238,498,148	42,083,770
Radford	12,543,477	16,261,183	3,717,706
Richmond	819,969,908	774,566,122	(45,403,786)
Roanoke	226,931,136	231,470,482	4,539,346
Salem	26,657,696	26,161,999	(495,697)
Staunton	61,722,373	56,500,901	(5,221,472)
Suffolk	184,611,840	190,304,752	5,692,912
Virginia Beach	641,239,160	800,423,317	159,184,157
Waynesboro	73,691,159	71,643,077	(2,048,082)
Williamsburg	48,269,470	47,362,810	(906,660)
Winchester	59,266,316	59,133,000	(133,316)
Total Cities	$6,270,794,272	$6,645,923,151	$375,128,879

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Counties	2007	2008	Increase or Decrease
Accomack	$85,611,051	$212,198,822	$126,587,771
Albemarle	244,391,808	228,244,342	(16,147,466)
Alleghany	79,822,980	68,892,246	(10,930,734)
Amelia	29,543,227	24,308,170	(5,235,057)
Amherst	51,810,357	78,274,291	26,463,934
Appomattox	24,281,610	38,417,094	14,135,484
Arlington	747,013,372	665,669,092	(81,344,280)
Augusta	159,081,279	159,257,451	176,172
Bath	1,059,293,698	1,015,968,553	(43,325,145)
Bedford	207,864,723	193,612,430	(14,252,293)
Bland	50,582,512	68,693,487	18,110,975

Botetourt	133,953,015	133,871,065	(81,950)
Brunswick	46,020,580	41,970,086	(4,050,494)
Buchanan	80,909,318	76,264,439	(4,644,879)
Buckingham	30,853,711	54,584,196	23,730,485
Campbell	199,589,968	181,254,126	(18,335,842)
Caroline	193,865,458	197,263,997	3,398,539
Carroll	69,693,554	88,608,017	18,914,463
Charles City	26,830,621	23,931,730	(2,898,891)
Charlotte	38,224,974	34,629,084	(3,595,890)
Chesterfield	1,284,763,449	1,399,033,495	114,270,046
Clarke	41,550,520	45,558,943	4,008,423
Craig	12,863,818	11,472,598	(1,391,220)
Culpeper	114,701,015	127,885,463	13,184,448
Cumberland	30,822,258	26,632,619	(4,189,639)
Dickenson	36,739,545	35,219,931	(1,519,614)
Dinwiddie	68,556,932	65,363,852	(3,193,080)
Essex	20,980,539	34,654,171	13,673,632
Fairfax	3,429,347,321	3,489,899,552	60,552,231
Fauquier	574,576,920	582,540,885	7,963,965
Floyd	35,989,852	31,024,869	(4,964,983)
Fluvanna	487,883,045	457,708,272	(30,174,773)
Franklin	91,755,751	139,788,211	48,032,460
Frederick	141,702,074	169,125,222	27,423,148
Giles	130,196,774	124,632,295	(5,564,479)
Gloucester	73,661,901	68,635,807	(5,026,094)
Goochland	86,805,032	82,603,865	(4,201,167)
Grayson	34,508,076	31,152,651	(3,355,425)
Greene	29,519,388	24,466,075	(5,053,313)
Greensville	22,105,758	31,497,056	9,391,298
Halifax	1,000,753,306	1,030,535,407	29,782,101
Hanover	546,542,378	579,159,987	$32,617,609
Henrico	808,674,428	806,362,007	(2,312,421)
Henry	108,296,280	103,413,669	(4,882,611)
Highland	17,982,422	15,939,078	(2,043,344)
Isle of Wight	207,444,008	188,769,310	(18,674,698)
James City	161,996,753	169,952,353	7,955,600
King and Queen	19,571,641	17,160,338	(2,411,303)
King George	261,588,405	229,904,624	(31,683,781)
King William	29,613,091	40,344,864	10,731,773
Lancaster	25,828,991	37,970,594	12,141,603
Lee	43,027,804	39,819,714	(3,208,090)
Loudoun	1,478,063,946	1,387,187,777	(90,876,169)
Louisa	2,234,635,803	2,287,436,600	52,800,797
Lunenburg	25,925,685	34,963,514	9,037,829
Madison	23,762,521	36,187,341	12,424,820
Mathews	15,264,589	13,353,782	(1,910,807)
Mecklenburg	211,594,744	184,394,742	(27,200,002)
Middlesex	16,566,244	36,703,825	20,137,581
Montgomery	147,754,192	144,947,742	(2,806,450)
Nelson	34,097,428	71,259,321	37,161,893
New Kent	39,823,788	65,961,233	26,137,445
Northampton	23,601,624	50,080,441	26,478,817
Northumberland	36,978,612	28,020,738	(8,957,874)
Nottoway	48,119,481	40,101,099	(8,018,382)
Orange	92,401,928	90,220,842	(2,181,086)
Page	45,367,418	48,042,144	2,674,726
Patrick	33,153,502	32,302,858	(850,644)
Pittsylvania	249,321,501	224,483,604	(24,837,897)
Powhatan	73,688,381	80,879,224	7,190,843
Prince Edward	35,905,798	33,565,099	(2,340,699)
Prince George	76,626,423	77,541,355	914,932
Prince William	1,379,205,159	1,404,221,215	25,016,056
Pulaski	85,085,794	86,558,769	1,472,975
Rappahannock	22,956,751	19,199,054	(3,757,697)
Richmond	22,654,561	19,954,154	(2,700,407)
Roanoke	206,509,264	205,077,139	(1,432,125)
Rockbridge	84,980,699	72,739,919	(12,240,780)
Rockingham	155,299,050	146,818,614	(8,480,436)
Russell	212,239,391	212,893,115	653,724
Scott	49,877,843	51,026,826	$1,148,983
Shenandoah	103,205,657	101,504,183	(1,701,474)
Smyth	67,439,121	67,157,959	(281,162)

Southampton	87,162,890	77,680,577	(9,482,313)
Spotsylvania	228,261,855	285,168,455	56,906,600
Stafford	233,457,000	231,305,432	(2,151,568)
Surry	1,528,200,651	1,512,589,962	(15,610,689)
Sussex	46,951,979	37,205,365	(9,746,614)
Tazewell	116,834,290	97,975,912	(18,858,378)
Warren	53,060,528	54,541,630	1,481,102
Washington	165,057,612	145,452,681	(19,604,931)
Westmoreland	34,201,393	34,946,314	744,921
Wise	58,813,990	60,052,446	1,238,456
Wythe	145,786,619	112,819,189	(32,967,430)
York	370,720,327	411,994,213	41,273,886
Total Counties	$23,940,203,323	$24,240,656,899	$300,453,576
Total Cities & Counties	$30,210,997,595	$30,886,580,050	$675,582,455

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31, 2007, AND DECEMBER 31, 2008

Kind	2007	2008	Increase or Decrease
Securities Act	$9,097,790.39	$9,119,271.97	$21,481.58
Retail Franchising Act	528,425.00	538,000.00	9,575.00
Trademarks-Service Marks	27,530.00	25,050.00	(2,480.00)
Penalties	252,000.00	984,200.00	732,200.00
Global Settlement Penalties	0.00	103,415.00	103,415.00
Cost of Investigations	43,700.00	96,950.00	53,250.00
TOTAL	$9,949,445.39	$10,866,886.97	$917,441.58

PROCEEDINGS AND ACTIVITIES BY DIVISIONS DURING THE YEAR 2008

DIVISION OF PUBLIC UTILITY ACCOUNTING

The following statistical data summarizes the following Cases: Rate, Rate Adjustment Clauses, Conservation and Ratemaking Efficiency Plans, Certificates, Annual Informational Filings/Earnings Tests, Fuel Factors, Compliance Audits, Depreciation Studies, and Special Studies made by the Division of Public Utility Accounting in 2008.

General Rate Cases/Rate Design	
Electric Companies	1
Electric Cooperatives	1
Gas Companies	0
Water and Sewer Companies	3
Total General Rate Cases	5
Expedited Rate Cases	
Gas Companies	3
Water Companies	1
Total Expedited Rate Cases	4
Total Rate Cases	9
Rate Adjustment Clauses	
Electric Companies	3
Conservation and Ratemaking Efficiency Plans	
Gas Companies	1
Ch. 4 or Ch. 5/Certificate Cases	
Electric Companies	3
Electric Cooperatives	0
Water and Sewer Companies	1
Total Ch. 5/Certificate Cases	4
Annual Informational Filings/Earnings Tests	
Electric Companies	3
Gas Companies	7
Water and Sewer Companies	1
Total Annual Informational Filings	11
Fuel Factor Cases - Electric Companies	5
Depreciation Studies	
Electric Companies	2
Electric Cooperatives	2
Gas Companies	1
Total Depreciation Studies	5
Special Studies	
Electric	2
Gas Companies	1
Other (Ex Parte, etc.)	3
Total Special Studies	6

Affiliates Act and Utility Transfers Act:

During the year 2008, the Division of Public Utility Accounting received applications filed under the Public Utilities Affiliates Act and the Utility Transfers Act pertaining to public utilities for processing, analysis, and study. The number and type of written reports submitted to the Commission recommending action and orders drawn are as follows:

Number of Utility Transfers Act Cases	
Transfer of Assets	6
Transfer of Securities or Control	14

Number of Affiliates Act Cases	
Service Agreements	13
Asset transfer	3
Gas sales	2
Reimbursement agreement	1
Tax Allocation Agreement	2
Total Number of Cases	41

The average number of days to process applications and issue orders for applications filed under the Affiliates Act and the Utility Transfers Act for cases (none of which required a hearing) was as follows:

Electric	53
Gas	62
Water and sewer	90
Telecommunications	44

Personnel: The Commission's Division of Public Utility Accounting consisted of the following personnel on December 31, 2008:

Filled	Vacant	Description
1		Director
2		Deputy Directors
3		Manager of Audits
1		Systems Supervisor
1		Administrative Supervisor
1		Senior Office Technician
4	1	Principal Public Utility Accountants
1		Senior Public Utility Accountant
3		Public Utility Accountants
2		Public Utility Analysts
19	1	Total Authorized: 20

DIVISION OF COMMUNICATIONS

The Division of Communications assists the Commission in carrying out its duties as prescribed by the Code of Virginia. It oversees the continued implementation of competition in landline telecommunications markets with the goal of achieving an effective regulatory environment that balances the advancement of competition with the protection of consumers. The Division assists the Commission in developing, implementing, and enforcing alternatives to traditional forms of regulation as competition evolves. It monitors, enforces, and makes interpretations on certain rates, tariffs, and operating procedures of investor-owned telecommunications utilities. The Division enforces service standards, assures compliance with tariff regulations, coordinates extended area service studies, enforces pay telephone regulations, and assists in carrying out provisions of the Federal Telecommunications Act of 1996. The Staff testifies in rate, service, and generic hearings, and meets with the public on communications issues and problems. The Division maintains territorial maps, performs special studies, monitors construction programs, and investigates and resolves consumer inquiries and complaints. The Staff also monitors developments at the federal level, and prepares Commission responses where appropriate.

At the end of 2008, there were subject to the regulatory oversight of the Division:

13	Incumbent Investor-Owned Local Exchange Telephone Companies
154	Competitive Local Exchange Telephone Companies
109	Long Distance Telephone Companies
176	Payphone Service Providers
12	Operator Service Providers for Payphones

SUMMARY OF 2008 ACTIVITIES

Consumer Complaints Investigated:	6,329
Wireline Complaints	5,980
Wireless Complaints	349
Total Consumer Credit Adjustments:	$308,754
Wireline Credit Adjustments	$265,847
Wireless Credit Adjustments	$42,907
Service Quality Oversight:	
Network Access Lines (reported as of June 30, 2008)	4,607,980
Tariff revisions received:	
Incumbent Local Exchange Companies	115
Competitive Local Exchange Companies	172
Interexchange Companies	75

Tariff sheets filed:	
Incumbent Local Exchange Companies	1,577
Competitive Local Exchange Companies	4,509
Interexchange Companies	155
Promotional Filings:	
Incumbent Local Exchange Companies	61
Competitive Local Exchange Companies	136
Interexchange Companies	3
Cases in which staff members prepared testimony, reports, or comments	45
Certificates of Convenience and Necessity:	
Competitive Local Exchange Companies	
Granted	8
Amended	6
Canceled	19
Interexchange Companies	
Granted	7
Amended	4
Canceled	16
Interconnection Agreements or Amendments approved or dismissed	38
Competitive Market Test Filings	7
Collocation Exemption Requests	1
Sales & Use Tax Surcharge Reviews	2
Extended Area Service studies completed or underway	1
Payphone registration and rules enforcement provided on:	
Local Exchange Company payphone service providers	12
Local Exchange Company payphones	14,537
Private payphone service providers	164
Private payphones	7,849
Payphone audits	738
General Network/Infrastructure Field Reviews	48
Local Serving Area Boundary Adjustments	0

OTHER:

Assisted the Commission in the continued implementation and operation of the Federal Telecommunications Act of 1996.
Continued the Collaborative Committee on local competition market-opening measures.
Monitored Verizon Virginia's Performance Assurance Plan.
Assisted Commission counsel with respect to formal rate, service, and generic matters.
Implemented revised rules regarding regulation of competitive local exchange companies.
Participated in matters affecting communications policy with federal agencies.
Pursued various activities relating to the Commission's alternative plans for regulating telephone companies.
Continued outreach activities by making presentations to trade and citizen groups, associations, and telephone companies.
Represented the Commission during the General Assembly session on matters relating to telecommunications legislation.
Implemented Service Quality corrective action programs.
Participated in Atlantic Payphone Association meetings.
Responded to questionnaires and inquiries from the National Association of Regulatory Utility Commissioners ("NARUC") and others with respect to telecommunications matters.
Conducted operational reviews with facilities-based telecommunications providers.
Managed Virginia's telephone number utilization program.
Monitored Virginia Universal Service Plan Participation.
Staff member serves on the NARUC Staff Subcommittee on Communications.
Staff member serves on the NARUC Staff Subcommittee on Accounting and Finance.
Staff member serves on the NARUC Staff Subcommittee on Consumer Affairs.

DIVISION OF ECONOMICS AND FINANCE

The Division of Economics and Finance performs analysis and research on economic and financial issues pertaining to utility regulation. The Division also provides analytical and research support as needed by non-utility divisions within the Commission.

The Division has ongoing responsibility for:
- issuing monthly Fuel Price Index reports;
- maintaining and issuing monthly reports for the electric utility Fuel Monitoring System;
- issuing quarterly Natural Gas Price Index reports;
- analyzing and presenting testimony on capital structure, cost of capital, and other finance-related issues in utility rate cases;
- analyzing and presenting testimony on interest expense, appropriate earnings level and other finance-related issues in electric cooperative rate cases;
- monitoring the financial condition of Virginia utilities;
- monitoring the diversification activities of holding companies with utility subsidiaries operating in Virginia;
- reviewing annual financing plans of Virginia utilities;

- analyzing utility applications for the issuance of securities and providing the Commission with recommendations;
- conducting studies of intermediate/long range issues in electric, gas and telecommunications utility regulations;
- acquiring and running analytic computer models used to simulate, project, and/or evaluate utility operations and regulatory issues;
- monitoring intrastate telecommunications competition;
- monitoring the incumbent local exchange companies participating in the Alternative Regulatory Plans;
- collecting and maintaining reporting statistics required by Commission Rules for new entrants and specific ILECs in the telecommunications market;
- analyzing financial fitness of applicants seeking status as competitive local exchange and interexchange carriers, and municipal local exchange carriers;
- monitoring and maintaining files of electric utilities' operating forecasts;
- monitoring and maintaining files of gas utilities' Five Year Forecasts;
- providing statistical and graphic support for other SCC divisions;
- maintaining database management systems for preparation of economic and financial analysis in utility cases;
- maintaining a utility stock price database;
- maintaining an electric energy market price database;
- monitoring electric and natural gas retail access programs statewide and nationally;
- monitoring competitive energy markets, including market power issues;
- monitoring and participating in Virginia's membership within the regional transmission organization known as PJM Interconnection, LLC
- analyzing applications for licenses to become a competitive service provider or aggregator;
- analyzing energy efficiency and customer demand-response programs and associated trends;
- analyzing effects of electricity generation from renewable resources; and
- analyzing financial fitness of non-regulated firms seeking approval to build generating facilities or gas pipelines.

SUMMARY OF MAJOR ACTIVITIES DURING 2008

- Presented testimony on capital structure, cost of capital and other financial issues in nine investor-owned utility rate cases.
- Presented testimony on the appropriate level of interest expense and earnings in one electric cooperative rate case.
- Presented testimony on financial and competitive issues for one utility merger case.
- Completed 11 Annual Informational Filing reports for electric, gas, telephone and water utilities.
- Analyzed and processed 30 applications of utilities seeking authority to issue securities.
- Processed the applications of and/or prepared reports regarding the financial condition of 9 competitive local exchange carriers and/or interexchange carriers.
- Participated in one major Federal Energy Regulatory Commission proceeding related to Regional Transmission Organizations and energy markets.
- Prepared reports on two applications for a certificate to construct a new electric generating facility.
- Prepared reports on one application for a certificate to convert existing QF facilities to IPP generating facilities.
- Prepared testimony for three electric fuel factor proceedings.
- Prepared testimony for one natural gas proceeding regarding conservation and ratemaking efficiency plan, including a decoupling mechanism.
- Prepared reports regarding two applications for electric utilities to develop a voluntary renewable portfolio standards program.
- Assisted development of testimony regarding two applications for electric utilities to develop a renewable energy tariff rider.
- Prepared a report for one electric utility to implement nine energy efficiency and demand response pilot programs.
- Assisted initiation of docket in response to the Energy Independence and Security Act of 2007 directives to consider amendments to the Section 111 PURPA standards.
- Prepared reports regarding the financial condition of 3 companies seeking licensure as aggregators and/or competitive service providers.
- Developed and maintained various econometric models that help explain price movements in the PJM Interconnection.
- Developed rules regarding interconnection standards for distributed generation facilities.
- Supported and monitored activities regarding the continued development of Regional Transmission Organizations (PJM Interconnection, LLC) and associated participation of Virginia electric utilities.
- Monitored evolvement of Electronic Data Interchange guidelines for communication among utilities and competitive service providers in Virginia and the surrounding region, as well as nationally.
- Monitored activities of the North American Energy Standards Board, encompassing wholesale and retail electricity and natural gas sectors, to establish Uniform Business Practices.
- Developed the Status Report to the Commission on Electric Utility Regulation and Governor of Virginia regarding the Implementation of the Virginia Electric Utility Regulation Act pursuant to § 56-596 B of the Code of Virginia.
- Assisted development of a Consumer Education Plan transmitted by the Commission to the Commission on Electric Utility Regulation regarding energy efficiency, energy conservation, demand-side management, demand response and renewable energy pursuant to §§ 56-592 and 56-592.1 of the Code of Virginia.
- Amended regulations governing net energy metering.
- Established guidelines for developing electric utility integrated resource plans.
- Revised regulations governing retail access to competitive energy services.
- Developed a forecast of the consumption tax collected on electricity usage for Public Service Taxation.
- Developed a forecast of the consumption tax collected on natural gas usage for Public Service Taxation.
- Developed a forecast of budget items for Bureau of Insurance.
- Developed a forecast of the valuation fund for the Offices of Commission Comptroller and Public Service Taxation.
- Maintained the Virginia Electronic Data Transfer website.
- Maintained a comprehensive database on competitive energy service providers.
- Participated in the Staff's analysis and report regarding Embarq's application for a New Alternative Regulatory Plan.

DIVISION OF ENERGY REGULATION

Activities for Calendar Year 2008

The Division of Energy Regulation assists the Commission in fulfilling its statutory responsibilities pursuant to Title 56, Chapter 10 of the Code of Virginia. Activities include reviewing investor-owned electric, natural gas and water/sewer utilities' cost of service studies; reviewing allocation methods, depreciation rates and rate design philosophies; and providing expert testimony in that regard.

The Division provides expert testimony in certificate cases for service 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 has monitoring responsibilities relative to: the collection of gas costs by gas utilities, the incurrence of wholesale purchased power expenses by electric cooperatives, and the recovery of fuel expenses and the construction and operation of major facilities by the investor-owned utilities. It also reviews extraordinary costs and policies related to nuclear power, including decommissioning of nuclear power plants and the storage of spent nuclear fuel.

The Division investigates and resolves informal consumer complaints/inquiries relative to regulated utilities and licensed electricity and natural gas suppliers.

Finally, it provides the Commission with technical expertise in regulatory policy related issues including both state and national proceedings associated with industry restructuring and mergers and acquisitions of natural gas and electric utilities.

Summary of Activities for Calendar Year 2008

Consumer Complaints and Inquiries Received	4,238
Written Public Comments Relative to Commission Cases Received	22,300
Testimony and Reports Filed by Staff	47
Certificates of Convenience and Necessity Granted, Transferred, or Revised	22
Affiliates Applications	8
Meter Tests Witnessed	6
Community Meetings and Presentations	7

BUREAU OF FINANCIAL INSTITUTIONS

The Bureau of Financial Institutions is responsible under Title 6.1 of the Code of Virginia for the regulation and supervision of the following types of institutions: state chartered banks, independent trust companies, state chartered savings institutions, state chartered credit unions, industrial loan associations, consumer finance licensees, money transmitter licensees, mortgage lenders and brokers, credit counseling agencies, check cashers, 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 2,098 applications for various certificates of authority as shown below:

APPLICATIONS RECEIVED AND/OR ACTED UPON
BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 2008

New Banks	4
Bank Branches	56
Bank Branch Office Relocations	10
Bank Main Office Relocations	2
Bank Mergers	8
Acquisitions Pursuant to Chapter 13 of Title 6.1	11
Acquisitions Pursuant to Chapter 15 of Title 6.1	2
New Conversion From National Bank	1
New Bank Conversion From Savings Institution	1
New Private Trust Co.	1
Credit Union Mergers	1
Credit Union Service Facilities	6
Move a Credit Union Office	7
New Consumer Finance	7
Consumer Finance Offices	11
Consumer Finance Other Business	23
Consumer Finance Office Relocations	17
New Mortgage Brokers	257
New Mortgage Lenders	23
New Mortgage Lenders and Brokers	63
Mortgage Lender Broker Additional Authority	14
Exclusive Agent Qualifications	2
Acquisitions of Mortgage Lenders/Brokers	58
Mortgage Branches	638
Mortgage Office Relocations	564
New Money Order Sellers/Money Transmitters	18
Industrial Loan Association Move	1
Acquisitions of Money Order Sellers/Money Transmitters	4
Credit Counseling Agency Additional Offices	95
Credit Counseling Office Relocations	28
New Credit Counseling Agencies (Ch. 10.2)	3
New Check Cashers	79
New Payday Lenders	9

Payday Additional Offices	17
Payday Office Relocations	12
Acquisitions of Payday Lenders	2
Payday Lender Other Business	43

At the end of 2008, there were under the supervision of the Bureau 82 banks with 935 branches, 59 Virginia bank holding companies, 21 non-Virginia bank holding companies with banking offices in Virginia, 3 subsidiary trust companies, 1 savings institution, 53 credit unions, 5 industrial loan associations, 19 consumer finance companies with 190 Virginia offices, 69 money transmitters, 38 credit counseling agencies, 412 check cashers, 75 mortgage lenders with 243 offices, 1,219 mortgage brokers with 2,033 offices, 381 mortgage lender/brokers with 1,466 offices, 4 Private Trust Companies, and 71 payday lenders with 786 offices.

BUREAU OF INSURANCE
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2008

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 responsibility.

The Bureau of Insurance is divided into the following four 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, and 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); and the Agent Regulation and Administration Division regulates the activities of insurance agents, collects various special taxes and assessments on insurance companies and works in an auxiliary role in support of the Bureau's other divisions.

The regulatory functions of the Bureau of Insurance include: (1) Agent Investigations staff monitor the activities of insurance agents and agencies to ensure their actions comply with state law; (2) Consumer Services staff answer questions and assist consumers with problems concerning insurance companies or agents by investigating consumer complaints; (3) Market Regulation staff conduct on-site field examinations of insurance company practices in Virginia to ensure compliance with state law, to verify whether a company pays claims timely, to ensure that underwriting decisions are not unfairly discriminatory, and to evaluate marketing materials to ensure that they are not misleading; (4) the Office of the Managed Care Ombudsman promotes and protects the interests of covered persons under managed care health insurance plans (MCHIP) and assists consumers in understanding and exercising their rights of appeal of adverse decisions made by MCHIPs; and (5) Policy Forms and Rates Filing staff evaluate 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 2008 ACTIVITIES

New insurance companies licensed to do business in Virginia	51
Insurance company financial statements analyzed	6,610
Financial examinations of insurance companies conducted	36
Property and Casualty insurance rules, rates and form submissions	8,897
Life and Health insurance policy forms and rates submissions	6,609
Property and Casualty insurance complaints received	2,505
Life and Health insurance complaints received	2,466
Market conduct examinations completed by the Life and Health Division	21
Market conduct examinations completed by the Property and Casualty Division	10
Insurance agents and agencies licensed	165,449
Tax and assessment audits	7,721
Ombudsman Office inquiries received	915
Individuals assisted by Ombudsman Office in appealing MCHIP denials	221

EXTERNAL APPEAL FISCAL YEAR 2008

Number of Cases Reviewed	321
Eligible Appeals	202
Ineligible Appeals	119
Eligibility Pending	0
Final Adverse Decision Upheld By Reviewer	69
Final Adverse Decision Overturned by Reviewer	121
Final Adverse Decision Modified	5
MCHIP Reversed Itself	7
Appeal Decisions Pending	0
Approximate Cost Savings to Appellants	$1,600,271

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:

Fidelity Bankers Life Insurance Company d/b/a First Dominion Life Insurance (FBL/FD). Date of receivership: May 13, 1991. The company will not resume the transaction of the business of insurance. For more information/updates you can e-mail www.fblic.com.

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 Alfred W. Gross is the Deputy receiver, of FBL/FD and the HOW Companies. Any inquiries concerning the conduct of the receivership of First Dominion Life Insurance Company and the HOW Companies may be directed to their Special Deputy Receiver, Patrick H. Cantilo, Esquire, Cantilo & Bennett, LLP, Suite 200, Building C, 7501 North Capital of Texas Highway, Austin, Texas 78731.

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, Alfred W. Gross, is the Deputy Receiver of ROA and TRG. Any inquiries concerning the conduct of the receivership of ROA and TRG may be directed to Mike R. Parker, Receivership Operations Manager at 4200 Innsbrook Drive, Glen Allen, Virginia, or P.O. Box 85058, Richmond, Virginia 23285-5058 or by e-mail at www.reciprocalgroup.com.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

The Division of Securities and Retail Franchising of the State Corporation Commission is charged with the administration of the following laws:

Virginia Securities Act (known as the "Blue Sky" Law), Virginia Code §§ 13.1-501 through 13.1-527.3.
Virginia Trademark and Service Mark Act, Virginia Code §§ 59.1-92.1 through 59.1-92.21.
Virginia Retail Franchising Act, Virginia Code §§ 13.1-557 through 13.1-574.

UNDER THE VIRGINIA SECURITIES ACT:

416	investment company notice filings originals and renewals denied, withdrawn, or terminated
46	securities registrations approved
24	securities registrations denied, withdrawn, or terminated
2,964	investment company notice filings originals and renewals accepted
34	exemptions from registration approved
2,199	exemption notice filings for federal-covered securities accepted
3	exemption notice filings for federal-covered securities denied, withdrawn, or terminated
2,495	broker-dealer registrations, renewals, and amendments approved
217	broker-dealer registrations and renewals denied, withdrawn, or terminated
60	broker-dealer audits completed
148,181	broker-dealer agent registrations and renewals approved
598	broker-dealer agent registrations and renewals denied, withdrawn, or terminated
2,981	investment advisor registrations, renewals, and amendments approved
167	investment advisor registrations, renewals, and amendments denied, withdrawn, or terminated
85	investment advisor audits completed
331	audit violation deficiencies resolved
10,695	investment advisor representative registrations and renewals approved
103	investment advisor representative registrations and renewals denied, withdrawn, or terminated
95	agent of issuer registrations and renewals approved
19	agent of issuer registrations and renewals denied, withdrawn, or terminated
134	investigations completed

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

679	trademarks and/or service marks approved, renewed, or assigned
477	trademarks and/or service marks denied, abandoned, expired, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,638	franchise registrations, renewals, or post-effective amendments approved
549	franchise registrations, renewals, or post-effective amendments denied, withdrawn, non-renewed, or terminated
41	investigations completed

ORDERS, JUDGMENTS, AND SETTLEMENTS:

9	orders granting exemptions and/or official interpretations
0	orders filing and/or canceling surety bonds
68	orders for subpoena of records by banks, corporations, and individuals
53	orders of show cause
38	judgments of compromise and settlement
30	final orders and/or judgments
0	temporary injunctions
2	special supervision

TELEPHONE CALLS, E-MAILS, AND COMPLAINTS:

422	enforcement general inquiry calls/e-mails
2,537	calls/e-mails regarding pending enforcements
1,141	calls/e-mails regarding pending registrations
18,955	registration general inquiry calls/e-mails
1,437	calls/e-mails regarding pending audits
490	audit general inquiry calls/e-mails
7,214	examination general inquiry calls/e-mails
2,157	calls/e-mails regarding pending examinations
228	complaints resulting in investigations
43	complaints referred
13	complaints with no authority to investigate
46	complaints with no violation of Securities or Franchise 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

	12/31/07	12/31/08
Financing/Subsequent Statements Filed	81,743	75,723
Federal Tax Liens/Subsequent Liens Filed	2,656	3,283
Reels of Microfilmed documents sold	344	344

DIVISION OF UTILITY AND RAILROAD SAFETY

The Division of Utility and Railroad Safety assists the Commission in administering safety programs involving the jurisdictional natural gas and hazardous liquid pipeline facilities, railroads, and underground utility damage prevention. The Pipeline Safety section of the Division ensures the safe operation of natural gas and hazardous liquid pipeline facilities through inspections of facilities, review of records, and investigation of incidents. The Railroad Regulation section of the Division conducts inspections of railroad facilities including track and equipment to ensure the safe operation of jurisdictional railroads within Virginia. The Damage Prevention section investigates all reports of "probable violations" of the Underground Utility Damage Prevention Act ("Act") and presents its findings and recommendations to the Commission's Damage Prevention Advisory Committee. The Committee makes enforcement recommendations to the Commission. The Division provides free training relative to the Act to stakeholders, conducts public education campaigns, and promotes partnership amongst various parties to further underground utility damage prevention in Virginia.

Summary of 2008 Activities

Consumer Complaints and Inquiries Received	3
Natural Gas Safety Inspection Man-days Conducted	561.5
Hazardous Liquid Safety Inspection Man-days Conducted	115.3
Testimony and Reports Prepared	10
Pipeline Accident Investigation Man-days Conducted	36
Underground Utility Damage Reports Processed	2,027
Persons Received Damage Prevention Training from Staff	2,227
Number of Damage Prevention Educational Materials Disseminated	140,000
Damage Prevention Field Audits Conducted	563
Number of Railroad Track Units[1] Inspected	6,576
Number of Railroad Locomotive and Car Units[2] Inspected	56,352

[1] Each mile of track, record, crossing at grade, among other things, is considered a track unit.

Number of Railroad Operating Practice Units[3] Inspected	1,031
Railroad Accident Investigations Conducted	12

[2] Each locomotive, car, motive power equipment record, among other things, is considered a unit.

[3] 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.

INDEX OF LEADING MATTERS DISPOSED OF BY FORMAL ORDER

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- O -

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- S -

- T -

- U -

- V -

- W -

- X -

- Y -

- Z -

LIST OF CASES ESTABLISHED IN 2008

BAN/BFI: BUREAU OF FINANCIAL INSTITUTIONS

BAN20080001 Integrated Mortgage Strategies Ltd - To relocate mortgage lender broker's office from 4705 University Drive, Suite 200, Durham, NC to 3200 Croasdaile Drive, Suite 205, Durham, NC

BAN20080002 Affinity Mortgage Corporation of Virginia (Used in VA by: Affinity Mortgage Corporation) - To relocate mortgage broker's office from 9994 Susquehanna Trail, Glen Rock, PA to 73 East Forrest Avenue, Suite 130, Shrewsbury, PA

BAN20080003 Cash-2-Go of Virginia, Inc. - To open a payday lender's office at 1924 Battlefield Boulevard, North, Unit 101, Chesapeake, VA

BAN20080004 Cash-2-Go of Virginia, Inc. - To open a payday lender's office at 2715 George Washington Memorial Parkway, Yorktown, VA

BAN20080005 Hashi Money Wiring LLC - For a money order license

BAN20080006 Approved Financial Corp. - To relocate industrial loan office from Reflections I, Suite 200, Virginia Beach, VA to 8200 Greensboro Drive, Suite 900, McLean, VA

BAN20080007 home loan mortgage specialists corp. - For a mortgage broker's license

BAN20080008 GoTeHomeLoans, Inc. - For a mortgage broker's license

BAN20080009 Dana Gompers Separate Property Trust - To acquire 25 percent or more of First Houston Mortgage, LP

BAN20080010 SunTrust Bank - To open a branch at 10000 Southpoint Parkway, Spotsylvania County, VA

BAN20080011 University of Virginia Community Credit Union, Inc. - To relocate credit union office from 5766 Thomas Jefferson Parkway, Palmyra, VA to 6042 Thomas Jefferson Parkway, Palmyra, VA

BAN20080012 Ameritime Mortgage Company LLC - To open a mortgage broker's office at 2850 Lake Washington Road, Suite 2, Melbourne, FL

BAN20080013 Provident Funding Group, Inc. - To open a mortgage lender's office at 28 Nooseneck Hill Road, Unit 4, West Greenwich, RI

BAN20080014 Provident Funding Group, Inc. - To open a mortgage lender's office at 1600 Candia Road, Suite 7, Manchester, NH

BAN20080015 ClearView Mortgage, Inc. - To relocate mortgage broker's office from 30 E. Padonia Road, Suite 408, Timonium, MD to 1521 Clarkson Street, Baltimore, MD

BAN20080016 Guaranteed Home Mortgage Company Inc. - To relocate mortgage lender broker's office from 3885 Crestwood Parkway, Suite 530, Duluth, GA to 2 Sun Court, Suite 300, Norcross, GA

BAN20080017 Primary Residential Mortgage, Inc. - To relocate mortgage lender broker's office from 747 Kirkcaldy Way, Abingdon, MD to 424 Barnes Street, Suite 202, Bel Air, MD

BAN20080018 Express Mortgage Services, LLC - To relocate mortgage broker's office from 7700 Leesburg Pike, Suite 421, Falls Church, VA to 9418 Braymore Circle, Fairfax Station, VA

BAN20080019 Capital Financial Inc. - To open a mortgage lender and broker's office at 6907 Sprouse Court, Springfield, VA

BAN20080020 Patricia G. Johnson - To acquire 25 percent or more of Industrial Loan Company

BAN20080021 Leader One Financial Corporation - To open a mortgage lender and broker's office at 420 West Jubal Early Drive Suite 101, Winchester, VA

BAN20080022 Secured Home Funding, LLC - To relocate mortgage broker's office from 620 Herndon Parkway, Suite 223, Herndon, VA to 8605 Westwood Center Drive, Suite 501, Vienna, VA

BAN20080023 D & R Mortgage Corp. d/b/a Metro Finance - For a mortgage lender and broker license

BAN20080024 Real Estate Mortgage Funding, LLC - For a mortgage broker's license

BAN20080025 MegaStar Financial Corp. - To open a mortgage lender's office at 1427 Dolley Madison Boulevard, McLean, VA

BAN20080026 Bradford Mortgage Company - To open a mortgage lender and broker's office at 1156 Bowman Road, Suite 200, Mt. Pleasant, SC

BAN20080027 MortgageStar, Inc. - To open a mortgage lender and broker's office at 1717 Purpose Drive, Virginia Beach, VA

BAN20080028 Academy Mortgage, L.L.C. - To open a mortgage broker's office at 337 McLaws Circle, Suite One, Williamsburg, VA

BAN20080029 Ameritime Mortgage Company LLC - To open a mortgage broker's office at 5541 Walnut Street, Suite 202, Pittsburgh, PA

BAN20080030 Christian Financial Ministries, Inc. - To relocate credit counseling office from 850-B Old Piedmont Road, Marietta, GA to 302 Old Clay Street, Suite 5, Marietta, GA

BAN20080031 Residential One Mortgage, LLC - To relocate mortgage broker's office from 161 Worcester Road, Suite 300, Framingham, MA to 93 Court Street, Middlebury, VT

BAN20080032 Center for Child & Family Services, Inc. d/b/a Consumer Credit Counseling Service of Hampton Roads - To open an additional credit counseling office at 222 West 19th Street, Norfolk, VA

BAN20080033 Erich Henson d/b/a 360 Mortgage - To open a mortgage broker's office at 5 E. Kansas Street, Suite 240, Liberty, MO

BAN20080034 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 8461 Lake Worth Road, Suite 120, Lake Worth, FL

BAN20080035 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 6989 Vining Court, King George, VA

BAN20080036 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 1903 Ridley Street, Raleigh, NC

BAN20080037 Riverside Funding, LLC - For a mortgage broker's license

BAN20080038 Virginia Beach Investment Services, Incorporated d/b/a King$ Ca$h Advance$ - To open a check casher at 3652 Virginia Avenue, Suite 1, Collinsville, VA

BAN20080039 Brown Financial Enterprise, Inc. d/b/a Mortgage Marketing Services of Virginia, Inc. - To relocate mortgage broker's office from 300A Temple Lake Drive, Suite 1, Colonial Heights, VA to 4112-A Commerce Road, Prince George, VA

BAN20080040 MicroFinance International Corporation d/b/a Alante Financial - To open a mortgage broker's office at 10346 Festival Lane, Manassas, VA

BAN20080041 Jacob Dean Mortgage, Inc. - To open a mortgage broker's office at 1909 Huguenot Road, Suite 302, Richmond, VA

BAN20080042 Jacob Dean Mortgage, Inc. - To open a mortgage broker's office at 450 West Broad Street, Suite 216, Falls Church, VA

BAN20080043 Jacob Dean Mortgage, Inc. - To open a mortgage broker's office at 116 North Main Street, Lexington, VA

BAN20080044 Jacob Dean Mortgage, Inc. - To open a mortgage broker's office at 380 Maple Avenue, Suite 302 B, Vienna, VA

BAN20080045 Jacob Dean Mortgage, Inc. - To open a mortgage broker's office at 7700 Leesburg Pike, Suite 117, Falls Church, VA

BAN20080046 Jacob Dean Mortgage, Inc. - To open a mortgage broker's office at 1519 King Street, Alexandria, VA

BAN20080047 Diamond Lending Corporation - To relocate mortgage broker's office from 411 King Farm Boulevard, Suite 401, Rockville, MD to 2101 Gaither Road, Rockville, MD

BAN20080048 Freedom Mortgage Corporation - To open a mortgage lender and broker's office at 14-D Oak Branch Drive, Greensboro, NC

BAN20080049 Premium Financial Services, Inc. - To relocate mortgage lender broker's office from 6559 Edsall Road, Springfield, VA to 5985 Columbia Pike, Suite 200 B, Falls Church, VA

BAN20080050	Carteret Mortgage Corporation - To relocate mortgage lender broker's office from 328 West Street, Keene, NH to 428 Main Street, Keene, NH
BAN20080051	Onyx Financial, Inc. - For a mortgage broker's license
BAN20080052	Atlantic Management, L.L.C. - For a mortgage broker's license
BAN20080053	Gateway Bank & Trust Co. - To open a branch at 100 Dominion Drive, Emporia, VA
BAN20080054	Maria C. Argueta d/b/a Latino's Market - To open a check casher at 334 B West Lee Highway, Warrenton, VA
BAN20080055	RJ Commercial Funding, Inc. d/b/a Gateway Mortgage - For a mortgage broker's license
BAN20080056	New Day Financial, LLC - To relocate mortgage lender broker's office from 3165 East Millrock Drive, Suite 375, Holladay, UT to 3165 East Millrock Drive, Suite 490, Holladay, UT
BAN20080057	New Day Financial, LLC - To relocate mortgage lender broker's office from Eight Tower Bridge, 161 Washington, Conshohocken, PA to 630 Freedom Business Center, Suite 300, King of Prussia, PA
BAN20080058	CTX Mortgage Company, LLC - To relocate mortgage lender broker's office from 3200 Northline Avenue, Suite 240, Greensboro, NC to 3200 Northline Avenue, Suite 110, Greensboro, NC
BAN20080059	First Virginia Community Bank - To open a branch at 7900 Sudley Road, Prince William County, VA
BAN20080060	R.S.A. Enterprises, Inc. d/b/a R S Express - To open a check casher at 4007 Jefferson Davis Highway, Richmond, VA
BAN20080061	IServe Servicing, Inc. - For a mortgage lender's license
BAN20080062	Academy Mortgage Corporation of Utah (Used in VA by: Academy Mortgage Corporation) - For a mortgage lender and broker license
BAN20080063	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 3807 Fordleigh Road, Apt. A, Baltimore, MD
BAN20080064	Great Atlantic Mortgage, Inc. - To relocate mortgage broker's office from 4901 Portsmouth Boulevard, Portsmouth, VA to 4149 Stonebridge Landing, Chesapeake, VA
BAN20080065	Mortgage Funding USA, LLC - To relocate mortgage broker's office from 11224 Cornell Park Drive, Cincinnati, OH to 4460 Carver Woods Drive, Blue Ash, OH
BAN20080066	Bear Stearns Residential Mortgage Corporation d/b/a Encore Credit - To relocate mortgage lender broker's office from 909 Hidden Ridge Drive, Suite 400, Irving, TX to 800 State Highway 121, Bypass, MS#292-340, Lewisville, TX
BAN20080067	Tojuanna G. Broderick d/b/a GID Services - To open a mortgage broker's office at 1229 Garrisonville Road, Suite 205, Stafford, VA
BAN20080068	Carteret Mortgage Corporation - To relocate mortgage lender broker's office from 7720 Castor Avenue, 2nd Floor, Philadelphia, PA to 4 Shady Lane, Suite B, Rockledge, PA
BAN20080069	Aggressive Mortgage Corp. - To open a mortgage lender and broker's office at 3906 Oaklawn Boulevard, Hopewell, VA
BAN20080070	Apex Lending, Inc. - To open a mortgage lender and broker's office at 5983 Richmond-Tappahannock Highway, Aylett, VA
BAN20080071	Generation Mortgage Company - To open a mortgage lender's office at 600 Main Street, Suite A, Alta Vista, VA
BAN20080072	Generation Mortgage Company - To open a mortgage lender's office at 38782 Mt. Gilead Road, Leesburg, VA
BAN20080073	Generation Mortgage Company - To open a mortgage lender's office at 7400 East Orchard Road, Suite 320S, Greenwood Village, CO
BAN20080074	Generation Mortgage Company - To open a mortgage lender's office at 3415 Old Highway 41, Suite 750, Kennesaw, GA
BAN20080075	Lincoln Mortgage, LLC - To relocate mortgage broker's office from 8647 Mathis Avenue, Suite 201/202, Manassas, VA to 14851 Washington Street, Haymarket, VA
BAN20080076	Premier Mortgage Capital, Inc. - To open a mortgage lender and broker's office at 1889 Preston White Drive, Suite 103, Reston, VA
BAN20080077	Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 1 Research Court, Suite 450, Rockville, MD
BAN20080078	Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 3416 Archdale Drive, Raleigh, NC
BAN20080079	Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 634 S.E. 4th Street, Lees Summit, MO
BAN20080080	Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 14320 Oakridge Road, Carmel, IN
BAN20080081	Dynamic Capital Mortgage, Inc. - To open a mortgage lender and broker's office at 870 Greenbrier Circle, Suite 202, Chesapeake, VA
BAN20080082	Cunningham & Company d/b/a CFL Mortgage (529 College Rd address only) - To relocate mortgage lender broker's office from 4030 Wake Forest Road, Suite 300, Raleigh, NC to 2012 S. Main Street, Suite 500E, Wake Forest, NC
BAN20080083	Cunningham & Company d/b/a CFL Mortgage (529 College Rd address only) - To open a mortgage lender and broker's office at 20723 Torrence Chapel Road, Suite 201, Cornelius, NC
BAN20080084	Edward D. Jones & Co., L.P. d/b/a EdwardJones - To relocate mortgage broker's office from 1437 S. Main Street, Farmville, VA to 1427A, S. Main Street, Farmville, VA
BAN20080085	Apex Mortgage Solutions, LLC - For a mortgage broker's license
BAN20080086	Hometown Mortgage Corp. - To relocate mortgage broker's office from 208 Golden Oak Court, Suite 350, Virginia Beach, VA to One Greenbrier Point, 1403 Greenbrier Parkway, Chesapeake, VA
BAN20080087	Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 2105 East Center Street, Suite C, Kingsport, TN
BAN20080088	PMF of Virginia, Inc. - For a mortgage broker's license
BAN20080089	Razor Mortgage LLC - To open a mortgage broker's office at 700 Harry L. Drive, Suite 220, Johnson City, NY
BAN20080090	Adam N. Harrell, Jr. d/b/a Unity Mortgage - To relocate mortgage broker's office from 1904 Byrd Avenue, Suite 301, Richmond, VA to 8755 Varina Road, Richmond, VA
BAN20080091	Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 7300 Carmel Executive Park, Suite 305, Charlotte, NC
BAN20080092	Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 7950 Nations Ford Road, Suite B-1, Charlotte, NC
BAN20080093	Heritage Funding, Inc. - To open a mortgage broker's office at 348 Southport Circle, Suite 102, Virginia Beach, VA
BAN20080094	Wilmington Finance, Inc. - To relocate mortgage lender broker's office from 3030 Warrenville Road, Suite 600, Lisle, IL to 3333 Warrenville Road, Suite 200,Office 215, Lisle, IL
BAN20080095	Wilmington Finance, Inc. - To relocate mortgage lender broker's office from 4301 Anchor Plaza Parkway, Tampa, FL to 4301 Anchor Plaza Parkway, Suite 445, Tampa, FL
BAN20080096	Virginia Mortgage Bankers, LLC - To open a mortgage broker's office at 108 N. Main Street, Suite 4, Farmville, VA
BAN20080097	First Charleston Mortgage, L.L.C. - For a mortgage broker's license
BAN20080098	Capital Finance Partners Inc. - For a mortgage broker's license
BAN20080099	Ikon Mortgage, Inc. - To open a mortgage broker's office at 6569 Edsall Road, Springfield, VA
BAN20080100	Provident Funding Group, Inc. - To open a mortgage lender's office at 13801 Reese Boulevard, The Kemp Building, Huntersville, NC
BAN20080101	Heritage Mortgage, LLC - To open a mortgage lender and broker's office at 2239 Tacketts Mill Drive, Suites M and N, Lake Ridge, VA
BAN20080102	Martine Arents - To acquire 25 percent or more of SAK Mortgage Inc.

BAN20080103 Douglas Mortgage Services, Inc. - For a mortgage broker's license
BAN20080104 Capitol Funding, LLC - To relocate mortgage broker's office from 51 Monroe Street, Suite 402, Rockville, MD to 51 Monroe Street, Suite 812, Rockville, MD
BAN20080105 NFM, Inc. d/b/a Fidelity Mortgage Corporation - To open a mortgage lender and broker's office at 709 Frederick Road, Catonsville, MD
BAN20080106 Generation Mortgage Company - To open a mortgage lender's office at 2896 Einstein Drive, Virginia Beach, VA
BAN20080107 Captus Capital, Inc. - To relocate mortgage lender broker's office from 1100 H Street, N.W., Suite 400, Washington, DC to 262 Cedar Lane, Suite 5, Vienna, VA
BAN20080108 Trust Mortgage Corporation - For a mortgage broker's license
BAN20080109 Boylan Mortgage Services, LLC - For a mortgage broker's license
BAN20080110 Abba Mortgage Company, LLC - For additional mortgage authority
BAN20080111 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 245 Mountain Terrace, Myersville, MD
BAN20080112 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 103 Aspenwood Way, Suite H, Baltimore, MD
BAN20080113 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 438 E. Fort Avenue, Baltimore, MD
BAN20080114 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 128 Brent Road, Arnold , MD
BAN20080115 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 802 Roundtop Court, Suite 1B, Timonium, MD
BAN20080116 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 8307 Sperry Court, Laurel, MD
BAN20080117 Flagship Financial Group, LLC - To open a mortgage broker's office at 1838 N. 1120 W., Provo, UT
BAN20080118 Mortgage Equity Lenders, LLC - To relocate mortgage broker's office from 20 Pleasant Ridge Drive, Suite B, Owings Mills, MD to 10323 Cross Creek Boulevard, Suite A, Tampa, FL
BAN20080119 Mariner Finance of Virginia, LLC - To open a consumer finance office at 7445 Lee Davis Highway, Mechanicsville, VA
BAN20080120 Mariner Finance of Virginia, LLC - To conduct consumer finance business where sales finance business will also be conducted
BAN20080121 Mariner Finance of Virginia, LLC - To conduct consumer finance business where mortgage lending will also be conducted
BAN20080122 Mariner Finance of Virginia, LLC - To conduct consumer finance business where motor vehicle lending will also be conducted
BAN20080123 Community Bankers Acquisition Corp. - To acquire TransCommunity Financial Corporation
BAN20080124 EVB - To open a branch at 3400 Boulevard, Colonial Heights, VA
BAN20080125 EVB - To open a branch at 8821 West Broad Street, Henrico County, VA
BAN20080126 WSB Mortgage Services, Inc. - For a mortgage broker's license
BAN20080127 Neighborhood Assistance Corporation of America - For a mortgage broker's license
BAN20080128 Continental Home Loans Inc. - For a mortgage lender and broker license
BAN20080129 Home Town Residential Mortgages, Inc. (Used in VA by: Home Town Mortgage, Inc.) - For a mortgage broker's license
BAN20080130 Your Mortgage Source, LLC d/b/a Advanced Lending Network - For a mortgage lender's license
BAN20080131 First Northern Financial Group, Inc. - To relocate mortgage broker's office from 301 Metro Center Boulevard, Suite 101, Warwick, RI to 1255 Oaklawn Avenue, Suite 4, Cranston, RI
BAN20080132 American Star Financial, Inc. - To relocate mortgage broker's office from 6189 Executive Boulevard, Rockville, MD to 1455 Research Boulevard, Rockville, MD
BAN20080133 Citizens Financial Mortgage, Inc. - To open a mortgage broker's office at 624 N. Front Street, Philadelphia, PA
BAN20080134 U.S. Mortgage Finance Corp. - To open a mortgage lender and broker's office at 4015 Chain Bridge Road, Suite 38, Fairfax, VA
BAN20080135 Liberty Reverse Mortgage Incorporated - To relocate mortgage lender broker's office from 3100 Zinfandel Drive, Suite 300, Rancho Cordova, CA to 10951 White Rock Road, Suite 200, Rancho Cordova, CA
BAN20080136 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 2300 Lakeview Parkway, Suite 700, Alpharetta, GA
BAN20080137 PHH Mortgage Corporation d/b/a Instamortgage.com - To open a mortgage lender and broker's office at 30 W. Main Street, Berryville, VA
BAN20080138 TradeStreet Mortgage, Inc. - To relocate mortgage broker's office from 13420 Edgetree Drive, Suite 201, Pineville, NC to 14825 John J. Delaney Drive, Suite 240-9, Charlotte, NC
BAN20080139 Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 3415 Bardstown Road, Suite 304, Louisville, KY
BAN20080140 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 8405 Terry Lee Way, Severn , MD
BAN20080141 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 100 Pollard Lane, Chester, MD
BAN20080142 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 114 Regester Avenue, Baltimore, MD
BAN20080143 2020 Mortgage, Inc. - To relocate mortgage lender broker's office from 9444 Waples Street, Suite 280, San Diego, CA to 6020 Cornerstone Court, Suite 230, San Diego, CA
BAN20080144 University of Virginia Community Credit Union, Inc. - To relocate credit union office from 222 Lee Street, Charlottesville, VA to 1018 West Main Street, Charlottesville, VA
BAN20080145 Community Bankers Acquisition Corp. - To acquire BOE Financial Services of Virginia, Inc.
BAN20080146 Security First Funding Corporation - To relocate mortgage broker's office from 4341 Cox Road, Glen Allen, VA to 2604 North Parham Road, Richmond, VA
BAN20080147 Bradford Mortgage Company - To open a mortgage lender and broker's office at 1430 Commonwealth Drive, Suite 204, Wilmington, NC
BAN20080148 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 1300 Division Road, Suite 206, West Warwick, RI
BAN20080149 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 5900 East Virginia Beach Boulevard, Suite 204, Norfolk, VA
BAN20080150 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 10310 Memory Lane Suite 1A, Chesterfield, VA
BAN20080151 MicroFinance International Corporation d/b/a Alante Financial - To open a mortgage broker's office at 920 West Broad Street, Falls Church, VA
BAN20080152 Covenant Financial Services, LLC d/b/a Covenant Mortgage - To relocate mortgage broker's office from 24 Onville Road, Stafford, VA to 556 Garrisonville Road, Suite 213, Stafford, VA
BAN20080153 American Nationwide Mortgage Company, Inc. - To relocate mortgage lender broker's office from 27070 Detroit Road, Room 205, Westlake, OH to 4200 Rockside Road, Suite 203, Independence, OH

BAN20080154 Gateway Funding Diversified Mortgage Services, L.P. - To open a mortgage lender and broker's office at 1405 Huguenot Road, Suite 103, Midlothian, VA
BAN20080155 Antonio Perdomo d/b/a Hispanic Multi Service - To open a check casher at 7849-J Richmond Highway, Alexandria, VA
BAN20080156 Carteret Mortgage Corporation - To relocate mortgage lender broker's office from 7353 International Place, Suite 309, Sarasota, FL to 7435 Greystone Street, Brandenton, FL
BAN20080157 Carteret Mortgage Corporation - To relocate mortgage lender broker's office from 7700 Heatherside Lane, Ellicott City, MD to 2602 47th Street, South, Gulfport, FL
BAN20080158 Carteret Mortgage Corporation - To relocate mortgage lender broker's office from 858 Cherry Road, Suite B, Rock Hill, SC to 6800 South Boulevard, Suite B, Charlotte, NC
BAN20080159 Heyward C. Lee - To acquire 25 percent or more of Valley Team Mortgage, Inc.
BAN20080160 Crown Mortgage Services, LLC - To open a mortgage broker's office at 2019 Woodbrook Court, Suite 4, Charlottesville, VA
BAN20080161 American Trust Mortgage Inc. - To open a mortgage broker's office at 585A Southlake Boulevard, Richmond, VA
BAN20080162 Marcacri Investment Inc. d/b/a Qualify Mortgage - To relocate mortgage broker's office from 20473 Tappahannock Place, Sterling, VA to 20 Pidgeon Hill Drive, Suite 203, Sterling, VA
BAN20080163 First Guaranty Mortgage Corporation d/b/a Broker's Edge Lending (In Certain Offices) - To relocate mortgage lender broker's office from 5303 Spectrum Drive, Suite D, Frederick, MD to 5303 Spectrum Drive, Suite K, Frederick, MD
BAN20080164 Flagship Mortgage Corporation - To open a mortgage broker's office at 1104 Madison Plaza, Suite 104, Chesapeake, VA
BAN20080165 Guaranteed Home Mortgage Company Inc. - To open a mortgage lender and broker's office at 432 Sunrise Highway, Rockville Centre, NY
BAN20080166 Universal American Mortgage Company, LLC - To relocate mortgage lender broker's office from 16701 Melford Boulevard, Suite 400, Bowie, MD to 16701 Melford Boulevard, Suite 323, Bowie, MD
BAN20080167 SAK Mortgage Inc. - To open a mortgage broker's office at 19440 Golf Vista Plaza, Suite 310, Leesburg, VA
BAN20080168 America's Mortgage Broker, L.L.C. d/b/a Affordable Home Funding - To relocate mortgage lender broker's office from 2916 Chamberlayne Avenue, Richmond, VA to 3062B Meadowbridge Road, Richmond, VA
BAN20080169 Cunningham & Company d/b/a CFL Mortgage (529 College Rd address only) - To open a mortgage lender and broker's office at 124 Floyd Smith Drive, Suite 360, Charlotte , NC
BAN20080170 Virginia Partners Bank - To open a branch at 317-319 William Street, Fredericksburg, VA
BAN20080171 Virginia Partners Bank - To open a branch at 2101 Plank Road, Fredericksburg, VA
BAN20080172 Georgia Southern Mortgage Group, Inc. - For a mortgage broker's license
BAN20080173 Banrural, Corp. - For a money order license
BAN20080174 Benchmark Mortgage Inc. - To open a mortgage lender and broker's office at 2044 John Rolfe Parkway, Richmond, VA
BAN20080175 ADKO Mortgage Company, LLC d/b/a ADKO Mortgage Network - To relocate mortgage broker's office from 201 North Service Road, Suite 404, Melville, NY to One Huntington Quadrangle, Suite 1S07A, Melville, NY
BAN20080176 Jerome E. Bouchard - For a mortgage broker's license
BAN20080177 Home Consultants, Inc. d/b/a HCI Mortgage - To open a mortgage lender and broker's office at 2638 S Sherwood Forest Plaza, Suite 225, Baton Rouge, LA
BAN20080178 Absolute Mortgage Solutions, LLC - To open a mortgage broker's office at 14749 Warwick Boulevard, Suite A, Newport News, VA
BAN20080179 Option One Mortgage Corporation - To relocate mortgage lender broker's office from 3 Ada, Irvine, CA to 6501 Irvine Center Drive, Irvine, CA
BAN20080180 Amerinet Financial, L.L.C. - To relocate mortgage broker's office from 4201 Northview Drive, Suite 507, Bowie, MD to 16201 Trade Zone Avenue, Suite 101, Upper Marlboro, MD
BAN20080181 Champion Advantage Mortgage, LLC - For a mortgage broker's license
BAN20080182 Blaine Mortgage Corporation - For a mortgage broker's license
BAN20080183 Pose RE Mortgage Corporation - For a mortgage broker's license
BAN20080184 People's Choice Mortgage Company, Inc. - For a mortgage broker's license
BAN20080185 Plaza Home Mortgage, Inc. - To relocate mortgage lender's office from 500 Edgewater Drive, Suite 500, Wakefield, MA to 175 Canal Street, Manchester, NH
BAN20080186 1st Principle Mortgage, LLC - To relocate mortgage lender broker's office from 1549 Old Bridge Road, Suite 107, Woodbridge, VA to 7500 Greenway Center Drive, Suite 830, Greenbelt, MD
BAN20080187 Wilmington Finance, Inc. - To relocate mortgage lender broker's office from 3030 Warrenville Road, Suite 600, Lisle, IL to 3333 Warrenville Road, Suite 200, Office 215, Lisle, IL
BAN20080188 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 156 Clay Pike, Suite C, Irwin, PA
BAN20080189 First Capital Funding, LLC - To relocate mortgage broker's office from 1530 Breezeport Way, Suite 100, Suffolk, VA to 4804 Courthouse Street, Suite 4B, Williamsburg, VA
BAN20080190 Ameritime Mortgage Company LLC - To open a mortgage broker's office at 555 W. Chandler Boulevard, Suite 102, Chandler, AZ
BAN20080191 Rockbridge Omni Holdings, LLC - To acquire 25 percent or more of One Mortgage Network, Inc.
BAN20080192 American General Financial Services of America, Inc. - To open a consumer finance office at 18013 Forest Road, Graves Mill Center, Suite E02, Forest, VA
BAN20080193 American General Financial Services of America, Inc. - To open a consumer finance office at 3439 Jefferson Davis Highway, Fredericksburg, VA
BAN20080194 American General Financial Services of America, Inc. - To open a consumer finance office at 6717 Lake Harbour Drive, Midlothian, VA
BAN20080195 American General Financial Services, Inc. - To open a mortgage lender and broker's office at 18013 Forest Road, Graves Mill Center, Suite E02, Forest, VA
BAN20080196 American General Financial Services, Inc. - To open a mortgage lender and broker's office at 3439 Jefferson Davis Highway, Fredericksburg, VA
BAN20080197 American General Financial Services, Inc. - To open a mortgage lender and broker's office at 6717 Lake Harbour Drive, Midlothian, VA
BAN20080198 McLean Mortgage Corporation - For a mortgage lender and broker license
BAN20080199 Champions Mortgage Inc. - For a mortgage broker's license
BAN20080200 Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 3909 Midlands Road, Suites C and D, Williamsburg, VA

BAN20080201 Nationwide Home Mortgage, Inc. d/b/a Allstate Mortgage Lending, Inc. - To relocate mortgage lender broker's office from 1803 Research Boulevard, Suite 101, Rockville, MD to 1803 Research Boulevard, Suite 501, Rockville, MD
BAN20080202 Allied Home Mortgage Capital Corporation - To open a mortgage lender and broker's office at 4483 Lee Highway, Warrenton, VA
BAN20080203 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To relocate mortgage broker's office from 2107 Electric Road, S.W., Roanoke, VA to 2754 B Electric Road, Roanoke, VA
BAN20080204 The Credit People Company - To relocate mortgage broker's office from 1100 H Street, N.W., Suite 400, Washington, DC to 2446 Massachusetts Avenue, Washington, DC
BAN20080205 Arista Lending Solutions, Inc. - To relocate mortgage broker's office from 100 Main Street, Suite 250, Dover, NH to 383 Central Avenue, Suite LL70, Dover, NH
BAN20080206 James River Mortgage, LLC - To relocate mortgage broker's office from 1517 Huguenot Road, Suite 201, Midlothian, VA to 19123 Dalton Points Place, Leesburg, VA
BAN20080207 Franklin Mortgage LLC - To open a mortgage broker's office at 4804 Courthouse Street, Suite 4B, Williamsburg, VA
BAN20080208 Middleburg Property Consultants, Inc. - To relocate mortgage broker's office from 5880 Wilson Road, Marshall, VA to 37540 Provence Pointe Avenue, Pairieville , LA
BAN20080209 Times Real Estate, Inc. d/b/a Times Finance - To relocate mortgage broker's office from 386 Maple Avenue, East, Suite 208, Vienna, VA to 7025 Evergreen Court, Annandale, VA
BAN20080210 T Y Mortgage, LLC - To open a mortgage broker's office at 8811 Sudley Road, Suite 103, Manassas, VA
BAN20080211 Crossline Capital Inc. - To relocate mortgage broker's office from 8 Falkner Drive , Ladera Ranch, CA to 17870 Skypark Circle Suite 102, Irvine, CA
BAN20080212 Z&S Financial Marketing, L.L.C. - To relocate mortgage broker's office from 8000 Towers Crescent Drive, Vienna, VA to 16727 Bold Venture Drive, Leesburg, VA
BAN20080213 Select Bank - To relocate main office from 213 Gristmill Drive, Bedford County, VA to 211 Gristmill Drive, Bedford County, VA
BAN20080214 360 Mortgage Inc. - For a mortgage broker's license
BAN20080215 Latinos Unidos, Corporation - To open a check casher at 6832 A Midlothian Turnpike, Richmond, VA
BAN20080216 Community Mortgage Advisors, Inc. - For a mortgage broker's license
BAN20080217 Arch Mortgages Inc. - For a mortgage broker's license
BAN20080218 Mariner Finance of Virginia, LLC - To conduct consumer finance business where the business of accidental death and dismemberment insurance sales will also be conducted
BAN20080219 Fairway Independent Mortgage Corporation - To open a mortgage lender and broker's office at 1889 Preston White Drive, Suite 103, Reston, VA
BAN20080220 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 220 S. Main Street, Suite D, Butler, PA
BAN20080221 Carteret Mortgage Corporation - To open a mortgage lender and broker's office at 333 West Vine Street, Lexington, KY
BAN20080222 Carteret Mortgage Corporation - To open a mortgage lender and broker's office at 5321 Jaycee Avenue, Suite C, Harrisburg, PA
BAN20080223 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 3206 Meadow Circle, College Park, GA to 4201 Meadow Circle, College Park, GA
BAN20080224 Taylor, Bean & Whitaker Mortgage Corp. - To open a mortgage lender's office at 2840 Electric Road, S.W., Suite 104-A, Roanoke, VA
BAN20080225 Transcontinental Lending Group, Inc. - To open a mortgage lender and broker's office at 2390 Evans Mill Road, Lithonia, GA
BAN20080226 Virginia Credit Union, Inc. - To open a credit union service office at 9951 Jefferson Davis Highway, Fredericksburg, VA
BAN20080227 MFS Lending, Inc. (Used in VA by: Millennium Financial Services, Inc.) - To relocate mortgage broker's office from 209 E. Alameda Avenue, Suite 101, Burbank, CA to 13223 Ventura Boulevard, Suite G, Studio City, CA
BAN20080228 Bright Star, Inc. - To open a check casher at 1325 Sperryville Pike, Culpeper, VA
BAN20080229 Virginia Mortgage Bankers, LLC - To open a mortgage broker's office at 3117 W. Clay Street, Suite 2, Richmond, VA
BAN20080230 Fidelity Home Mortgage Corporation - To relocate mortgage lender broker's office from 7206 Hull Street Road, Suite 203, Richmond, VA to 7206 Hull Street Road, Suite 103, Richmond, VA
BAN20080231 Virginia Beach Investment Services, Incorprated d/b/a King$ Ca$h AdvanceS - To conduct payday lending business where the business of gift card sales will also be conducted
BAN20080232 AAA Financial Corp. - To relocate mortgage lender's office from 9601 West Sample Road, Coral Springs, FL to 9600 West Sample Road, Suite 301, Coral Springs, FL
BAN20080233 TPI Mortgage, Inc. - To open a mortgage lender and broker's office at 14482 Jefferson Davis Highway, Woodbridge, VA
BAN20080234 Primary Residential Mortgage, Inc. - To relocate mortgage lender broker's office from 8506 Six Forks Road, Suite 104, Raleigh, NC to 3356 Six Forks Road, Raleigh, NC
BAN20080235 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 1770 Route 9, Suite 109, Clifton Park, NY
BAN20080236 Primerica Financial Services Home Mortgages, Inc. - To open a mortgage broker's office at 1900 Campus Commons Drive, Suite 100, Reston, VA
BAN20080237 Arise Mortgage, LLC - For a mortgage broker's license
BAN20080238 Gateway Reverse Mortgage Group, LLC - For a mortgage broker's license
BAN20080239 Churchill Mortgage Corporation of TN (Used in VA by: Churchill Mortgage Corporation) - For a mortgage lender and broker license
BAN20080240 Davis Financial Group, Inc. - For a mortgage broker's license
BAN20080241 MetCity Capital (Used in VA by: JT Holding LLC) - To relocate mortgage broker's office from 1055 Thomas Jefferson Street, N.W., Washington, DC to 2715 M Street, N.W., Washington, DC
BAN20080242 FFSI, Inc. (Used in VA by: First Financial Services, Inc.) - To relocate mortgage lender broker's office from 1101 Vermont Avenue, N.W., Washington, DC to 1327 14th Street, N.W., Suite 101, Washington, DC
BAN20080243 Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 483 McLaws Circle, Suite 2B, Room 4, Williamsburg, VA
BAN20080244 Provizo Mortgage Corporation - For a mortgage broker's license
BAN20080245 Carteret Mortgage Corporation - To open a mortgage lender and broker's office at 6013 Sycamore Creek Road, Fort Worth, TX
BAN20080246 Middleburg Property Consultants, Inc. - To open a mortgage broker's office at 4310 Crelin Place, Lanham, MD
BAN20080247 Liberator Mortgage LLC - To relocate mortgage broker's office from 8133 Leesburg Pike, Suite 730, Vienna, VA to 2108-C Gallows Road, Vienna, VA
BAN20080248 MortgageStar, Inc. - To open a mortgage lender and broker's office at 2100 E. Ocean View Avenue, Suite 33, Norfolk, VA

BAN20080249 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 1206 Laskin Road, Suite 111, Virginia Beach, VA

BAN20080250 Anchor Lending, Inc. (Used in VA by: Anchor Financial Mortgage Company, Inc.) - To relocate mortgage lender broker's office from 290 Technology Way, Suite 100, Rocklin, CA to 3200 Douglas Boulevard, Suite 210, Roseville, CA

BAN20080251 Carolina State Mortgage Corporation - To relocate mortgage broker's office from 100 East Dune Street, Nags Head, NC to 108 Woodhill Drive, Unit D-4, Nags Head, NC

BAN20080252 E-Star Lending Inc. - To open a mortgage broker's office at 3805 Hummer Road, Annandale, VA

BAN20080253 E-Star Lending Inc. - To relocate mortgage broker's office from 7611 Little River Turnpike, Annandale, VA to 5101-F Backlick Road, Annandale, VA

BAN20080254 MicroFinance International Corporation d/b/a Alante Financial - To open a mortgage broker's office at 920 West Broad Street, Falls Church, VA

BAN20080255 MicroFinance International Corporation d/b/a Alante Financial - To open a mortgage broker's office at 3817-B South George Mason Drive, Falls Church, VA

BAN20080256 Advance Security Mortgage Corp. - For a mortgage broker's license

BAN20080257 Michael DeSantis - To acquire 25 percent or more of Atlantic Coast Mortgage, Inc.

BAN20080258 Indigo Financial Group, Inc. - For a mortgage broker's license

BAN20080259 Tim Rutherford Company, L.L.C. - For a mortgage broker's license

BAN20080260 American General Financial Services of America, Inc. - To relocate consumer finance office from 901-K West Broad Street, Waynesboro, VA to Waynesboro Town Center Shopping Center, 821 Town Center Drive, Suite A, Waynesboro, VA

BAN20080261 American General Financial Services, Inc. - To relocate mortgage lender broker's office from 901 West Broad Street, Suite K, Waynesboro, VA to Waynesboro Town Center Shopping Center, 821 Town Center Drive, Suite A, Waynesboro, VA

BAN20080262 Jacob Dean Mortgage, Inc. - To open a mortgage broker's office at 5019-B Backlick Road, Annandale, VA

BAN20080263 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 195-3A Keith Street, Warrenton, VA

BAN20080264 SAI Mortgage, Inc. - To open a mortgage lender and broker's office at 5831 Allentown Road Unit - A, Camp Springs, MD

BAN20080265 Star Mortgage, Inc. - To relocate mortgage broker's office from 6121 Lincolnia Road, Suite 304, Alexandria, VA to 6145 Parsley Drive, Alexandria, VA

BAN20080266 Fast N Easy Financial Services, LLC - To relocate mortgage broker's office from 5200 Starting Gate Drive, Upper Marlboro, MD to 455 Sheltered Cove Court, Fort Mill, SC

BAN20080267 CMS Mortgage Solutions Inc. - To open a mortgage broker's office at 355 Crawford Parkway, Suite 320, Portsmouth, VA

BAN20080268 Direct Capital Group Inc. d/b/a Finance Direct - To relocate mortgage lender broker's office from 2501 Alton Parkway, Irvine, CA to 3 San Joaquin Plaza, Suite 100, Newport Beach, CA

BAN20080269 Bethesda Home Mortgage, LLC - To open a mortgage broker's office at 12020 Coldstream Drive, Potomac, MD

BAN20080270 Amerisave Mortgage Corporation - To relocate mortgage lender broker's office from 3525 Piedmont Road, 6 Piedmont Center, Atlanta, GA to One Capital City Plaza, 3350 Peachtree Road, N.E., Suite 1000, Atlanta, GA

BAN20080271 Best Marketing, LLC d/b/a Paramax Mortgage - To relocate mortgage broker's office from 6506 Loisdale Road, Suite 330, Springfield, VA to 7909 South Run View, Springfield, VA

BAN20080272 Maharzada Financial Inc. - To open a mortgage broker's office at 15825 Crabbs Branch Way, Rockville, MD

BAN20080273 Allegro Funding Corp. - To relocate mortgage broker's office from 65 Enterprise, Aliso Viejo, CA to 7035 Phillips Highway, Suite 5-136, Jacksonville, FL

BAN20080274 Eric Christopherson - To acquire 25 percent or more of Allegro Funding Corp.

BAN20080275 Zuzana Paduano - To acquire 25 percent or more of Allegro Funding Corp.

BAN20080276 Principal Lending Group, Inc. - For a mortgage broker's license

BAN20080277 Fairway Senior Solutions Inc. (Used in VA by: Fairway Mortgage Inc.) - For a mortgage broker's license

BAN20080278 Franklin Mutual Mortgage Corporation - To relocate mortgage lender broker's office from 17300 Redhill Avenue, Suite 200, Irvine, CA to 18101 Von Karman Avenue, Suite 330, Irvine, CA

BAN20080279 Heritage Mortgage, LLC - To relocate mortgage lender broker's office from 7461 Miramar Drive, Manassas, VA to 200 Washington Street East, Middleburg, VA

BAN20080280 Merit Funding Group, Inc. - To relocate mortgage lender broker's office from 19000 MacArthur Boulevard, Suite 300-A, Irvine, CA to 16257 Laguna Canyon Road, Suite 100, Irvine, CA

BAN20080281 Catholic Charities of Eastern Virginia, Inc. - To relocate credit counseling office from 121 South Main Street, Franklin, VA to 601 Bank Street, Franklin, VA

BAN20080282 Infinity Financial Solutions Inc. - To relocate payday lender's office from 14218 Smoketown Road, Woodbridge, VA to 10526 Lomond Drive, Manassas, VA

BAN20080283 Westfields Mortgage, L.L.C. - To relocate mortgage broker's office from 14149 Robert Paris Court, Suite A, Chantilly, VA to 3954 Pinehurst Greens Drive, Fairfax, VA

BAN20080284 Dynamic Capital Mortgage, Inc. - To relocate mortgage lender broker's office from 8245 Boone Boulevard, Suite 300, Vienna, VA to 1921 Gallows Road, Suite 360, Vienna, VA

BAN20080285 NFM, Inc. d/b/a Fidelity Mortgage Corporation - To open a mortgage lender and broker's office at 9720 Greenside Drive, Suite 9W, Cockeysville, MD

BAN20080286 Mid Atlantic Mortgage Specialists LLC (Used in VA by: Mid Atlantic Capital LLC) - To open a mortgage lender and broker's office at 1625 E. 17th Street, Suite 203, Santa Ana, CA

BAN20080287 Equitystars, Inc. - To open a mortgage broker's office at 188 Sargent Street, Warwick, RI

BAN20080288 Cash Advance Centers of VA, Inc. - For a payday lender license

BAN20080289 iPayDebt Financial Services, Inc. d/b/a Cornerstone Financial Education - To open a credit counseling office

BAN20080290 Ameribanc, L.L.C. - To relocate mortgage broker's office from 4371 East 82nd. Street, Suite D, Indianapolis, IN to 8606 Allisonville Road, Suite 235, Indianapolis, IN

BAN20080291 Prime Time Mortgage Corp. - To open a mortgage lender and broker's office at Iron Mountain, 26 South, Middlesex Avenue, Monroe, NJ

BAN20080292 Taylor, Bean & Whitaker Mortgage Corp. - To relocate mortgage lender's office from 101 NE 2nd Street, Ocala, FL to 315 NE 14th Street, Ocala, FL

BAN20080293 Vanguard M & T Inc. d/b/a Vanguard Mortgage & Title - To relocate mortgage lender broker's office from 7229 Hanover Parkway, Suite C, Greenbelt, MD to 102 Chester Village, Chester, MD

BAN20080294 Vanguard M & T Inc. d/b/a Vanguard Mortgage & Title - To relocate mortgage lender broker's office from 5 Timberland Lane, Stafford, VA to 33 Jenny Lind Drive, Harpers Ferry, WV

BAN20080295 Pembroke Mortgage Group, LLC - For a mortgage broker's license

BAN20080296 Horizon Financial, Inc. - To relocate mortgage broker's office from 31 Boland Court, Greenville, SC to 421 S.E. Main Street, Suite 200, Simpsonville, SC

BAN20080297 CH Mortgage Services, LLC - To relocate mortgage lender broker's office from 630 Alton Road, Suite 901, Miami Beach, FL to 2200 Biscayne Boulevard, Miami , FL

BAN20080298 First Meridian Mortgage Corporation of Florida (Used in VA by: First Meridian Mortgage Corporation) - To relocate mortgage broker's office from 756 South First Street, Suite 200, Louisville, KY to 140 Whittington Parkway, 2nd Floor, Suite 200, Louisville, KY

BAN20080299 Sage Credit Company, Inc. d/b/a TradelineUSA (Only at 8001 Irvine Center Drive, Suite 200, Irvine, CA 92618) - To open a mortgage lender and broker's office at 2551 South Garnsey Street, Santa Ana, CA

BAN20080300 Murphy Mortgage Corporation - For a mortgage broker's license

BAN20080301 Atlantic Bay Mortgage Group, L.L.C. - To relocate mortgage lender broker's office from 701 E. Main Street, Suite A, Wytheville, VA to 180 W. Main Street, Wytheville, VA

BAN20080302 Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 1 Old Oyster Point Road, Suite 320, Newport News, VA

BAN20080303 A.A. Financial & Mortgage, Inc. - To relocate mortgage broker's office from 464 Herndon Parkway, Suites 117 and 118, Herndon, VA to 1043 Sterling Road, Suite 101, Herndon, VA

BAN20080304 Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 300 East Lombard Street, Suite 840, Baltimore, MD

BAN20080305 Haivan, Inc. - To open a check casher at 879 S. Lynnhaven Road, Suite 101, Virginia Beach, VA

BAN20080306 Hong Lan Services, Inc. - For a money order license

BAN20080307 U.S. Mortgage Corporation of Virginia (Used in VA by: U.S. Mortgage Corp.) - To open a mortgage lender and broker's office at 10019 Erion Court, Bowie, MD

BAN20080308 Apex Lending, Inc. - To open a mortgage lender and broker's office at 13430 N. Scottsdale Road, Suite 202, Scottsdale, AZ

BAN20080309 Olde Towne Mortgage Corporation - To open a mortgage broker's office at 2810 Old Lee Highway, Suite 300, Fairfax, VA

BAN20080310 Elizabeth River Mortgage Group LLC - To relocate mortgage broker's office from 4425 Portsmouth Boulevard, Suite 200, Chesapeake , VA to 1631 Jolliff Road, Chesapeake , VA

BAN20080311 Check into Cash of Virginia LLC d/b/a Check into Cash - To conduct payday lending business where an Automated Teller Machine business will also be conducted

BAN20080312 Ameritime Mortgage Company LLC - To open a mortgage broker's office at 9811 Mallard Drive, Suite 209, Laurel, MD

BAN20080313 Bobby R. Hall, Jr. - To acquire 25 percent or more of NFC-Check Cashing Service, Inc.

BAN20080314 Glenn H. Hall - To acquire 25 percent or more of NFC-Check Cashing Service, Inc.

BAN20080315 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 31 Squire Court, Reisterstown, MD

BAN20080316 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 7507 Reserve Circle, Apt. 202, Windsor Mills, MD

BAN20080317 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 16112 Amethyst Lane, Bowie, MD

BAN20080318 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 10205 Summers Lane, Hagerstown, MD

BAN20080319 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 8719 Grape Arbor Way, Odenton, MD

BAN20080320 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 6105 Summit Point Drive, Harrisburg, PA

BAN20080321 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 128 Martha Lewis Boulevard, Havre De Grace , MD

BAN20080322 Mortgage Network Solutions, LLC - To open a mortgage broker's office at 2401 Pennsylvania Avenue, Suite 102A, Wilmington, DE

BAN20080323 ABC Mortgage Funding, Inc. - To open a mortgage broker's office at 11 King George Quay, Chesapeake, VA

BAN20080324 AVision Residential Solutions, LLC - To relocate mortgage broker's office from 105 Centennial Street, Suite J, La Plata, MD to 9671 Bergamont Court, Waldorf, MD

BAN20080325 David M. Mills - To acquire 25 percent or more of Select Mortgage Group, Ltd., LLC

BAN20080326 Bank of Marion - To open a branch at 201 Valley Street, Abingdon, VA

BAN20080327 Putnam Mortgage & Finance, LLC - For a mortgage lender and broker license

BAN20080328 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 4134 E. Joppa Road, Suite 203, Baltimore, MD

BAN20080329 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 10610 Metromont Parkway, Suite 200, Charlotte, NC

BAN20080330 Admiral Lending, LLC d/b/a TheEquityNetwork.com - To relocate mortgage broker's office from 6095 28th Street, S.E., Suite 204, Grand Rapids, MI to 2727 Ulmerton Road, Suite 200, Clearwater, FL

BAN20080331 Flagship Financial Group, LLC - To relocate mortgage broker's office from 251 West Riverpark Drive, Suite 100, Provo, UT to 3130 West Maple Loop Drive, Suite 200, Lehi, UT

BAN20080332 GSF Mortgage Corporation - To relocate mortgage lender broker's office from 9022 Belair Road, Second Floor, Baltimore, MD to 421 S. Main Street, Belair, MD

BAN20080333 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 324 Grove Street, Worchester, MA

BAN20080334 Optimal Mortgage Company LLC - To relocate mortgage broker's office from 37257 Mound Road, Sterling Heights, MI to 33202 Janet Avenue, Fraser, MI

BAN20080335 Freestate Mortgage Services, Inc. - To relocate mortgage broker's office from 4125 Mountain Road, Glen Allen, VA to 3032 Quail Walk Drive, Glen Allen, VA

BAN20080336 MCUSA, LLC - To relocate mortgage broker's office from 8618 Westwood Center Drive, Suite 315, Vienna, VA to 5964-A Richmond Highway, Alexandria, VA

BAN20080337 American Cash Exchange Enterprise of Virginia, L.L.C. d/b/a 1st Choice Cash Advance - To relocate payday lender's office from 3929 Poplar Hill Road, Chesapeake, VA to 3115 Western Branch Boulevard, Suite 114 , Chesapeake, VA

BAN20080338	Carteret Mortgage Corporation - To open a mortgage lender and broker's office at 827 South Causeway Boulevard, Suite 205, Jefferson, LA
BAN20080339	GO Financial Group, Inc. - To relocate mortgage lender broker's office from 7811 Montrose Road, Suite 501, Rockville, MD to 7500 Greenway Center Drive, Suite 520, Greenbelt, MD
BAN20080340	Primary Residential Mortgage, Inc. - To relocate mortgage lender broker's office from 483 McLaws Circle, Suite 2B, Room 4, Williamsburg, VA to 491 McLaws Circle, 3A, Williamsburg, VA
BAN20080341	First Main Street Financial Inc. - For a mortgage lender's license
BAN20080342	Diamond Financial Mortgage Corporation - For a mortgage broker's license
BAN20080343	Clear Summit Mortgage, Inc. - For a mortgage broker's license
BAN20080344	Branch Banking and Trust Company - To open a branch at 8727 Staples Mill Road, Henrico County, VA
BAN20080345	Towne Bank - To open a branch at the southwest corner of the intersection of Harbour View Boulevard and Harbour Towne Parkway, Suffolk, VA
BAN20080346	Towne Bank - To open a branch at the northwest corner of the intersection of State Route 199 and Quarterpath Road, Williamsburg, VA
BAN20080347	Martinsville Du Pont Employees Credit Union, Incorporated - To open a credit union service office at 679 Lake Center, Suite C-1, Moneta, VA
BAN20080348	Secure Mortgage & Investments, LLC - To relocate mortgage broker's office from 397 Little Neck Road, 3300 Building, Virginia Beach, VA to 3614 Nottoway Street, Norfolk, VA
BAN20080349	Freedom Mortgage Corporation - To relocate mortgage lender broker's office from 19000 MacArthur Boulevard, Suite 300, Irvine, CA to 1506 Brookhollow Drive, Suite 112, Santa Ana, CA
BAN20080350	Access Home Mortgages LLC - To relocate mortgage broker's office from 125 Riverbend Drive, Suite 5, Charlottesville, VA to 2118 Angus Road, Charlottesville, VA
BAN20080351	Chicago Bancorp, Inc. - For a mortgage lender's license
BAN20080352	Innergy Lending, LLC - To open a mortgage broker's office at 293 Independence Boulevard, Pembroke 5, Suite 215A, Virginia Beach, VA
BAN20080353	Ameritime Mortgage Company LLC - To relocate mortgage broker's office from 8206 Leesburg Pike, Suite 409, Vienna, VA to 7611 Little River Turnpike, Suite 101W, Annandale, VA
BAN20080354	Assurance Financial Group, L.L.C. - To open a mortgage broker's office at 1835-4 East West Parkway, Fleming Island, FL
BAN20080355	Allied Home Mortgage Capital Corporation - To relocate mortgage lender broker's office from 1563 Postal Road, Suite 1B, Chester, MD to 421 Race Street, Suites 1A and 1B, Cambridge, MD
BAN20080356	Homeloan Mortgage LLC - To relocate mortgage broker's office from 7700 Leesburg Pike, Suite 211, Falls Church, VA to 8483 Indian Paintbrush Way, Lorton, VA
BAN20080357	Capital Mortgage Corp. - To relocate mortgage broker's office from 372 S. Independence Boulevard, Suite 106, Virginia Beach, VA to 500 Woodlake Circle, Suite A, Chesapeake, VA
BAN20080358	Syntony Financial Services, LLC - For a mortgage broker's license
BAN20080359	Summit Funding, Inc. d/b/a Greenwood Lending (Charlottesville only) - For a mortgage lender and broker license
BAN20080360	Greendale Lending, LLC - For a mortgage broker's license
BAN20080361	Sun Mortgage, Inc. d/b/a First Coastal Mortgage - For a mortgage broker's license
BAN20080362	Banagricola de El Salvador, Inc. - To open a check casher at 7849-1 Richmond Highway, Alexandria, VA
BAN20080363	Oceanside Mortgage Company - For a mortgage lender and broker license
BAN20080364	Chulse Park - To acquire 25 percent or more of First Choice Funding Group, Ltd.
BAN20080365	Success Mortgage, L.L.C. - To relocate mortgage broker's office from 158 Front Royal Pike, Suite 303, Winchester, VA to 27-A W. Jubal Early Drive, Winchester, VA
BAN20080366	Allegiance Mortgage Corp. - For a mortgage broker's license
BAN20080367	Tower Residential Capital, LLC - For a mortgage broker's license
BAN20080368	Wook Lho Yoon d/b/a Trust Mortgage Company - To relocate mortgage broker's office from 9653 Fairfax Boulevard, Suite 12, Fairfax, VA to 10089 Fairfax Boulevard, Suite 203, Fairfax, VA
BAN20080369	First Ohio Banc & Lending, Inc. - To open a mortgage lender and broker's office at 1669 West 130th Street, Building 2, Unit 202, Hinckley, OH
BAN20080370	U S Loans Mortgage, LLC - To relocate mortgage broker's office from 22 N. 3rd. Street, Philadelphia, PA to 222 West Rittenhouse Square, Suite C2, Philadelphia, PA
BAN20080371	McLean Financial Mortgage Corporation - To relocate mortgage broker's office from 21598 Atlantic Boulevard, Suite 130, Dulles, VA to 42760 Ridgeway Drive, Ashburn, VA
BAN20080372	America's Mortgage Lender, Inc. (Used in VA by: American Mortgage, Inc.) - To relocate mortgage lender broker's office from 3 East Stow Road, Suite 240, Marlton, NJ to 3 E. Stow Road, Suite 200, Marlton, NJ
BAN20080373	Vanguard M & T Inc. d/b/a Vanguard Mortgage & Title - To open a mortgage lender and broker's office at 36 Danforth Street, Portland, ME
BAN20080374	Optimum Corporation d/b/a Optimum Capital - To relocate mortgage broker's office from 6257 Tewkesbury Way, Williamsburg, VA to 9300 Marrin Court, Toano, VA
BAN20080375	Edward's Payday Loans, Inc. d/b/a Colortyme Payday Loans - To open a payday lender's office at 10334-A Festival Lane, Manassas, VA
BAN20080376	Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To relocate mortgage broker's office from 6135 Park South Drive, Suite 522, Charlotte, NC to 6853 Fairview Road, Suite 100-B, Charlotte, NC
BAN20080377	Transcontinental Lending Group, Inc. - To open a mortgage lender and broker's office at 5840 Corporate Way, Suite 101, West Palm Beach, FL
BAN20080378	Advantage Home Loan, LLC - For a mortgage lender's license
BAN20080379	Advantage Mortgage Lending Co. - For a mortgage broker's license
BAN20080380	First Rate Capital Corp. - For a mortgage lender and broker license
BAN20080381	Highlands Union Bank - To open a branch at 1824 Veterans Boulevard, Sevierville, TN
BAN20080382	Gateway Funding Diversified Mortgage Services, L.P. - To relocate mortgage lender broker's office from 1405 Huguenot Road, Suite 103, Midlothian, VA to 1256 Sycamore Square, Midlothian, VA
BAN20080383	Premier Mortgage Capital, Inc. - To open a mortgage lender and broker's office at 140 West Washington Street, Suite 107, Suffolk, VA

BAN20080384 Alcova Mortgage LLC - To open a mortgage lender and broker's office at 102 North Bridge Street, Bedford, VA
BAN20080385 Mortgage Bankers of Virginia, Inc. - To open a mortgage broker's office at 10310 Memory Lane, Suite 1E, Chesterfield, VA
BAN20080386 InterTransfers, Inc. - To acquire 25 percent or more of Global Money Remittance Inc.
BAN20080387 Jacob Dean Mortgage, Inc. - To open a mortgage broker's office at 1568 Spring Hill Road, Suite 400, McLean, VA
BAN20080388 Home Consultants, Inc. d/b/a HCI Mortgage - To open a mortgage lender and broker's office at 1729 Pittston Avenue, Scranton, PA
BAN20080389 Cornerstone Mortgage, Inc. - To relocate mortgage broker's office from 9683-C Main Street, Fairfax, VA to 9667 C Main Street, Fairfax, VA
BAN20080390 Common Sense Financial of Newport News, LLC - To open a mortgage broker's office at 11815 Fountain Way, One City Center, Suite 300, Newport News, VA
BAN20080391 Kulane Darman - To acquire 25 percent or more of Qaran Financial Express, LLC
BAN20080392 Planters Bank & Trust Company of Virginia - To relocate office from 2201 North Augusta Street, Staunton, VA to 2813 N. Augusta Street, Staunton, VA
BAN20080393 Premier Mortgage Capital, Inc. - To relocate mortgage lender broker's office from 1805 Monument Avenue, Suite 512, Richmond, VA to 1805 Monument Avenue, Suite 301, Richmond, VA
BAN20080394 Premier Mortgage Capital, Inc. - To relocate mortgage lender broker's office from 1437 Pennsylvania Avenue, S.E., Washington, DC to 639 Indiana Avenue N.W., Suite 300, Washington, DC
BAN20080395 K.Y. Enterprises, Inc. - To open a check casher at 501 Cherry Avenue, Charlottesville, VA
BAN20080396 Vantium Capital, Inc. - For a mortgage lender's license
BAN20080397 American Mortgage Finance, Inc. - For a mortgage broker's license
BAN20080398 First Capital Bank - To relocate main office from 4101 Dominion Boulevard, Henrico County, VA to 11001 West Broad Street, Glen Allen, VA
BAN20080399 Nations Choice Financial Inc. - To relocate mortgage broker's office from 111 Buck Road, Suite K-1100, Huntingdon Valley, PA to 3786 Glenn Court, Huntingdon Valley, PA
BAN20080400 MortgageStar, Inc. - To open a mortgage lender and broker's office at 2535 Villa Circle, Norfolk, VA
BAN20080401 Chickass, Inc. - For a money order license
BAN20080402 Home Financing Inc. - For a mortgage broker's license
BAN20080403 HomePromise Corporation - For a mortgage lender and broker license
BAN20080404 Mid Atlantic Mortgage Specialists LLC (Used in VA by: Mid Atlantic Capital LLC) - To open a mortgage lender and broker's office at 353 Sweetmans Lane, Suite 2, Millstone Township, NJ
BAN20080405 Home Consultants, Inc. d/b/a HCI Mortgage - To open a mortgage lender and broker's office at 2502 Corryville Court, Richmond, VA
BAN20080406 Geneva Capital Partners, LLC - To acquire 25 percent or more of SBM Mortgage Corporation
BAN20080407 Superior Home Mortgage Corporation (Used in VA by: Superior Mortgage Corporation) - To open a mortgage lender and broker's office at 30 Church Street, Suite 220, Belmont, MA
BAN20080408 Allied Home Mortgage Capital Corporation - To relocate mortgage lender broker's office from 2604 N. Parham Road, Suite 300, Richmond, VA to 3900 Westerre Parkway, Suite 300, Richmond, VA
BAN20080409 Jabez Mortgage Group LLC - To relocate mortgage lender broker's office from 21351 Ridgetop Circle, Suite 300, Dulles, VA to 1076 Thomas Jefferson Rd., Suite B, Forest, VA
BAN20080410 Lewis Hunt Enterprises, Inc. d/b/a Interactive Financial Corporation - To open a mortgage lender and broker's office at 324 Southport Circle, Suite 102, Virginia Beach, VA
BAN20080411 Lewis Hunt Enterprises, Inc. d/b/a Interactive Financial Corporation - To open a mortgage lender and broker's office at 3212 Cutshaw Avenue, Suite 204, Richmond, VA
BAN20080412 Lewis Hunt Enterprises, Inc. d/b/a Interactive Financial Corporation - To open a mortgage lender and broker's office at 5983 Richmond-Tappahannock Highway, Aylett, VA
BAN20080413 Lewis Hunt Enterprises, Inc. d/b/a Interactive Financial Corporation - To open a mortgage lender and broker's office at 3105 W. Marshall Street, Richmond, VA
BAN20080414 Primerica Financial Services Home Mortgages, Inc. - To relocate mortgage broker's office from 900 Commonwealth Place, Suite 232, Virginia Beach, VA to 820 Greenbrier Circle, Suite 4, Chesapeake, VA
BAN20080415 Primerica Financial Services Home Mortgages, Inc. - To open a mortgage broker's office at 5020 Sunnyside Avenue, Suite 120, Beltsville, MD
BAN20080416 Guaranteed Home Mortgage Company Inc. - To relocate mortgage lender broker's office from 2 Sun Court, Suite 300, Norcross, GA to 3885 Crestwood Parkway, Suite 530, Duluth, GA
BAN20080417 Summit Mortgage Corporation d/b/a Summit Home Mortgage Inc. - To open a mortgage lender and broker's office at 3243 Darby Road, Keswick, VA
BAN20080418 Merchants Home Loan Services LLC - For a mortgage broker's license
BAN20080419 Ascent Home Loans, Inc. - To relocate mortgage lender broker's office from 6465 S. Greenwood Plaza Boulevard, Englewood, CO to 9780 Pyramid Court, Suite 150, Englewood, CO
BAN20080420 Apex Lending, Inc. - To open a mortgage lender and broker's office at 3001 Riddick Lane, Virginia Beach, VA
BAN20080421 American Affordable Homes, Inc. - To relocate mortgage lender broker's office from 1650 Tysons Boulevard, Suite 200, McLean, VA to 1600 International Drive, Suite 200, McLean, VA
BAN20080422 Ameritime Mortgage Company LLC - To open a mortgage broker's office at 1300 Mercantile Lane, Suite 139-55, Largo, MD
BAN20080423 Amtec Funding Group, LLC - To relocate mortgage lender broker's office from 1666 N. Main Street, Suite 202, Santa Ana , CA to 3330 Harbor Boulevard, Suite 301, Costa Mesa, CA
BAN20080424 Guardian Mortgage, Inc. - To open a mortgage broker's office at 9300-E Old Keene Mill Road, Burke, VA
BAN20080425 Tamara D Armentrout - To be an exclusive agent for Primerica Financial Services Home Mortgages, Inc.
BAN20080426 John R. Maxwell and Others - To acquire 25 percent or more of Security One Bank
BAN20080427 Larry I. Akinde - To be an exclusive agent for Primerica Financial Services Home Mortgages, Inc.
BAN20080428 Ahmad Convenience Stores, Inc. d/b/a North Ave Food Market & Deli - To open a check casher at 2301 North Avenue, Richmond, VA
BAN20080429 Round Hill Shopping Center, Inc. - To open a check casher at 2726 Northwestern Pike, Winchester, VA
BAN20080430 Rich Young Corporation d/b/a R&S Food Store - To open a check casher at 402 West Brookland Park Boulevard, Richmond, VA
BAN20080431 Ethio American Money Exchange, Inc. - For a money order license
BAN20080432 James W. Hinton - To acquire 25 percent or more of Hinton Mortgage Co.
BAN20080433 Infinity Financial Solutions Inc. - To open a payday lender's office at 7257 Centreville Road, Manassas, VA

BAN20080434 Infinity Financial Solutions Inc. - To open a payday lender's office at 9013 Centreville Road, Suite 2, Manassas, VA
BAN20080435 1st Choice Mortgage/Equity Corporation of Lexington - To open a mortgage lender and broker's office at 108-D North Woodland Business Park, Lancaster, SC
BAN20080436 Superior Home Mortgage Corporation (Used in VA by: Superior Mortgage Corporation) - To relocate mortgage lender broker's office from 301 Route 17, North, 2nd Floor, Rutherford, NJ to 1099 Wall Street, West, Suite 137, Lyndhurst, NJ
BAN20080437 Peoples Home Equity, Inc. d/b/a United Capital Lending - To open a mortgage lender and broker's office at 780 Lynnhaven Parkway, Suite 420, Virginia Beach, VA
BAN20080438 Transcontinental Lending Group, Inc. - To open a mortgage lender and broker's office at 6802 Paragon Place, Suite 410, Richmond, VA
BAN20080439 Fairway Independent Mortgage Corporation - To open a mortgage lender and broker's office at 4925 Greenville Avenue, Suite 200, Dallas, TX
BAN20080440 Fairway Independent Mortgage Corporation - To relocate mortgage lender broker's office from 605 W. Main Street, Madison, WI to 2445 Darwin Drive, Suite 102, Madison, WI
BAN20080441 Village Capital & Investment LLC d/b/a Village Home Mortgage - To open a mortgage lender and broker's office at 1251 Metropolitan Avenue, Suite 100, Thorofare, NJ
BAN20080442 SAI Mortgage, Inc. - To open a mortgage broker's office at 5712 Cedar Lane, Columbia, MD
BAN20080443 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To open a mortgage broker's office at 308 Commerce Street, Occoquan, VA
BAN20080444 W.R. Starkey Mortgage, LLP - To open a mortgage lender and broker's office at 1200 Ridgeland Boulevard, Suite 262, Asheville, NC
BAN20080445 W.R. Starkey Mortgage, LLP - To open a mortgage lender and broker's office at 10800 Sikes Place, Suite 110, Charlotte, NC
BAN20080446 W.R. Starkey Mortgage, LLP - To open a mortgage lender and broker's office at 5249 Raynor Road, Garner, NC
BAN20080447 W.R. Starkey Mortgage, LLP - To open a mortgage lender and broker's office at 3200 Northline Avenue, Suite 130, Greensboro, NC
BAN20080448 W.R. Starkey Mortgage, LLP - To open a mortgage lender and broker's office at 118 Morlake Drive. Suite 100, Mooresville, NC
BAN20080449 W.R. Starkey Mortgage, LLP - To open a mortgage lender and broker's office at 8521 Six Forks Road, Suite 100, Raleigh, NC
BAN20080450 W.R. Starkey Mortgage, LLP - To open a mortgage lender and broker's office at 2098 Frontis Plaza Boulevard, Winston-Salem, NC
BAN20080451 Jackson Management Group, LLC - For a mortgage broker's license
BAN20080452 Home Loan Consultants, Inc. - For a mortgage lender and broker license
BAN20080453 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 2762 Electric Road, Suite E, Roanoke, VA
BAN20080454 Mortgage Network Solutions, LLC - To open a mortgage broker's office at 13478 Minnieville Road, Woodbridge, VA
BAN20080455 Gateway Funding Diversified Mortgage Services, L.P. - To relocate mortgage lender broker's office from 817 Eastern Shore Drive, Salisbury, MD to 3260 Tillman Drive, Suite 90, Bensalem, PA
BAN20080456 Gateway Funding Diversified Mortgage Services, L.P. - To relocate mortgage lender broker's office from 5347 Lila Lane, Virginia Beach, VA to 227 Washington Street, Suite 240, Conshohocken, PA
BAN20080457 Gateway Funding Diversified Mortgage Services, L.P. - To open a mortgage lender and broker's office at 33 Witherspoon Street, Princeton, NJ
BAN20080458 Gateway Funding Diversified Mortgage Services, L.P. - To open a mortgage lender and broker's office at 750 Broad Street, Shrewsbury, NJ
BAN20080459 Gateway Funding Diversified Mortgage Services, L.P. - To open a mortgage lender and broker's office at Marlton Executive Park II, 701 Route 73 S, Suite 420, Marlton, NJ
BAN20080560 Allied Cash Advance Virginia LLC d/b/a Allied Cash Advance - To conduct payday lending business where an open end credit business will be conducted
BAN20080461 GMAC Mortgage, LLC d/b/a Ditech - To relocate mortgage lender broker's office from 5660 Greenwood Plaza Boulevard, Englewood, CO to 6430 S. Fiddler's Green Circle, Suite 175, Englewood, CO
BAN20080462 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 7507 Reserve Circle, Apt. 202, Windsor Mills, MD to 10902 Huntcliff Drive, Suite 9, Owings Mills, MD
BAN20080463 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 16112 Amethyst Lane, Bowie, MD to 9953 Good Luck Road, Suite 202, Lanham, MD
BAN20080464 America's Mortgage Broker, L.L.C. d/b/a Affordable Home Funding - To relocate mortgage lender broker's office from 4 Executive Park Drive, Suite 1207, Atlanta, GA to 550 Pharr Road, N.E., Suite 350, Atlanta, GA
BAN20080465 Fieldstone Mortgage Company - To relocate mortgage lender broker's office from 11000 Broken Land Parkway, Suite 600, Columbia, MD to 11000 Broken Land Parkway, Suite 900, Columbia, MD
BAN20080466 American Nationwide Mortgage Company, Inc. - To open a mortgage lender and broker's office at 6004 Woodbine Road, Suite B, Woodbine, MD
BAN20080467 Vinayak Ventures, Inc. d/b/a Friend's Mart - To open a check casher at 6303 Horsepen Road, Richmond, VA
BAN20080468 Justin Enterprises, Inc. d/b/a Cash To Payday - To open a payday lender's office at 315 Shawnee Avenue, Suite E, Big Stone Gap, VA
BAN20080469 Pineapple Lending Corp. - To relocate mortgage broker's office from 1801 Reston Parkway, Suite 203, Reston, VA to 21351 Gentry Drive, Suite 270, Sterling, VA
BAN20080470 East West Financial Services Inc. - -To relocate mortgage broker's office from 1497 Chain Bridge Road, Suite 304, Mclean, VA to 8280 Greensboro Drive, Suite 130, Mclean, VA
BAN20080471 Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers - To open a payday lender's office at 130 Old Fair Grounds Way, Kilmarnock, VA
BAN20080472 One Mortgage Network, LLC - To open a mortgage lender and broker's office at 20255 Victor Parkway, Suite 300, Livonia, MI
BAN20080473 Apex Lending, Inc. - To open a mortgage lender and broker's office at 575 Lynnhaven Parkway, Suite 102, Virginia Beach, VA
BAN20080474 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 340 Main Street, Suite 200, Gaithersburg, MD
BAN20080475 Suncountry Lending, Inc. - To relocate mortgage broker's office from 15835 Crabbs Branch Way, 5A, Deerwood, MD to 9160 Belvedere Drive, Frederick, MD
BAN20080476 Everett Financial, Inc. d/b/a Supreme Lending - To open a mortgage lender and broker's office at 703 Thimble Shoals Boulevard, Suite C-6, Newport News, VA
BAN20080477 National Foundation for Debt Management, Inc. d/b/a Alternative Credit Solutions - To open an additional credit counseling office at 14104 58th Street, North, Clearwater, FL

BAN20080478 Cunningham & Company d/b/a CFL Mortgage (529 College Rd address only) - To open a mortgage lender and broker's office at 4130 Oleander Drive, Suite 103, Wilmington, NC

BAN20080479 Cunningham & Company d/b/a CFL Mortgage (529 College Rd address only) - To open a mortgage lender and broker's office at 1022 Grandiflora Drive, Suite 110, Leland, NC

BAN20080480 EQ Lending Corp. (Used in VA by: Equity Lending Corp.) - To relocate mortgage broker's office from 1520 Nutmeg Place, Suite 260, Costa Mesa, CA to 1733 Monrovia Avenue, Suite V, Costa Mesa, CA

BAN20080481 American General Financial Services of America, Inc. - To relocate consumer finance office from 2 S. Main Street, Chatham, VA to 105 Clarion Road, Suite K, Altavista, VA

BAN20080482 American General Financial Services, Inc. - To relocate mortgage lender broker's office from 2 S Main Street, Chatham, VA to 105 Clarion Road, Suite K, Altavista, VA

BAN20080483 Cornerstone Mortgage Group LLC - To relocate mortgage broker's office from 410A Lightfoot Road, Williamsburg, VA to 4313 New Town Avenue, Williamsburg, VA

BAN20080484 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 630 Wyndhurst Drive, Suite D, Lynchburg, VA

BAN20080485 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 110 E. 22nd Street, Unit 717, Norfolk, VA

BAN20080486 Antonieta Velasquez d/b/a El Manantial - To open a check casher at 16237 Leigh Street, Nelsonia, VA

BAN20080487 Integrated Mortgage Strategies Ltd - To relocate mortgage lender broker's office from 1414 Raleigh Road, Suite 415, Chapel Hill, NC to 6011 Farrington Road, Suite 101, Chapel Hill, NC

BAN20080488 PHH Mortgage Corporation d/b/a Instamortgage.com - To open a mortgage lender and broker's office at 100 Parkway Boulevard, Stafford, VA

BAN20080489 Adchemy, Inc. d/b/a RateMarketplace - To relocate mortgage broker's office from 203 Redwood Shores Parkway, Redwood City, CA to 101 Redwood Shores Parkway, Suite 300, Redwood City, CA

BAN20080490 Abba Mortgage Company, LLC - To relocate mortgage broker's office from 205 South Whiting Street, Suite 305, Alexandria, VA to 205 South Whiting Street, Suite 205, Alexandria, VA

BAN20080491 First American Mortgage Brokers, LLC - To relocate mortgage broker's office from 10059 Esteppe Drive, Manassas, VA to 7408 Kallenburg Court, Manassas, VA

BAN20080492 First Home Mortgage Corporation - To open a mortgage lender and broker's office at 50 Post Office Road, Suite 103, Waldorf, MD

BAN20080493 Ameritime Mortgage Company LLC - To relocate mortgage broker's office from 7361 Whitepine Road, Richmond, VA to 7405 Whitepine Road, Richmond, VA

BAN20080494 Mid Atlantic Mortgage Specialists LLC (Used in VA by: Mid Atlantic Capital LLC) - To open a mortgage lender and broker's office at 660 Linton Boulevard, Suite 204, Delray Beach, FL

BAN20080495 New American Mortgage LLC d/b/a Dominion Trust Mortgage - To open a mortgage lender and broker's office at 600 Lynnhaven Parkway, Suite 204, Virginia Beach, VA

BAN20080496 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 7312 Fairbrook Road, Apt. 1D, Baltimore, MD to 202 River Way, Suite 201, Owings Mills, MD

BAN20080497 Calibre Funding Corporation d/b/a 40yearmortgages.com - To relocate mortgage broker's office from 10387 Main Street, Suite 200, Fairfax, VA to 4104 Oxford Lane Suite 303, Fairfax, VA

BAN20080498 Jason Services, Inc. - To open a check casher at 334 B West Lee Highway, Warrenton, VA

BAN20080499 Continental Express Corporation - For a money order license

BAN20080500 Precision Funding Group LLC - To open a mortgage lender and broker's office at 1300 Mercantile Lane, Suite 146, Largo, MD

BAN20080501 First Meridian Mortgage Corporation - To relocate mortgage broker's office from 7700 Little River Turnpike, Suite 205, Annandale, VA to 8305 Richmond Highway, Suite 12A, Alexandria, VA

BAN20080502 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 2655 Osborne Road, Chester, VA

BAN20080503 Priority Financial Services, LLC - To open a mortgage broker's office at 11821 Taneytown Pike, Taneytown, MD

BAN20080504 Martinsville Du Pont Employees Credit Union, Incorporated - To open a credit union service office at 951 Fairystone Park Highway, Stanleytown, VA

BAN20080505 1st Choice Mortgage/Equity Corporation of Lexington - To open a mortgage lender and broker's office at 1345 Garner Lane, Suite 207, Columbia, SC

BAN20080506 US Equity Mortgage, LLC - To relocate mortgage lender broker's office from 9400 Williamsburg Plaza, Suite 210, Louisville, KY to 1554 Ormsby Station Court, Louisville, KY

BAN20080507 Apex Lending, Inc. - To open a mortgage lender and broker's office at 5005 Harvest Ridge, Roanoke, VA

BAN20080508 First Houston Mortgage, LP (Used in VA by: First Houston Mortgage, Ltd.) - To open a mortgage lender's office at 6931 Arlington Road, Suite 501, Bethesda, MD

BAN20080509 First Houston Mortgage, LP (Used in VA by: First Houston Mortgage, Ltd.) - To open a mortgage lender's office at 14100 Sullyfield Circle, Suite 500, Chantilly, VA

BAN20080510 Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 2500 Park Central Boulevard, Suite B2, Decatur, GA

BAN20080511 Freedom Mortgage Corporation - To relocate mortgage lender broker's office from 825 Diligence Drive, Suite 935, Newport News, VA to 729 6B Thimble Shoals Boulevard, Newport News, VA

BAN20080512 Clifton Funding Services, Inc. - For a mortgage broker's license

BAN20080513 C L Team LLC - For a mortgage broker's license

BAN20080514 Cherwin Mortgage, Inc. - For a mortgage broker's license

BAN20080515 Equity Loans LLC - For a mortgage lender and broker license

BAN20080516 Ambassador Mortgage, Inc. d/b/a Action Mortgage - To relocate mortgage broker's office from 204 S. Loudoun Street, Winchester, VA to 12 West Gerrard Street, Winchester, VA

BAN20080517 SDS Financial Consultants, LLC - For a mortgage broker's license

BAN20080518 All Resource Capital Holdings, Incorporated - For a mortgage broker's license

BAN20080519 American Cash Exchange Enterprise of Virginia, L.L.C. d/b/a 1st Choice Cash Advance - To relocate payday lender's office from 87 Conston Avenue, N.W., Christiansburg, VA to 438 Peppers Ferry Road, N. W., Christiansburg, VA

BAN20080520 Lewis Hunt Enterprises, Inc. d/b/a Interactive Financial Corporation - To open a mortgage lender and broker's office at 780 Lynnhaven Parkway, Suite 220, Virginia Beach, VA

BAN20080521 Weststar Mortgage, Inc. - To open a mortgage lender and broker's office at 4207-D Germanna Highway, Locust Grove, VA
BAN20080522 New American Mortgage LLC d/b/a Dominion Trust Mortgage - To open a mortgage lender and broker's office at 600 Lynnhaven Parkway, Virginia Beach, VA
BAN20080523 Nichole, Inc. d/b/a Bobby's Market - To open a check casher at 22477 Benham's Road, Bristol, VA
BAN20080524 Second Bank & Trust - To merge into it First National Bank and Planters Bank & Trust Company of Virginia
BAN20080525 Bayview Loan Servicing, LLC - For a mortgage lender's license
BAN20080526 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 128 Brent Road, Arnold , MD to 4632 E. Joppa Road, Perry Hall, MD
BAN20080527 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 1723 Light Street, Baltimore, MD
BAN20080528 Dominion Residential Mortgage, LLC - To relocate mortgage broker's office from 6047 Tyvola Glen Circle, Charlotte, NC to 18137 West Catawba Avenue, Cornelius, NC
BAN20080529 First Residential Mortgage Corporation - To relocate mortgage broker's office from 202 East Main Street, Marion, VA to 652 North Main Street, Marion, VA
BAN20080530 Trust Mortgage Capital, Inc. - To relocate mortgage broker's office from 1761 W. Hillsboro Boulevard, Suite 104, Deerfield Beach, FL to 500 Fairway Drive, Suite 109, Deerfield Beach, FL
BAN20080531 Virginia Commonwealth Bank - To commence banking business at 1965 Wakefield Street, Petersburg, VA with the conversion of First Federal Savings Bank of Virginia, a federal savings institution, into a state chartered bank
BAN20080532 Atlantic Home Capital, Corp. - For a mortgage broker's license
BAN20080533 Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 109 Bulifants Boulevard, Williamsburg, VA
BAN20080534 Residential Home Loan Centers, LLC - To open a mortgage broker's office at 7945 Umberto Court, Naples, FL
BAN20080535 Residential Home Loan Centers, LLC - To open a mortgage broker's office at 522 Streaker Road, Sykesville, MD
BAN20080536 Hersh Financial Group, LLC - To relocate mortgage broker's office from 215 Piedmont Avenue, N.E., Suite 2205, Atlanta, GA to 659 Auburn Avenue, Suite 235, Atlanta, GA
BAN20080537 Gold Star Home Mortgage, LLC - To open a mortgage broker's office at 904 Rain Forest Parkway, Columbia, MO
BAN20080538 KESA Mortgage Group LLC - To relocate mortgage broker's office from 150 S. Washington Street, Suite 200, Falls Church, VA to 100 N. Washington Street, Suite 313, Falls Church, VA
BAN20080539 Irene Mayzel - To acquire 25 percent or more of Irige Inc.
BAN20080540 Gateway Mortgage Group, LLC - To open a mortgage lender and broker's office at 8308 S. Shields Boulevard, Building E, Oklahoma City, OK
BAN20080541 Gateway Mortgage Group, LLC - To open a mortgage lender and broker's office at 120 W. Broadway Street, Peculiar, MO
BAN20080542 Mid Atlantic Mortgage Specialists LLC (Used in VA by: Mid Atlantic Capital LLC) - To open a mortgage lender and broker's office at 373 E. Route 46, West, Fairfield, NJ
BAN20080543 Mid Atlantic Mortgage Specialists LLC (Used in VA by:d Mid Atlantic Capital LLC) - To open a mortgage lender and broker's office at 541 Benigno Boulevard, Suite A, Bellmawr, NJ
BAN20080544 Precision Funding Group LLC - To open a mortgage lender and broker's office at 704 Hector Street, Conshocken, PA
BAN20080545 HomeTown Bank - To relocate office from 4227 Colonial Avenue, Suite 1A, Roanoke County, VA to 4225 Colonial Avenue, Roanoke County, VA
BAN20080546 Bear Stearns Residential Mortgage Corporation d/b/a Encore Credit - To relocate mortgage lender broker's office from 800 State Highway 121, Bypass, MS#292-340, Lewisville, TX to 2780 Lake Vista Drive, Lewisville, TX
BAN20080547 Advanced Home Loans Corp. - To open a mortgage broker's office at 902 North Main Street, Suite 19, Suffolk, VA
BAN20080548 Virginia One Mortgage Corporation - To relocate mortgage broker's office from 746 Walker Road, Suite 14, Great Falls, VA to 19375 Wrenbury Lane, Leesburg, VA
BAN20080549 Virginia BanCorp, Inc. - To acquire Virginia Commonwealth Bank
BAN20080550 Hampton Roads Bankshares, Inc. - To acquire Shore Financial Corporation
BAN20080551 Waterfall Asset Management Group LLC - To acquire 25 percent or more of GMFS, LLC
BAN20080552 Provident Funding Group, Inc. - To open a mortgage lender's office at 5700 W. Plano Parkway, Suite 2500, Plano, TX
BAN20080553 Apex Lending, Inc. - To open a mortgage lender and broker's office at 3514 Landis Avenue, Suite 1, Sea Isle City, NJ
BAN20080554 Viking Mortgage Company, LLC - To relocate mortgage broker's office from One Salem Green, Salem, MA to 900 Cummings Center, Suite 308-V, Beverly, MA
BAN20080555 Sher Financial Group, Inc. d/b/a Citizens Lending Group, Inc. - To open a mortgage lender and broker's office at 8521 Leesburg Pike, Suite 455, Vienna, VA
BAN20080556 Dominion Eagle Financial Group, Inc. d/b/a Peoples Choice Mortgage, VA - To open a mortgage lender and broker's office at 3603 Brambleton Avenue, Suite C, Roanoke, VA
BAN20080557 AA Mortgage Group, LLC - To relocate mortgage broker's office from 7313 Grove Road, Unit D, Frederick, MD to 92 Thomas Johnson Drive, Suite 100, Frederick, MD
BAN20080558 NorthPoint Financial, Inc. d/b/a NorthPoint Mortgage - To open a mortgage lender and broker's office at 10800 Main Street, Suite 150, Fairfax, VA
BAN20080559 Edgar Ornelas - To acquire 25 percent or more of Valley Tree Mortgage L.L.C.
BAN20080560 Angela H. Apgar - To acquire 25 percent or more of Valley Tree Mortgage L.L.C.
BAN20080561 Valley Tree Mortgage L.L.C. - To relocate mortgage broker's office from 111 Morning Dove Lane, Blue Ridge, VA to 9 Wildwood Road, Salem, VA
BAN20080562 Eastern Mortgage Inc. - For a mortgage broker's license
BAN20080563 Crystal Funding, LLC - For a mortgage broker's license
BAN20080564 Old Point Mortgage, LLC - For a mortgage lender and broker license
BAN20080565 HomeOne Mortgage, LLC - For a mortgage broker's license
BAN20080566 Weber Financial Services, Inc. - For a mortgage broker's license
BAN20080567 GMAC Mortgage, LLC d/b/a Ditech - To open a mortgage lender and broker's office at 318 North Main Street, Blacksburg, VA
BAN20080568 Premier Mortgage Capital, Inc. - To open a mortgage lender and broker's office at 3906 Oaklawn Boulevard, Hopewell, VA
BAN20080569 United Pacific Realty and Investment, Inc. d/b/a United Pacific Mortgage - To relocate mortgage lender broker's office from 2 South Pointe Drive, Suite 100, Lake Forest, CA to 30211 Avenida De Las Banderas, Suite 200, Rancho Santa Margarita, CA
BAN20080570 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To relocate mortgage broker's office from 140 South Main Street, Woodstock, VA to 137 West Court Street, Woodstock, VA

BAN20080571 Affinity Mortgage LLC d/b/a Catholic Home Loan - To relocate mortgage lender broker's office from 1401 South Lamar Street, Dallas, TX to 1700 Pacific Avenue, Suite 1260, Dallas, TX
BAN20080572 Beneficial Virginia Inc. - To conduct consumer finance business where bank credit card solicitation will be conducted by or for HSBC Bank, Nevada, NA
BAN20080573 Hanover Funding, LLC - To relocate mortgage broker's office from 39 Route 46, East, Unit 802, Pine Brook, NJ to 271 Route 46, West, Unit H204/H205, Fairfield, NJ
BAN20080574 Paramount Equity Mortgage, Inc. - For a mortgage lender and broker license
BAN20080575 Liberty United Mortgage, LLC - To relocate mortgage broker's office from 2405 East Franklin Street, Richmond, VA to 304 York Street, Suite E, Gettysburg, PA
BAN20080576 ABC Home Mortgage, Inc. - To relocate mortgage broker's office from 10043 Midlothian Turnpike, Richmond, VA to 1941 Corner Rock Road, Midlothian, VA
BAN20080577 MortgageStar, Inc. - To open a mortgage lender and broker's office at 3061 Brickhouse Court, Suite 101, Virginia Beach, VA
BAN20080578 Allegro Funding Corp. - To relocate mortgage broker's office from 7035 Phillips Highway, Suite 5-136, Jacksonville, FL to 7700 Square Lake Boulevard, Jacksonville, FL
BAN20080579 The Home Mortgage Depot Inc. - To relocate a mortgage broker's office from 5918 Harbor Park Drive, Midlothian, VA to 7633 Hull Street Road, Suite 200, Richmond, VA
BAN20080580 First Potomac Mortgage Corporation - To open a mortgage broker's office at 9116 Center Street, Manassas, VA
BAN20080581 TMC Loans, Incorporated - To relocate mortgage broker's office from 6 Montgomery Village Avenue, Gaithersburg, MD to 7118 Intrepid Lane, Gaithersburg, MD
BAN20080582 Diana Patricia Paternina - To acquire 25 percent or more of Marcacri Investment Inc.
BAN20080583 Downs Financial, Inc. - To relocate mortgage broker's office from 44 Cook Street, Suite 310, Denver, CO to 650 South Cherry Street, Suite 630, Denver, CO
BAN20080584 Home Equity Direct, L.L.C. - To relocate mortgage broker's office from 9649 Kingscroft Drive, Glen Allen, VA to 3961-F Stillman Parkway, Glen Allen, VA
BAN20080585 America's Choice Mortgage Services, Inc. - To relocate mortgage broker's office from 4574 A Sunset Boulevard, Lexington, SC to 226 Leventis Lane, Lexington, SC
BAN20080586 Apex Lending, Inc. - To open a mortgage lender and broker's office at 1336 South Main Street, Miltown, NJ
BAN20080587 Apex Lending, Inc. - To open a mortgage lender and broker's office at 2600 Long Creek Drive, Virginia Beach, VA
BAN20080588 Dominion Eagle Financial Group, Inc. d/b/a Peoples Choice Mortgage, VA - To open a mortgage lender and broker's office at 3959 Electric Road, Suite 455, Roanoke, VA
BAN20080589 CYNA Corporation d/b/a YC Latino Market - To open a check casher at 4105 Duke Street, Alexandria, VA
BAN20080590 Direct Mortgage Services LLC - For a mortgage broker's license
BAN20080591 MegaStar Financial Corp. - For additional mortgage authority
BAN20080592 NPF Holding, LLC - To acquire 25 percent or more of Stenton Mortgage, Inc.
BAN20080593 Franklin American Mortgage Company - To open a mortgage lender and broker's office at 13850 Ballantyne Corporate Place, Suite 500, Charlotte, NC
BAN20080594 MegaStar Financial Corp. - To open a mortgage lender's office at 6800 S. Holly Circle, Englewood, CO
BAN20080595 MegaStar Financial Corp. - To open a mortgage lender's office at 6150 Leetsdale Drive, Denver, CO
BAN20080596 Carteret Mortgage Corporation - To open a mortgage lender and broker's office at 1526 Spruce Street, Suite 207, Boulder, CO
BAN20080597 OneStop Shopping Financial, Inc. - To open a mortgage broker's office at 533 Lantz Road, Edinburg, VA
BAN20080598 Access Home Mortgages LLC - To open a mortgage broker's office at 6406 Woodbourne Lane, Crozet, VA
BAN20080599 LoanInsights, Inc. - For a mortgage broker's license
BAN20080600 F & L Marketing Enterprises LLC d/b/a Cash-2-U Payday Loans - To open a check casher at 3131 Mechanicsville Pike, Richmond, VA
BAN20080601 1st Elite Mortgage, Corp. - For a mortgage broker's license
BAN20080602 Brian A. Cole & Associates, Ltd., LLC (Used in VA by: Brian A. Cole & Associates, Ltd.) d/b/a First Nations Mortgage of Ohio - To relocate mortgage broker's office from 6100 Rockside Woods Boulevard, Independence, OH to 13001 Athens Avenue, Suite 250, Lakewood, OH
BAN20080603 Network Funding, L.P. - To open a mortgage lender and broker's office at 855 Ridge Lake Boulevard, Suite 300, Memphis, TN
BAN20080604 HomeTown Bank - To open a branch at 1540 Roanoke Street, Christiansburg, VA
BAN20080605 First Bankshares, Inc. - To acquire SuffolkFirst Bank
BAN20080606 Mortgage Lenders of America and Company, Inc. A Florida based Corporation (Used in VA by: Mortgage Lenders of America and Company, Inc.) - For a mortgage broker's license
BAN20080607 Flagship Financial Group, LLC - To open a mortgage broker's office at 460 S. Fitness Place, Eagle, ID
BAN20080608 Allpointe, LLC - To relocate mortgage broker's office from 375 Southpointe Boulevard, Suite 100, Canonsburg, PA to 100 Beecham Drive, Suite 110, Pittsburgh, PA
BAN20080609 Streamline Mortgage LLC - To relocate mortgage broker's office from 20202 Aztec Court, Ashburn, VA to 171 Elden Street, Unit 110, Herndon, VA
BAN20080610 Consumer Education Services, Inc. - To open an additional credit counseling office at 808 Oakcrest Drive, Fayetteville, NC
BAN20080611 Consumer Education Services, Inc. - To open an additional credit counseling office at 6112 Amber Bluff, Raleigh, NC
BAN20080612 Consumer Education Services, Inc. - To open an additional credit counseling office at 659 Chapel Hill Road, Spring Lake, NC
BAN20080613 Consumer Education Services, Inc. - To open an additional credit counseling office at 111 Tonsler Drive, Raleigh, NC
BAN20080614 American Nationwide Mortgage Company, Inc. - To open a mortgage lender and broker's office at 987 Amber Ridge Road, Charlottesville, VA
BAN20080615 Tripoint Mortgage Group, Inc. - To open a mortgage broker's office at 3522 Chipada Court, Chesapeake, VA
BAN20080616 Virginia Mortgage Bankers, LLC - To open a mortgage broker's office at 305 South Washington Highway, Suite G, Ashland, VA
BAN20080617 Georgetown Mortgage Corporation - To open a mortgage broker's office at 7313 Gordons Road, Falls Church, VA
BAN20080618 Gordon Lending Corporation - To open a mortgage lender and broker's office at 11919 Sunray Avenue, Suite A, Baton Rouge, LA
BAN20080619 Streamline Holding, LLC d/b/a Streamline Mortgage & Financial of VA - To relocate mortgage broker's office from 1660 International Drive, Suite 400, McLean, VA to 155 Willowbrook Boulevard, Suite 350, Wayne, NJ
BAN20080620 Qwik Food Mart, Inc. - To open a check casher at 501 Southpark Boulevard, Colonial Heights, VA
BAN20080621 Community Mortgage, LLC - To open a mortgage broker's office at 111-C South Main Street, Gordonsville, VA

BAN20080622 CBT Capital Group LLC - For a mortgage broker's license
BAN20080623 Capital Financial Inc. - To relocate mortgage lender broker's office from 6907 Sprouse Court, Springfield, VA to 10304 Shesue Street, Great Falls, VA
BAN20080624 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 61 Arrow Road, Suite A, Hilton Head, SC
BAN20080625 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 1705 N. Main Street, Suite A, Suffolk, VA
BAN20080626 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 1155 Glen Wilkie Trail, Ball Ground, GA
BAN20080627 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 232 Causeway Drive, Suite 1-1, Wrightsville Beach, NC
BAN20080628 SanAnn's Mortgage Solutions Inc. - To open a mortgage broker's office at 969 Banks Lane, Newport News, VA
BAN20080629 Village Bank - To open a branch at 15521 Midlothian Turnpike, Midlothian, VA
BAN20080630 Epix Funding Group, Inc. - To open a mortgage broker's office at 9409 Battle Street, Manassas, VA
BAN20080631 Epix Funding Group, Inc. - To open a mortgage broker's office at 501 East Franklin Street, Richmond, VA
BAN20080632 First Homestead Funding Corporation - To relocate mortgage broker's office from 11900 Parklawn Drive, Suite 200, Rockville, MD to 18700 Falling River Drive, Gaithersburg, MD
BAN20080633 Equity United Mortgage Corporation - To relocate mortgage broker's office from 8260 Greensboro Drive, Suite 130, McLean, VA to 8818 Centre Park Drive, Columbia, MD
BAN20080634 Regents Financial, LLC - For a mortgage broker's license
BAN20080635 Weststar Mortgage, Inc. - To open a mortgage lender and broker's office at 2604 N. Parham Road, Richmond, VA
BAN20080636 Ascent Home Loans, Inc. - To relocate mortgage lender broker's office from 10310 Memory Lane, Suite 1A, Chesterfield, VA to 9424 Park Branch Court, Chesterfield, VA
BAN20080637 First Financial Services, Inc. - To relocate mortgage broker's office from 130 Scruggs Road, Suite 203, Moneta, VA to 13860 Booker T. Washington Highway, Suite 101, Moneta, VA
BAN20080638 Multi-Fund of Columbus, Inc. - To relocate mortgage broker's office from 21 West Main Street, Wakeman, OH to 8251 Mayfield Road, Suite 208, Chesterland, OH
BAN20080639 Bank of the James - To open a branch at 1405 Ole Dominion Boulevard, Bedford, VA
BAN20080640 Citizens Financial Mortgage, Inc. - To relocate mortgage broker's office from 5926 Baron Kent Lane, Centreville, VA to 13653 Leland Road, Centreville, VA
BAN20080641 Nationside Mortgage Inc. - To relocate mortgage broker's office from 930 Farm Haven Drive, Rockville, MD to 4702 Highland Avenue, Bethesda, MD
BAN20080642 Liberty Loans, LLC - For a mortgage broker's license
BAN20080643 Government Food Store Inc. d/b/a Hamidi Market - To open a check casher at 5011 Government Road, Richmond, VA
BAN20080644 Sierra Pacific Mortgage Company, Inc. - For a mortgage lender and broker license
BAN20080645 Fulton Bank - To relocate office from 8730 Stony Point Parkway, Suite 100, Richmond, VA to 9030 Stony Point Parkway, Richmond, VA
BAN20080646 Allied Mortgage Unlimited, Inc. - To relocate mortgage broker's office from 3655-A Old Court Road, Suite 5, Baltimore, MD to 1700 Reisterstown Road, Suite 214, Baltimore, MD
BAN20080647 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 4336 Virginia Beach Boulevard, Suite 102, Virginia Beach, VA
BAN20080648 Multi-Fund of Columbus, Inc. - To relocate mortgage broker's office from 3050 Delta Marine Drive, 2nd Floor, Reynoldsburg, OH to 114 South High Street, Dublin, OH
BAN20080649 Atlantic Bay Mortgage Group, L.L.C. - To relocate mortgage lender broker's office from 180 W. Main Street, Wytheville, VA to 825 Holston Road, Wytheville, VA
BAN20080650 Atlantic Bay Mortgage Group, L.L.C. - To relocate mortgage lender broker's office from 3473 Brandon Avenue, S.W., Roanoke, VA to 2235 Colonial Avenue S.W., Roanoke, VA
BAN20080651 Mid Atlantic Mortgage Specialists LLC (Used in VA by: Mid Atlantic Capital LLC) - To relocate mortgage lender broker's office from 1 Eves Drive, Suite 169, Marlton, NJ to 1 Eves Drive, Suites 123 and 125, Marlton, NJ
BAN20080652 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 3413-C Concord Road, York, PA
BAN20080653 Approved Cash Advance Centers (Virginia), LLC d/b/a Approved Cash Advance - To conduct payday lending business where an open end credit business will be conducted
BAN20080654 Golden First Mortgage Corp. - For a mortgage lender and broker license
BAN20080655 United Central Bank - To open a branch at 7140 Little River Turnpike, Fairfax County, VA
BAN20080656 Citizens Trust Mortgage Corporation - For additional mortgage authority
BAN20080657 Juan C. Jimenez - To acquire 25 percent or more of Jacob Dean Mortgage, Inc.
BAN20080658 Thomas H. Lee Partners, L.P. - To acquire 25 percent or more of MoneyGram Payment Systems, Inc.
BAN20080659 Meridian Mortgage LLC - To relocate mortgage broker's office from 46175 Westlake Drive, Suite 450, Potomac Falls, VA to 46175 Westlake Drive, Suite 419, Potomac Falls, VA
BAN20080660 AAA Business Solutions Inc. d/b/a Campbell Ave Super Stop - To open a check casher at 3145 Campbell Avenue, Lynchburg, VA
BAN20080661 Atomic Auto Title Loans, Inc. d/b/a Atomic Auto Title Loans - To open a check casher at 4465 Shore Drive, Virginia Beach, VA
BAN20080662 Carteret Mortgage Corporation - To open a mortgage lender and broker's office at 7526 Big Bend Boulevard, Suite 202, St. Louis, MO
BAN20080663 Carteret Mortgage Corporation - To open a mortgage lender and broker's office at 59 West Main Street, Suite 200, Westminster, MD
BAN20080664 MLD Mortgage Inc. d/b/a The Money Store - To open a mortgage lender and broker's office at 11901 Blue February Way, Columbia, MD
BAN20080665 MLD Mortgage Inc. d/b/a The Money Store - To open a mortgage lender and broker's office at 1804 Parkwood Avenue, Richmond, VA
BAN20080666 MLD Mortgage Inc. d/b/a The Money Store - To open a mortgage lender and broker's office at 2730 Victoria Avenue, Norfolk, VA
BAN20080667 MLD Mortgage Inc. d/b/a The Money Store - To open a mortgage lender and broker's office at 5347 Lila Lane, Suite 109, Virginia Beach, VA
BAN20080668 MLD Mortgage Inc. d/b/a The Money Store - To open a mortgage lender and broker's office at 5238 Westhaven Crescent, Virginia Beach, VA

BAN20080669 MLD Mortgage Inc. d/b/a The Money Store - To open a mortgage lender and broker's office at 19357 Dunbridge Way, Montgomery Village, MD
BAN20080670 Gateway Mortgage Group, LLC - To open a mortgage lender and broker's office at 8112 Westbury Drive, Richmond, VA
BAN20080671 Gateway Mortgage Group, LLC - To open a mortgage lender and broker's office at 3032 Quail Walk Drive, Glen Allen, VA
BAN20080672 Mortgage and Equity Funding Corporation - To relocate mortgage lender broker's office from 6931 Arlington Road, Suite 501, Bethesda, MD to 3370 Urbana Pike, Ijamsville, MD
BAN20080673 J. Michael Lynch - To relocate mortgage broker's office from 7700 Leesburg Pike, Suite 106, Falls Church, VA to 7313 Gordons Road, Falls Church, VA
BAN20080674 SAK Mortgage Inc. - To relocate mortgage broker's office from 1549 Old Bridge Road, Suite 201, Woodbridge, VA to 13406 Occoquan Road, Woodbridge, VA
BAN20080675 Preferred Mortgage Services Inc. - To relocate mortgage broker's office from 5350 Shawnee Road, Suite 250, Alexandria, VA to 5400 Shawnee Road, Suite 304, Alexandria, VA
BAN20080676 Lifetime Financial Services, LLC - To relocate mortgage broker's office from 2870 Spring Chapel Court, Herndon, VA to 8230 Boone Boulevard, Suite 347, Vienna, VA
BAN20080677 Trident Equities, Inc. - To relocate mortgage broker's office from 3321 Forest Drive, Suite 1, Columbia, SC to 1201 Main Street, Suite 1980, Columbia, SC
BAN20080678 Towne Bank - To relocate office from 2101 Parks Avenue, Suite 100, Virginia Beach, VA to 600 22nd Street, Suite 100, Virginia Beach, VA
BAN20080679 Access Home Mortgages LLC - To open a mortgage broker's office at 18478 Forest Road, Suite 3, Forest, VA
BAN20080680 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 2328 Aqua Hill Road, Fallbrook, CA
BAN20080681 Chesapeake Unlimited, Inc. - To relocate mortgage broker's office from 209 Thomas Street, Bel Air, MD to 2014 Tollgate Road, Suite 205, Bel Air, MD
BAN20080682 Nations Funding Source, Inc. - To relocate mortgage broker's office from 2200 W. Commercial Boulevard, Suite 103, Ft. Lauderdale, FL to 280 West Prospect Road, Ft. Lauderdale, FL
BAN20080683 Noble Home Mortgage, L.L.C. - To relocate mortgage broker's office from 105 N. Washington Street, Suite 201, Alexandria, VA to 2001 Quiet Creek Court, Woodbridge, VA
BAN20080684 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 19 Sundown Court, Baltimore, MD
BAN20080685 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 4509 Runnymeade Road, Owings Mills, MD
BAN20080686 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 4416 Lavendar Lane, Bowie, MD
BAN20080687 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 632 Fortune Court, Glen Burnie, MD
BAN20080688 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 2903 Harview Avenue, Baltimore, MD
BAN20080689 GMFS, LLC d/b/a Neighborhood Lenders - To relocate mortgage lender's office from 1201 Roberts Boulevard, N.W., Suite 219, Kennesaw, GA to 400 Interstate North Parkway, Suite 330, Atlanta, GA
BAN20080690 Granite City Mortgage, Incorporated - To relocate mortgage broker's office from 136 W. Lebanon Street, Mount Airy, NC to 304 E. Independence Boulevard, Suite 101, Mount Airy, NC
BAN20080691 Stephen Bennett - To acquire 25 percent or more of Premier Mortgage Capital, Inc.
BAN20080692 The Far Eastern Mortgage Company, LLC - For a mortgage broker's license
BAN20080693 Telegiros Sudameris's Inc. - For a money order license
BAN20080694 Allied Home Mortgage Capital Corporation - To relocate mortgage lender broker's office from 1414 N. Craine Highway, Suite 3B, Glen Burnie, MD to 1185 Mt. Aetna Road, Suite 300, Hagerstown, MD
BAN20080695 QC Financial Services, Inc. d/b/a Quick Cash - To open a check casher at 7310 Staples Mill Road, Richmond, VA
BAN20080696 Virginia Elite Mortgage Company - For a mortgage broker's license
BAN20080697 Fortes Financial, Inc. - For a mortgage lender and broker license
BAN20080698 John Lawson Trust Co., LLC - To begin business as a private trust company
BAN20080699 Westlake Funding Group LLC - For a mortgage broker's license
BAN20080700 Fedstar Mortgage Company, LLC - For a mortgage broker's license
BAN20080701 VIP Mortgage Lending Services, Inc. - To relocate mortgage broker's office from 880 North Military Highway, Suite 1064, Norfolk, VA to 2713 Park Crescent, Norfolk, VA
BAN20080702 Carteret Mortgage Corporation - To open a mortgage lender and broker's office at 2211 Dickens Road, Suite 202, Richmond, VA
BAN20080703 Home Consultants, Inc. d/b/a HCI Mortgage - To open a mortgage lender and broker's office at 6731 Townbrook Drive, Suite F, Gwynn Oak, MD
BAN20080704 Home Consultants, Inc. d/b/a HCI Mortgage - To open a mortgage lender and broker's office at 1582 S. Parker Road, Suite 306, Denver, CO
BAN20080705 Home Consultants, Inc. d/b/a HCI Mortgage - To open a mortgage lender and broker's office at 35 Beaverson Boulevard, Brick, NJ
BAN20080706 Home Consultants, Inc. d/b/a HCI Mortgage - To open a mortgage lender and broker's office at 4 E. Jarretsville Road, Suite D, Forest Hill, MD
BAN20080707 Weststar Mortgage, Inc. - To open a mortgage lender and broker's office at 5690 Greenwich Road, Suite 200, Virginia Beach, VA
BAN20080708 Brum & Mannes Corporation d/b/a Brum & Mannes Mortgage Corporation - To relocate mortgage broker's office from 6314 Windsor Mill Road, Suite 200, Gwynn Oak, MD to 3313 Tidewater Court, Suite 202, Olney, MD
BAN20080709 Guild Mortgage Company - To relocate mortgage lender broker's office from 3007 Douglas Boulevard, Suite 175, Roseville, CA to 216 Vista Ridge Court, Roseville, CA
BAN20080710 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 4085 Chain Bridge Road, Suite 401, Fairfax, VA
BAN20080711 J&H OH Inc. d/b/a Express Line - To open a check casher at 1614 Richmond Boulevard, Danville, VA
BAN20080712 Rapid One Mortgage, LLC - For a mortgage broker's license
BAN20080713 Steven Vanderbilt - To acquire 25 percent or more of Castle Point Mortgage, Inc.
BAN20080714 Fairway Independent Mortgage Corporation - To open a mortgage lender and broker's office at 151 Pearl Street, 4th Floor, Boston, MA
BAN20080715 Apex Lending, Inc. - To open a mortgage lender and broker's office at 3536 Brambleton Avenue, Suite 7, Roanoke, VA
BAN20080716 Ameritime Mortgage Company LLC - To open a mortgage broker's office at 839 Quince Orchard Boulevard, Suite E, Gaithersburg, MD
BAN20080717 Stenton Mortgage, Inc. - To relocate mortgage lender broker's office from 350 Sentry Parkway, Building 620, Blue Bell, PA to Metroplex Corporate Center, 4000 Chemical Road, Suite 200, Plymouth Meeting, PA

BAN20080718	Bradford Mortgage Company - To relocate mortgage lender broker's office from 1156 Bowman Road, Suite 200, Mt. Pleasant, SC to 474 Wando Park Boulevard, Suite 105, Mt. Pleasant, SC
BAN20080719	PTF Financial Corp. d/b/a My Mortgage Company - To open a mortgage lender and broker's office at 2551 N. Clark Street, Suite 605, Chicago, IL
BAN20080720	6:10 Services d/b/a Debt-Free America - To relocate credit counseling office from 8355 Aero Drive, Suite 200, San Diego, CA to 8575 Gibbs Drive, Suite 190, San Diego, CA
BAN20080721	SIRVA Mortgage, Inc. - To relocate mortgage lender's office from 6070 Parkland Boulevard, Mayfield Heights, OH to 6200 Oak Tree Boulevard, Suite 300, Independence, OH
BAN20080722	M.C. Mortgage LLC - To relocate mortgage broker's office from 2697 International Parkway, Virginia Beach, VA to 3101 Damascus Trail, Virginia Beach, VA
BAN20080723	U.S. Mortgage Corporation of Virginia (Used in VA by: U.S. Mortgage Corp.) - To open a mortgage lender and broker's office at 512 Lafayette Boulevard, Suite 225, Fredericksburg, VA
BAN20080724	First Home Mortgage Corporation - To open a mortgage lender and broker's office at 7564 Standish Place, Suite 112, Rockville, MD
BAN20080725	CTX Mortgage Company, LLC - To relocate mortgage lender broker's office from 2828 N. Harwood, Dallas, TX to 2728 N. Harwood, Dallas, TX
BAN20080726	Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To relocate mortgage broker's office from 275 Grandview Avenue, Suite 103, Camp Hill, PA to 150 Corporate Center Dr., Suite 102, Camp Hill, PA
BAN20080727	Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 10025 Governor Warfield Parkway, Suite 302, Columbia, MD
BAN20080728	SunTrust Bank - To open a branch at 9933 Sowder Village Square, Prince William County, VA
BAN20080729	Primerica Financial Services Home Mortgages, Inc. - To relocate mortgage broker's office from 5935 Hopkins Road, Suite 204, Richmond, VA to 4830 W. Hundred Road, Chester, VA
BAN20080730	Alexander S. Ramsay, III d/b/a RamsCourt Mortgage - To relocate mortgage broker's office from Hilltop Square, 10466 B Georgetown Dr, Spotsylvania, VA to 904 Princess Anne Street, Fredericksburg, VA
BAN20080731	Americans Lending Group, Inc. - To relocate mortgage broker's office from 11808 Hickory Creek Drive, Fredericksburg, VA to 6732 Bowie Drive, Springfield, VA
BAN20080732	Guaranteed Home Mortgage Company Inc. - To open a mortgage lender and broker's office at One Michael Avenue, Suite 3, Farmingdale, NY
BAN20080733	Pacific Wholesale Mortgage, Inc. - To relocate mortgage broker's office from 600 South Lake Avenue, Suite 310, Pasadena, CA to 70 South Lake Avenue, 10th Floor, Pasadena, CA
BAN20080734	El Amanecer, Latino Market, Inc. - To open a check casher at 8410 Staples Mill Road, Richmond, VA
BAN20080735	Royal United Mortgage LLC - For a mortgage lender and broker license
BAN20080736	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 14410 Mary Bowie Parkway, Upper Marlboro, MD
BAN20080737	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 702 S. Wolfe Street, Apt. 9, Baltimore, MD
BAN20080738	American General Financial Services (NC), Inc. (Used in VA by: American General Financial Services, Inc.) - To relocate mortgage lender's office from 138 New Market, Madison, NC to Mayodan Shopping Center, Suite K131 Commerce Lane, Mayodan, NC
BAN20080739	American General Financial Services, Inc. - To relocate mortgage lender broker's office from 5957 E. Virginia Beach Boulevard, Norfolk, VA to Broadcreek Shopping Center, 1261 N. Military Highway, Unit 1, Norfolk, VA
BAN20080740	American General Financial Services of America, Inc. - To relocate consumer finance office from 5957 E. Virginia Beach Boulevard, Suite 5, Norfolk, VA to Broadcreek Shopping Center, 1261 N. Military Highway, Unit 1, Norfolk, VA
BAN20080741	Onyx Financial Services, Inc. d/b/a Onyx Funding (Branch Office Only) - To open a mortgage broker's office at 10089 Fairfax Boulevard, Fairfax, VA
BAN20080742	Eagle Creek Mortgage, LLC - To open a mortgage broker's office at 7920 Norfolk Avenue, Suite 700, Bethesda, MD
BAN20080743	Freedom Mortgage Corporation - To open a mortgage lender and broker's office at 21 Brendan Court, Holland, PA
BAN20080744	ACE Cash Express, Inc. - To open a payday lender's office at 2981 South Military Highway, Chesapeake, VA
BAN20080745	West End Mortgage, Inc. - To relocate mortgage broker's office from 2800 N. Parham Road, Suite 205, Richmond, VA to 7711 Dervin Drive, Richmond, VA
BAN20080746	Key Financial Corporation - To open a mortgage lender and broker's office at 2696 Reliance Drive, Suite 300, Virginia Beach, VA
BAN20080747	David Etute d/b/a America Continental Home Loan & Investment - To relocate mortgage broker's office from 506 Independence Boulevard, Suite 200, Virginia Beach, VA to 138 S. Rosemont Road, Suite 201 B, Virginia Beach, VA
BAN20080748	Elite Financial Investments, Inc. - To relocate mortgage broker's office from 1211 W 22nd Street, Suite 611, Oakbrook, IL to 2218 West Chicago Avenue, 1F, Chicago, IL
BAN20080749	Lewis Hunt Enterprises, Inc. d/b/a Interactive Financial Corporation - To relocate mortgage lender broker's office from 3105 W. Marshall Street, Richmond, VA to 15 N. Thompson Street, Richmond, VA
BAN20080750	Wells Fargo Financial Virginia, Inc. - To conduct consumer finance business where mortgage lending will also be conducted
BAN20080751	Wells Fargo Financial Virginia Inc. - To conduct consumer finance business where auto club membership business will also be conducted
BAN20080752	Wells Fargo Financial Virginia Inc. - To conduct consumer finance business where noncredit-related disability income insurance business will also be conducted
BAN20080753	Wells Fargo Financial Virginia Inc. - To conduct consumer finance business where settlement agent business will also be conducted
BAN20080754	Wells Fargo Financial Virginia Inc. - To conduct consumer finance business where the sale of extended service contracts will also be conducted
BAN20080755	Wells Fargo Financial Virginia, Inc. - To conduct consumer finance business where home security plans will be sold
BAN20080756	Wells Fargo Financial Virginia, Inc. - To conduct consumer finance business where term life insurance business will also be conducted
BAN20080757	Wells Fargo Financial Virginia, Inc. - To conduct consumer finance business where open-end lending will also be conducted
BAN20080758	Qaran Express US Inc. - For a money order license
BAN20080759	Mid Atlantic Mortgage Specialists LLC (Used in VA by: Mid Atlantic Capital LLC) - To open a mortgage lender and broker's office at 13817 Village Mill Drive, Suites M and N, Midlothian, VA
BAN20080760	Guidance Mortgage, Inc. (Used in VA by: Synergy Mortgage, Inc.) - To relocate mortgage broker's office from 807-I Rockville Pike, Rockville, MD to 5028 Wisconsin Avenue, Suite 300, Washington, DC
BAN20080761	UL Cash, Inc. - To open a check casher at 418 Trade Street, Suite C, Danville, VA

BAN20080762 Madison Equity Corporation - For a mortgage broker's license
BAN20080763 Mortgage-Partners Financial Services, Inc. (Used in VA by: Mortgage-Partners Financial Services) - To relocate mortgage broker's office from 800 S. Milliken Avenue, Suite H, Ontario, CA to 9087 Arrow Route, Suite 280, Rancho Cucamonga, CA
BAN20080764 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 438 E. Fort Avenue, Baltimore, MD to 101 Wells Street, Apt. 216, Baltimore, MD
BAN20080765 Global Equity Lending, Inc. - To relocate mortgage lender broker's office from 639 East Main Street, Suites 1 and 2, Hendersonville, TN to 639 East Main Street, Suite 2, Hendersonville, TN
BAN20080766 Four Corners Realty Corporation - For a mortgage lender and broker license
BAN20080767 Key Financial Corporation - To open a mortgage lender and broker's office at 17015 Carmichael Place, Purcellville, VA
BAN20080768 University of Virginia Community Credit Union, Inc. - To open a credit union service office at 757 Davis Highway, Mineral, VA
BAN20080769 StoneWater Mortgage Corporation - For a mortgage lender's license
BAN20080770 EagleBank - To merge into it Fidelity & Trust Bank
BAN20080771 Equitable Trust Mortgage Corporation - To open a mortgage lender and broker's office at 903 Russell Avenue, Suite 100, Gaithersburg, MD
BAN20080772 Equitable Trust Mortgage Corporation - To open a mortgage lender and broker's office at 5 Shawan Road, Suite 2, Hunt Valley, MD
BAN20080773 Equitable Trust Mortgage Corporation - To open a mortgage lender and broker's office at 9431 Belair Road, Baltimore, MD
BAN20080774 USB Incorporated d/b/a 5-Twelve Food Store - To open a check casher at 4116 Dale Boulevard, Dale City, VA
BAN20080775 1st Integrity Mortgage, Inc. - For a mortgage broker's license
BAN20080776 Joseph Morreale - To acquire 25 percent or more of First Lincoln Mortgage Corp.
BAN20080777 Virginia Credit Union, Inc. - To open a credit union service office at 9961 Iron Bridge Road, Chesterfield, VA
BAN20080778 Salvatore Guagenti - To acquire 25 percent or more of First Lincoln Mortgage Corp.
BAN20080779 United Mortgage Brokers LLC (Used in VA by: United Mortgage LLC) - To relocate mortgage broker's office from 8401 Colesville Road, Suite 100, Silver Spring, MD to 2101 16th Street, N.W., Suite 307, Washington, DC
BAN20080780 EVB Mortgage, LLC - To open a mortgage lender and broker's office at 3400 Boulevard, Colonial Heights, VA
BAN20080781 Accredited Home Lenders, Inc. - To relocate mortgage lender's office from 790 The City Drive, Suite 200, Orange, CA to 500 North State College Boulevard, Suite 810, Orange, CA
BAN20080782 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 525 Viking Drive, Virginia Beach, VA
BAN20080783 Affirm Home Loans, LLC - To open a mortgage broker's office at 36408 U.S. Highway 19, N., Palm Harbor, FL
BAN20080784 Visions Financial Group, Inc. - To relocate mortgage broker's office from 7611 Little River Turnpike, Suite 304W, Annandale, VA to 6469 Little River Turnpike, Alexandria, VA
BAN20080785 Carriage Group Lending, LLC - For a mortgage broker's license
BAN20080786 Elite Funding Corporation d/b/a Tenacity Mortgage Corp. - To relocate mortgage broker's office from 6303 Ivy Lane, Suite 310, Greenbelt, MD to 9001 Edmonston Road, Suite 30, Greenbelt, MD
BAN20080787 Freedom Mortgage Corporation - To open a mortgage lender and broker's office at 209 Cascade Court, Lynchburg, VA
BAN20080788 Freedom Mortgage Corporation - To relocate mortgage lender broker's office from 380 Town Line Road, Suite 170 , Hauppauge, NY to 380 North Broadway, Suite 204, Jericho, NY
BAN20080789 Valley Bank - To open a branch at 4003 Challenger Avenue, Roanoke County, VA
BAN20080790 Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers - To relocate payday lender's office from 1480 E. Main Street, Suite 505, Wytheville, VA to 248 Commonwealth Drive, Wytheville, VA
BAN20080791 Mariner Finance of Virginia, LLC - To open a consumer finance office at 2213 Papermill Road, Winchester, VA
BAN20080792 Mariner Finance of Virginia, LLC - To conduct consumer finance business where mortgage lending will also be conducted
BAN20080793 Mariner Finance of Virginia, LLC - To conduct consumer finance business where the business of auto lending will also be conducted
BAN20080794 Mariner Finance of Virginia, LLC - To conduct consumer finance business where accidental death and dismemberment insurance business will also be conducted
BAN20080795 Mariner Finance of Virginia, LLC - To conduct consumer finance business where sales finance business will also be conducted
BAN20080796 Approved Cash Advance Centers (Virginia), LLC d/b/a Approved Cash Advance - To conduct payday lending business where online resale business will also be conducted
BAN20080797 Approved Cash Advance Centers (Virginia), LLC d/b/a Approved Cash Advance - To conduct payday lending business where phone service business will also be conducted
BAN20080798 Universal Trust Mortgage Corporation - For additional mortgage authority
BAN20080799 Lohit Technologies Inc. - For a payday lender license
BAN20080800 The Hills Mortgage and Finance Company, L.L.C. - To relocate mortgage broker's office from 792 Chimney Rock Road, Martinsville, NJ to 776 Mountain Boulevard, Suite 107, Watchung, NJ
BAN20080801 US Equity Mortgage, LLC - To open a mortgage lender and broker's office at 207 1/2 E. Superior Street, Duluth, MN
BAN20080802 US Equity Mortgage, LLC - To open a mortgage lender and broker's office at 2301 West Meadowview Road, Suite 204, Greensboro, NC
BAN20080803 Money Tree, Inc. d/b/a Money Tree - To relocate mortgage lender broker's office from 8191 Brook Road, Suite O, Richmond, VA to 827 Parham Road, Suite 26, Richmond, VA
BAN20080804 American Internet Mortgage, Inc. d/b/a AimLoan.com - To relocate mortgage lender broker's office from 4241 Jutland Drive, Suite 305, San Diego, CA to 4121 Camino Del Rio, South, San Diego, CA
BAN20080805 Mark Sah - To acquire 25 percent or more of Cornerstone Mortgage Group LLC
BAN20080806 Fairfax Mortgage Investments Inc. - To open a mortgage lender and broker's office at 111 Cybernetics Way, Suite 220-D, Yorktown, VA
BAN20080807 Castle Financial, LLC - To relocate mortgage broker's office from 250 Scrabbletown Road, North Kingstown, RI to 2944 Post Road, Warwick, RI
BAN20080808 Tidewater Home Mortgage Group Inc. - To relocate mortgage broker's office from 1610 Forest Avenue, Suite 114, Richmond, VA to 4198 Cox Road, Suite 202, Glen Allen, VA
BAN20080809 First Belmont Mortgage Inc. - To relocate mortgage broker's office from 44335 Premier Plaza, Suite 220, Ashburn, VA to 44355 Premier Plaza, Suite 110-B, Ashburn, VA
BAN20080810 Mo and Joe LLC - To open a check casher at 8294 Main Street, Marshall, VA
BAN20080811 Accredited Home Lenders, Inc. - To open a mortgage lender's office at 2780 Lake Vista Drive, Lewisville, TX

BAN20080812 Accredited Home Lenders, Inc. - To open a mortgage lender's office at 9165 E. Del Camino, 1st Floor, Scottsdale, AZ
BAN20080813 Primerica Financial Services Home Mortgages, Inc. - To relocate mortgage broker's office from 455 Spring Park Place, Suite 150, Herndon, VA to 1145 Herndon Parkway, Suite 500, Herndon, VA
BAN20080814 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To relocate mortgage broker's office from 2944 Hunter Mill Road, Suite 104, Oakton, VA to 2810 Old Lee Highway, Suite 200-A, Fairfax, VA
BAN20080815 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 575 Lynnhaven Parkway, Suite 100, Virginia Beach, VA
BAN20080816 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 1206 Laskin Road, Suite 120, Virginia Beach, VA
BAN20080817 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 7423 Granby Street, Norfolk, VA
BAN20080818 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 828 Greenbriar Parkway, Suite 100, Chesapeake, VA
BAN20080819 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 505 South Independence Boulevard, Suite 111, Virginia Beach, VA
BAN20080820 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 1080 Nimmo Parkway, Suite 102, Virginia Beach, VA
BAN20080821 Check into Cash of Virginia LLC d/b/a Check into Cash - To conduct payday lending business where open end credit business will also be conducted
BAN20080822 Carmen Martinez-Holt - To acquire 25 percent or more of Cavalier Mortgage Group, L.L.C.
BAN20080823 Cunningham & Company d/b/a CFL Mortgage (529 College Rd address only) - To open a mortgage lender and broker's office at 529 College Road, Suite G, Greensboro, NC
BAN20080824 Mortgage Investors Group - For a mortgage lender's license
BAN20080825 Liberty Capital Financial Group, Inc. - For a mortgage broker's license
BAN20080826 Herndon Grocery & Bakery, Inc. - To open a check casher at 714 Lynn Street, Herndon, VA
BAN20080827 D and D Home Loans Corporation - To relocate mortgage lender broker's office from 4705 Columbus Street, Suite 303, Virginia Beach, VA to 408 Oakmears Crescent, Suite 102, Virginia Beach, VA
BAN20080828 Residential Loan Centers of America, Inc. - To relocate mortgage lender's office from 2350 East Devon Avenue, Suite 300, Des Plaines, IL to 2700 S. River Road, Suite 400, Des Plaines, IL
BAN20080829 Guaranteed Rate, Inc. - To relocate mortgage lender broker's office from 4619 North Ravenswood Avenue, Chicago, IL to 4621 North Ravenswood Avenue, Chicago, IL
BAN20080830 Virginia Mortgage Bankers, LLC - To open a mortgage broker's office at 620 Moorefield Park Drive, Suite 201, Richmond, VA
BAN20080831 Lewis Hunt Enterprises, Inc. d/b/a Interactive Financial Corporation - To open a mortgage lender and broker's office at 5 Loudoun Street, S.E., Leesburg, VA
BAN20080832 U.S. Mortgage Corporation of Virginia (Used in VA by: U.S. Mortgage Corp.) - To relocate mortgage lender broker's office from 10019 Erion Court, Bowie, MD to 9200 Basil Court, Suite 307, Largo, MD
BAN20080833 Realty Mortgage Corporation - To open a mortgage lender's office at 7026 Evergreen Court, Annandale, VA
BAN20080834 Fairway Independent Mortgage Corporation - To open a mortgage lender and broker's office at 8735 Dunwoody Place, Suite 200, Atlanta, GA
BAN20080835 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 802 Roundtop Court, Suite 1B, Timonium, MD to 34 Taft Street, Aberdeen, MD
BAN20080836 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 1252 Guilford Road, Eldersburg, MD
BAN20080837 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 7834 King Bench Place, Pasadena, MD
BAN20080838 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 4104 Northern Parkway, 2nd Floor, Baltimore, MD
BAN20080839 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 4656 Riverstone Drive, Apt. 304, Owings Mills, MD
BAN20080840 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 3620 Fiddlers Loop, Wesley Chapel, FL
BAN20080841 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 3641 Forest Garden Avenue, Baltimore, MD
BAN20080842 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 5418 Phelps Luck Drive, Columbia, MD
BAN20080843 Epic Management Group, Inc. d/b/a Epic Financial - To relocate mortgage broker's office from 9943 Cherry Hills Avenue Circle, Bradenton, FL to 677 North Washington Boulevard, Sarasota, FL
BAN20080844 Pamela H. Sisk d/b/a Sisk Mortgage Group - To relocate mortgage broker's office from 701 Warren Avenue, Front Royal, VA to 1800 Kendrick Ford Road, Front Royal, VA
BAN20080845 Watermark Capital, Inc. - To relocate mortgage broker's office from 16485 Laguna Canyon Road, Suite 120, Irvine, CA to 16485 Laguna Canyon Road, Suite 205, Irvine, CA
BAN20080846 Carteret Mortgage Corporation - To open a mortgage lender and broker's office at 814 E. 15th Avenue, New Smyrna Beach, FL
BAN20080847 Transcontinental Lending Group, Inc. - To open a mortgage lender and broker's office at 2198 N.E. Coachman Road, Suite A, Clearwater, FL
BAN20080848 Access Home Mortgages LLC - To relocate mortgage broker's office from 125 Riverbend Drive, Suite 5, Charlottesville, VA to 335 Greenbrier Drive, Suite 102, Charlottesville, VA
BAN20080849 OlympiaWest Mortgage Group, LLC - To open a mortgage lender and broker's office at 3046 Valley Drive, Suite 101, Winchester, VA
BAN20080850 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 11216 Waples Mill Road, Suite 102, Fairfax, VA
BAN20080851 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 3526 George Washington Memorial Highway, Yorktown, VA
BAN20080852 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 2342-B Bluestone Hills Drive, Harrisonburg, VA
BAN20080853 United USA Mortgage, LLC - To relocate mortgage broker's office from 6265 Franconia Road, Alexandria, VA to 6916 Vantage Drive, Alexandria, VA
BAN20080854 ABC Mortgage Funding, Inc. - To open a mortgage broker's office at 1557 Hemlock Street, Suite B, Norfolk, VA

BAN20080855 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To open a mortgage lender and broker's office at 525 Viking Drive, Virginia Beach, VA
BAN20080856 Apex Lending, Inc. - To open a mortgage lender and broker's office at 651 Holiday Drive, Pittsburgh, PA
BAN20080857 Apex Lending, Inc. - To open a mortgage lender and broker's office at 1073 Gauguin Drive, Virginia Beach, VA
BAN20080858 Apex Lending, Inc. - To open a mortgage lender and broker's office at 4804 Courthouse Street, Suite 4B, Office 1, Williamsburg, VA
BAN20080859 Apex Lending, Inc. - To relocate mortgage lender broker's office from 1259 Brass Mill Road, Suite 5, Belcamp, MD to 3435 Box Hill Corporate Center Drive, Suite C, Abingdon, MD
BAN20080860 Solstice Capital Group, Inc. - To open a mortgage lender and broker's office at 51 Century Boulevard, Suite 235, Nashville, TN
BAN20080861 Benchmark Community Bank - To open a branch at 290 South Main Street, Halifax, VA
BAN20080862 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 10200 Virginia Road, Glen Allen, VA
BAN20080863 Ascent Home Loans, Inc. - To relocate mortgage lender broker's office from 937 Saint Charles Avenue, N.E., Atlanta, GA to 700 Cherokee Avenue, Valdosta, GA
BAN20080864 American Nationwide Mortgage Company, Inc. - To open a mortgage lender and broker's office at 154 Hansen Road, Suite 201-B, Charlottesville, VA
BAN20080865 American Nationwide Mortgage Company, Inc. - To open a mortgage lender and broker's office at 6066 Leesburg Pike, Suite 630M, Fairfax, VA
BAN20080866 Virginia Beach Investment Services, Incorporated d/b/a King$ Ca$h AdvanceS - To conduct payday lending business where a bill pay business will also be conducted
BAN20080867 F & L Marketing Enterprises LLC d/b/a Cash 2 U Payday Loans - To conduct payday lending business where phone service business will also be conducted
BAN20080868 F & L Marketing Enterprises LLC d/b/a Cash 2 U Payday Loans - To conduct payday lending business where a prepaid credit card business will also be conducted
BAN20080869 F & L Marketing Enterprises LLC d/b/a Cash 2 U Payday Loans - To conduct payday lending business where money transmission business will also be conducted
BAN20080870 East Bay Shore Investments LLC - For a mortgage lender's license
BAN20080871 OlympiaWest Mortgage Group, LLC - To open a mortgage lender and broker's office at 9852 Business Way, Manassas, VA
BAN20080872 Great Southern Mortgage, LLC - To open a mortgage broker's office at 1820 Tolstoy Drive, Virginia Beach, VA
BAN20080873 Walker Jackson Mortgage Corporation - To open a mortgage lender and broker's office at 3021 Berks Way, Suite 102, Raleigh, NC
BAN20080874 ERL Inc. - For a money order license
BAN20080875 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To open a mortgage broker's office at 13478 Carrollton Boulevard, Suite S, Carrollton, VA
BAN20080876 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To relocate mortgage broker's office from 5242 Olde Towne Road, Suite 7, Williamsburg, VA to 201 Bulifants Boulevard, Suite D, Williamsburg, VA
BAN20080877 American General Financial Services, Inc. - To relocate mortgage lender broker's office from 25322 Lankford Highway, Onley, VA to 25258 Lankford Highway, Onley, VA
BAN20080878 American General Financial Services, Inc. - To relocate mortgage lender broker's office from 1406 Battlefield Boulevard, North, Chesapeake, VA to Battlefield Marketplace, 1408 Battlefield Boulevard, North, Chesapeake, VA
BAN20080879 American General Financial Services of America, Inc. - To relocate consumer finance office from 25322 Lankford Highway, Onley, VA to 25258 Lankford Highway, Onley, VA
BAN20080880 Peoples Home Equity, Inc. d/b/a United Capital Lending - To relocate mortgage lender broker's office from 780 Lynnhaven Parkway, Suite 420, Virginia Beach, VA to 770 Lynnhaven Parkway, Suite 120, Virginia Beach, VA
BAN20080881 United Capital Lenders LLC - For a mortgage broker's license
BAN20080882 M Star Financial, LLC - For a mortgage broker's license
BAN20080883 Express Consolidation, Inc. - To open a credit counseling office
BAN20080884 Eastern Specialty Finance, Inc. d/b/a Check 'n Go - To open a check casher at 403 Gate City Highway, Bristol, VA
BAN20080885 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To open a mortgage broker's office at 405 E. Main Street, Suite A, Wise, VA
BAN20080886 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 34 Welby Road, New Bedford, MA
BAN20080887 U.S. Mortgage Corporation of Virginia (Used in VA by: U.S. Mortgage Corp.) - To open a mortgage lender and broker's office at 20 Trafalgar Square, Suite 425, Nashua, NH
BAN20080888 Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 3801 Electric Road, S.W., Roanoke, VA
BAN20080889 Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 500 East Fourth Street, Salem, VA
BAN20080890 American General Financial Services of America, Inc. - To relocate consumer finance office from 1406 Battlefield Boulevard, North, Chesapeake, VA to 1408 Battlefield Boulevard, North, Chesapeake, VA
BAN20080891 Larry D. Coleman d/b/a Grace Mortgage and Financial - To relocate mortgage broker's office from 1809 Magnolia Avenue, Buena Vista, VA to 1809 Magnolia Avenue, Suite B, Buena Vista, VA
BAN20080892 ERA Home Loans, LLC - To open a mortgage lender and broker's office at 5201 Gate Parkway, 3rd Floor, Jacksonville, FL
BAN20080893 Primary Residential Mortgage, Inc. - To relocate mortgage lender broker's office from 483 McLaws Circle, Suite 2B, Room 4, Williamsburg, VA to 491 McLaws Circle, Suite 3A, Williamsburg, VA
BAN20080894 First Data Corporation - To acquire 25 percent or more of ITC Financial Licenses, Inc.
BAN20080895 K K Financial Services LLC - To open a check casher at 6511 Braddock Road, Alexandria, VA
BAN20080896 First Trust Mortgage Company, LLC - To relocate mortgage broker's office from 521 E. Morehead Street, Suite 320, Charlotte, NC to 700 East Boulevard, Suite 3, Charlotte, NC
BAN20080897 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 5201 Gate Parkway, 3rd Floor, Jacksonville, FL
BAN20080898 Cartus Home Loans, LLC - To open a mortgage lender and broker's office at 5201 Gate Parkway, 3rd Floor, Jacksonville, FL
BAN20080899 Plaza Home Mortgage, Inc. - To relocate mortgage lender's office from 7600 E. Eastman Avenue, Suite 130, Denver, CO to 7535 E. Hampden Avenue, Suite 109, Denver, CO
BAN20080900 Plaza Home Mortgage, Inc. - To relocate mortgage lender's office from 675 North First Street, Suite 900, San Jose, CA to 400 Plaza Drive, Suite 140, Folsom, CA
BAN20080901 Peoples Home Equity, Inc. d/b/a United Capital Lending - To open a mortgage lender and broker's office at 6477 College Park Square, Suite 318, Virginia Beach, VA

BAN20080902	Lincoln Mortgage, LLC - To relocate mortgage broker's office from 139 South Main Street, Woodstock, VA to 140 South Main Street, Woodstock, VA
BAN20080903	Franklin American Mortgage Company - To relocate mortgage lender broker's office from 13850 Ballantyne Corporate Place, Charlotte, NC to 10720 Sikes Place, Suite 100, Charlotte, NC
BAN20080904	Synergy Capital Mortgage Corp. - To relocate mortgage lender broker's office from 27130A Paseo Espada, Suite 1424, San Juan Capistrano, CA to 27131 Calle Arroyo, Suite 1703, San Juan Capistrano, CA
BAN20080905	Fidelis Mortgage, LLC - For a mortgage broker's license
BAN20080906	Edward D. Jones & Co., L.P. d/b/a EdwardJones - To relocate mortgage broker's office from 1110 E. Washington Avenue, Vinton, VA to 2445 Washington Avenue, Suite 103, Vinton, VA
BAN20080907	American Cash Exchange Enterprise of Virginia, L.L.C. d/b/a 1st Choice Cash Advance - To relocate payday lender's office from 109 Gainsborough Square, Suite P, Chesapeake, VA to 1020 Battlefield Boulevard, North, Unit E, Chesapeake, VA
BAN20080908	American Cash Exchange Enterprise of Virginia, L.L.C. d/b/a 1st Choice Cash Advance - To relocate payday lender's office from 1949 Lynnhaven Parkway, Unit 114, Virginia Beach, VA to 3864 Holland Road, Virginia Beach, VA
BAN20080909	Freedom Mortgage Corporation - To open a mortgage lender and broker's office at One Columbus Center, Suite 672, Virginia Beach, VA
BAN20080910	Ryan Enterprises, L.L.C. - To relocate mortgage broker's office from 1814 Roberts Street, Winchester, VA to 231 Fairfield Drive, Winchester, VA
BAN20080911	Debt Reduction Services, Inc. - To relocate credit counseling office from 400 Post Avenue, Suite 104, Westbury, NY to 1 Corporate Drive, Suite 104, Bohemia, NY
BAN20080912	Jacob Dean Mortgage, Inc. - To open a mortgage broker's office at 8405 Richmond Highway, Suite D, Alexandria, VA
BAN20080913	Guaranteed Rate, Inc. - To relocate mortgage lender broker's office from 3790 Guess Road, Suite 202, Durham, NC to 3925 N. Duke Street, Suite 124, Durham, NC
BAN20080914	New Peoples Bank, Inc. - To open a branch at 3996 Coal Heritage Road, Bluewell, WV
BAN20080915	Blue Ridge Mortgage, L.L.C. - To open a mortgage lender and broker's office at 155 Market Square, Bedford, VA
BAN20080916	Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 6039 Mechanicsville Turnpike, Mechanicsville, VA
BAN20080917	Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 13208 Hull Street Road, Midlothian, VA
BAN20080918	Nationwide Processing, Inc. d/b/a Ardas Mortgage - To relocate mortgage broker's office from Office L-03 Diamond District Airport, Bangalore, India, NA to 3rd Floor, N. N. Complex, Sanjaynagar Main Road, Bangalore, Karnataka, India, NA
BAN20080919	Middleburg Bank - To relocate office from 211 Fort Evans Road, N.E., Leesburg, VA to 538 Fort Evans Road, N.E., Leesburg, VA
BAN20080920	R C & A Mortgage LLC - To relocate mortgage broker's office from 3985 Prince William Parkway Suite 102, Woodbridge, VA to 3062 PS Business Center Drive, Woodbridge, VA
BAN20080921	Primerica Financial Services Home Mortgages, Inc. - To open a mortgage broker's office at 2070 Chain Bridge Road, Suite G-100, Vienna, VA
BAN20080922	GMAC Mortgage, LLC d/b/a Ditech - To open a mortgage lender and broker's office at 14850 Quorum Drive, Suite 500, Dallas, TX
BAN20080923	GMAC Mortgage, LLC d/b/a Ditech - To open a mortgage lender and broker's office at 188 106th Avenue, N.E., Suite 600, Bellevue, WA
BAN20080924	PHH Mortgage Corporation d/b/a Instamortgage.com - To open a mortgage lender and broker's office at 14361 Sommerville Court, Midlothian, VA
BAN20080925	PHH Mortgage Corporation d/b/a Instamortgage.com - To open a mortgage lender and broker's office at 9137 Chamberlayne Road, Suite 100, Mechanicsville, VA
BAN20080926	Stokes General Store, Co. - To open a check casher at 533 E. Main Street, Front Royal, VA
BAN20080927	American Advisors Group Inc. (Used in VA by: American Advisors Group) - To open a mortgage broker's office at 401 N. Washington Street, Suite 525, Rockville, MD
BAN20080928	MetAmerica Mortgage Bankers, Inc. - To relocate mortgage lender broker's office from 2281 Valley Avenue, Suite 216, Winchester, VA to 1573 A Commerce Street, Winchester, VA
BAN20080929	Severn Mortgage Corporation - To relocate mortgage lender broker's office from 35 North Braddock Street, Winchester, VA to 100 Founders Way, Suite 1, Strasburg, VA
BAN20080930	Suncountry Lending, Inc. - To relocate mortgage broker's office from 15835 Crabbs Branch Way, 5A, Deerwood, MD to 9160 Belvedere Drive, Frederick, MD
BAN20080931	Executive Lending Services, Inc. - To relocate mortgage broker's office from 13633 Birch Drive, Chantilly, VA to 13873 Park Center Road, Suite 136, Herndon, VA
BAN20080932	Fairfax Mortgage Investments Inc. - To relocate mortgage lender broker's office from 3900 University Drive, Suite 300, Fairfax, VA to 3900 University Drive, Suite 210, Fairfax, VA
BAN20080933	Precision Funding Group LLC - To open a mortgage lender and broker's office at 4400 Main Street, Philadelphia, PA
BAN20080934	Precision Funding Group LLC - To open a mortgage lender and broker's office at 1401 Mercantile Lane, Suite 251, Largo , MD
BAN20080935	Branch Banking and Trust Company - To open a branch at the intersection of Routes 1 and 17, Fredericksburg, VA
BAN20080936	Branch Banking and Trust Company - To open a branch at 5224 Monticello Avenue, Williamsburg, VA
BAN20080937	Edward D. Jones & Co., L.P. d/b/a EdwardJones - To open a mortgage broker's office at 1525 Longwood, Suite C, Bedford, VA
BAN20080938	Home Consultants, Inc. d/b/a HCI Mortgage - To open a mortgage lender and broker's office at 2822 Solomon Island Road, Suite 201, Edgewater, MD
BAN20080939	Ikon Mortgage, Inc. - To open a mortgage broker's office at 7619 Little River Turnpike, Suite 206, Annandale, VA
BAN20080940	American Mortgage Professionals LLC - To relocate mortgage broker's office from 222 Merrimac Court, Prince Frederick, MD to 175 Walnut Creek Road, Huntingtown, MD
BAN20080941	Emerald Financial Group LLC - To relocate mortgage lender broker's office from 6505 Rockside Road, Suite 200, Independence, OH to 14955 Sprague Road, Suite 225, Strongsville, OH
BAN20080942	Lenders Network, Inc. - To open a mortgage broker's office at 18418 Ashmeade Road, Boyds, MD
BAN20080943	CitiFinancial Services, Inc. - To relocate consumer finance office from 800 E. Main Street, Suite 330, Wytheville, VA to 244 Commonwealth Drive, Wytheville, VA
BAN20080944	Affinity Home Loans, Inc. - For a mortgage broker's license
BAN20080945	Reliance First Capital, LLC - For a mortgage lender and broker license
BAN20080946	Amerihome Loan, Inc. - For a mortgage lender and broker license

BAN20080947 Silverado Associates, LLC d/b/a Bancorp - For a mortgage broker's license
BAN20080948 American Freedom Group, Inc. - To relocate mortgage broker's office from 7629 Williamson Road, Suite 16, Roanoke, VA to 319 Clubhouse Drive, Roanoke, VA
BAN20080949 Premium Capital Funding LLC d/b/a Topdot Mortgage - To relocate mortgage lender broker's office from 350 Fairway Drive, Deerfield Beach, FL to 4850 T-Rex Avenue, Suite 200, Boca Raton, FL
BAN20080950 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To relocate mortgage broker's office from 801-2 Compass Way, Annapolis, MD to 1000 West Street, Annapolis, MD
BAN20080951 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To relocate mortgage broker's office from 9375 Chesapeake Street, Suite 223, La Plata, MD to 201 Centennial Street, La Plata, MD
BAN20080952 American General Financial Services, Inc. - To relocate mortgage lender broker's office from Broadcreek Shopping Center, Norfolk, VA to Broadcreek Shopping Center, 1269 N. Military Highway, Suite 1, Norfolk, VA
BAN20080953 American General Financial Services of America, Inc. - To relocate consumer finance office from Broadcreek Shopping Center, Norfolk, VA to Broadcreek Shopping Center, 1269 N. Military Highway, Suite 1, Norfolk, VA
BAN20080954 ClearPoint Financial Solutions, Inc. - To open an additional credit counseling office at 4605 Commerce Road, Richmond, VA
BAN20080955 Nationside Mortgage Inc. - To relocate a mortgage broker's office from 50 Culpeper Street, Suite 3, Warrenton, VA to 22 W. Lee Street, Warrenton, VA
BAN20080956 Apex Lending, Inc. - To relocate mortgage lender broker's office from 1073 Gauguin Drive, Virginia Beach, VA to 414 25th Street, Suite 22, Virginia Beach, VA
BAN20080957 Bridge View Mortgage, LLC - For a mortgage broker's license
BAN20080958 Weststar Mortgage, Inc. - To open a mortgage lender and broker's office at 113 Bulifants Boulevard, Suite C, Williamsburg, VA
BAN20080959 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To relocate mortgage lender broker's office from 5700 Coastal Highway, Suite 200, Ocean City, MD to 11204 Racetrack Road, Suite 207, Berlin, MD
BAN20080960 Advantage Mortgage Group, LTD. - To open a mortgage lender and broker's office at 64 West Water Street, Harrisonburg, VA
BAN20080961 Flagship Mortgage Corporation - To open a mortgage broker's office at 425 Hurffville-Crosskeys Road, Unit 1, Sewell, NJ
BAN20080962 Centennial Mortgage Lenders LLC - To relocate mortgage broker's office from 5455 Mcginnis Ferry Road, Suite 102, Alpharetta, GA to 5971 Parkway North Boulevard, Suite 200B, Cumming, GA
BAN20080963 Residential Mortgage Funding Corporation (Used in VA by: Residential Mortgage Corporation) - To open a mortgage broker's office at 1901 Huguenot Road, Suite 202, Richmond, VA
BAN20080964 Affinity Capital Corporation - To relocate mortgage broker's office from 9201 Arboretum Parkway, Suite 210, Richmond, VA to 2711 Wicklow Lane, Richmond, VA
BAN20080965 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To relocate mortgage broker's office from 2943 Riverside Drive, Suite C, Danville, VA to 111 Exchange Street, Suite D, Danville, VA
BAN20080966 Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 1423 N. Great Neck Road, Suite 202, Virginia Beach, VA
BAN20080967 Weststar Mortgage, Inc. - To open a mortgage lender and broker's office at 1450-B Hoover Road, Woodstock, VA
BAN20080968 At-Home Mortgage Associates, Ltd., A Limited Partnership (Used in VA by: At-Home Mortgage Associates, Ltd.) - To relocate mortgage lender broker's office from 2828 N. Harwood, Dallas, TX to 2728 N. Harwood, Dallas, TX
BAN20080969 Lewis Hunt Enterprises, Inc. d/b/a Interactive Financial Corporation - To relocate mortgage lender broker's office from 15 N. Thompson Street, Richmond, VA to 13 N. Thompson Street, Richmond, VA
BAN20080970 Plaza Home Mortgage, Inc. - To open a mortgage lender's office at 3633 E. Inland Empire Boulevard, Suite 250, Ontario, CA
BAN20080971 Allied Home Mortgage Capital Corporation - To open a mortgage lender and broker's office at 110 N. Mecklenburg Avenue, South Hill, VA
BAN20080972 Superior Home Mortgage Corporation (Used in VA by: Superior Mortgage Corporation) - To open a mortgage lender and broker's office at 900 S. Egg Harbor Road, Unit 307, Hammonton, NJ
BAN20080973 OlympiaWest Mortgage Group, LLC - To open a mortgage lender and broker's office at 2021 Cunningham Drive, Suite 100A, Hampton, VA
BAN20080974 Gateway Funding Diversified Mortgage Services, L.P. - To relocate mortgage lender broker's office from 4318 Old Hundred Road, Chester, VA to 6645 Lake Harbour Drive, Midlothian, VA
BAN20080975 Primerica Financial Services Home Mortgages, Inc. - To relocate mortgage broker's office from 4811 B Eisenhower Avenue, Alexandria, VA to 5501 Cherokee Avenue, Suite 204, Alexandria, VA
BAN20080976 Bluestone Land L.L.C. - For a mortgage broker's license
BAN20080977 Cash Now, LLC - To conduct payday lending business where open end credit business will also be conducted
BAN20080978 Omar Mortgage Inc. - For a mortgage broker's license
BAN20080979 American General Financial Services of America, Inc. - To relocate consumer finance office from 5220 Fairfield Shopping Center, Virginia Beach, VA to 5272 Fairfield Shopping Center, Virginia Beach, VA
BAN20080980 Merit Funding Group, Inc. - To open a mortgage lender and broker's office at 959 South Coast Drive, Suite 490, Costa Mesa, CA
BAN20080981 Key Financial Corporation - To open a mortgage lender and broker's office at 6052 Providence Road, Suite 103, Virginia Beach, VA
BAN20080982 Ideal Mortgage Bankers, Ltd. d/b/a Lend America - To relocate mortgage lender broker's office from 201 Old Country Road, Melville, NY to 520 Broadhollow Road, Melville, NY
BAN20080983 Superior Home Mortgage Corporation (Used in VA by: Superior Mortgage Corporation) - To open a mortgage lender and broker's office at 923 Fayette Street, Conshohocken, PA
BAN20080984 American General Financial Services, Inc. - To relocate mortgage lender broker's office from 5220 Fairfield Shopping Center, Virginia Beach, VA to 5272 Fairfield Shopping Center, Virginia Beach, VA
BAN20080985 Priority Financial Services, LLC - To open a mortgage broker's office at 1653 Devon Way, Virginia Beach, VA
BAN20080986 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 4675-A West Chester Pike, Newton Square, PA
BAN20080987 Raul Ramos d/b/a Casa De Cambio Mexico - To open a check casher at 1004 York Drive, Chesapeake, VA
BAN20080988 SunnyMTG.com 866-768-CASH, LLC - To relocate mortgage broker's office from 1910 East Oakland Park Boulevard, Ft. Lauderdale, FL to 1910 East Oakland Park Boulevard, Suite C, Ft. Lauderdale, FL
BAN20080989 First Atlantic Mortgage Corporation - To relocate mortgage broker's office from 1650 Huguenot Road, Midlothian, VA to 3325 Horselydown Court, Richmond, VA

BAN20080990 McLean Mortgage Corporation - To relocate mortgage lender broker's office from 770 Potomac River Road, McLean, VA to 8133 Leesburg Pike, Suite 230, Vienna, VA
BAN20080991 GMAC Mortgage, LLC d/b/a Ditech - To relocate mortgage lender broker's office from 7335 Timberlake Road, Lynchburg, VA to 517 Leesville Road, Lynchburg, VA
BAN20080992 Believers Mortgage LLC - To relocate mortgage broker's office from 5511 West Marshall Street, Richmond, VA to 3122 West Marshall Street, Suite 207, Richmond, VA
BAN20080993 Everett & Everett, LLC - For a mortgage broker's license
BAN20080994 Flatonia Investments, LLC - To acquire 25 percent or more of First Houston Mortgage, LP
BAN20080995 Clear Summit Mortgage, Inc. - To relocate mortgage broker's office from 6085 Marshalee Drive, Suite 210, Elkridge, MD to 9151 Rumsey Road, Suite 160, Columbia, MD
BAN20080996 GMAC Mortgage, LLC d/b/a Ditech - To relocate mortgage lender broker's office from 14095 John Marshall Highway, Gainesville, VA to 12753 Braemar Village Plaza, Bristow, VA
BAN20080997 First Capital Bank - To relocate office from 1504 Santa Rosa Road, Suite 102, Henrico County, VA to 7100 Three Chopt Road, Richmond, VA
BAN20080998 Home Key Financial Inc. - To relocate mortgage broker's office from 22871 Vickery Park Drive, Ashburn, VA to 13800 Coppermine Road, Suite 302, Herndon, VA
BAN20080999 Virginia Beach Investment Services, Incorporated d/b/a King$ Ca$h AdvanceS - To conduct payday lending business where business will also be conducted
BAN20081000 CashNet, Inc. d/b/a Cash Advance Centers - To relocate payday lender's office from 2035 East Market Street, Suite 55, Harrisonburg, VA to 243 Neff Avenue, Harrisonburg, VA
BAN20081001 Eagle Loans, Inc. - For a mortgage lender and broker license
BAN20081002 Ability Mortgage Group, LLC - For a mortgage broker's license
BAN20081003 First Ohio Banc & Lending, Inc. - To relocate mortgage lender broker's office from 1669 West 130th Street, Building 2, Hinckley, OH to 1669 West 130th Street, Suite 201, Hinckley, OH
BAN20081004 First Ohio Banc & Lending, Inc. - To relocate mortgage lender broker's office from 1933 E. Aurora Road, Twinsburg, OH to 2242 Pinnacle Parkway, Twinsburg, OH
BAN20081005 American Nationwide Mortgage Company, Inc. - To open a mortgage lender and broker's office at 1135 West Cheltenham Avenue, Suite 208, Elkins Park, PA
BAN20081006 American Nationwide Mortgage Company, Inc. - To open a mortgage lender and broker's office at 34 The Green, Dover, DE
BAN20081007 All Virginia Mortgage Company, Inc. - To relocate mortgage broker's office from 13241 Mount Olive Lane, Amelia Court House, VA to 9161 Washington Street, Amelia Court House, VA
BAN20081008 Total Home Mortgage LLC - To relocate mortgage broker's office from 8484 Georgia Avenue, Suite 800, Silver Spring, MD to 13106 Shinnecock Drive, Silver Spring, MD
BAN20081009 Residential Mortgage Group, Inc. - To relocate mortgage broker's office from 2654 Valley Avenue, Suite C-1, Winchester, VA to 4125 Valley Pike, Winchester, VA
BAN20081010 ADT Interactive, LLC - To relocate mortgage broker's office from 303 2nd Street, Suite 375, South, San Francisco, CA to 153 Kearny Street, 6th Floor, San Francisco, CA
BAN20081011 Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 11815 Fountain Way, Suite 400, Newport News, VA
BAN20081012 Capital Mortgage Finance Corp. - To relocate mortgage lender broker's office from 1911 York Road, 2nd Floor, Timonium, MD to 22 W. Padonia Road, Suite C-336, Timonium, MD
BAN20081013 Cornerstone Mortgage Funding Corporation - For additional mortgage authority
BAN20081014 ABC Mortgage Funding, Inc. - To open a mortgage broker's office at 3316 Day Stone Arch, Chesapeake, VA
BAN20081015 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To open a mortgage broker's office at 21 Lee Street, Front Royal, VA
BAN20081016 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 1723 Light Street, Baltimore, MD to 7 Wadsworth Bridge Road, Timonium, MD
BAN20081017 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 7925 Mandan Road, Apt. 303, Greenbelt, MD
BAN20081018 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 4411 Kentford Road, Owings Mills, MD
BAN20081019 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 1215 Stonewood Court, Annapolis, MD
BAN20081020 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 20 Paula Place, Apt. 304, Rosedale, MD
BAN20081021 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 8 Charles Plaza, Apt. 2606, Baltimore, MD
BAN20081022 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 3707 Campfield Road, Gwynn Oak, MD
BAN20081023 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 684 207th Street, Pasadena, MD
BAN20081024 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 1105 Smith Village Road, Silver Spring, MD
BAN20081025 Superior Home Mortgage Corporation (Used in VA by: Superior Mortgage Corporation) - To open a mortgage lender and broker's office at 900 S. Egg Harbor Road, Unit 837, Hammonton, NJ
BAN20081026 Clear Summit Mortgage, Inc. - To open a mortgage broker's office at 1719 Route 10, Suite 307, Parsippany, NJ
BAN20081027 Key Financial Corporation - To open a mortgage lender and broker's office at 39 Garrett Street, Warrenton, VA
BAN20081028 Candor Mortgage Corporation - For a mortgage broker's license
BAN20081029 First Financial Bank - To open a bank at 10777 Main Street, Fairfax, VA
BAN20081030 Pilot Corporation d/b/a Pilot Travel Centers - To open a check casher at 6721 Emmaus Church Road, Providence Forge, VA
BAN20081031 Fairway Independent Mortgage Corporation - To open a mortgage lender and broker's office at 42882 Truro Parish Drive, Suite 206, Ashburn, VA
BAN20081032 EWA Mortgage, Inc. - To relocate mortgage broker's office from 7909 Belle Point Drive, Greenbelt, MD to 7905 Belle Point Drive, Greenbelt, MD
BAN20081033 Statewide Mortgage Corporation - To open a mortgage broker's office at 155 Kasey Court, Uxbridge, MA
BAN20081034 Freedom Mortgage Corporation - To open a mortgage lender and broker's office at 7601 N. Federal Highway, Suite 275A, Boca Raton, FL
BAN20081035 Apex Lending, Inc. - To open a mortgage lender and broker's office at 115 Yacht Court, Williamsburg, VA
BAN20081036 Aasent Mortgage Corporation - For additional mortgage authority
BAN20081037 Bridgewater Financial Mortgage Brokerage, LLC d/b/a Bridgewater Financial - To relocate mortgage broker's office from 4530 Walney Road, Suite 203, Chantilly, VA to 24929 Castleton Drive, Chantilly, VA

BAN20081038 Empire Mortgage Corp. (Used in VA by: Empire Financial Services Inc.) - To open a mortgage broker's office at 8635 C Engleside Office Park, Alexandria, VA
BAN20081039 MNET Mortgage Corp. (Used in VA by: Mortgage Network, Inc.) - To open a mortgage lender's office at 11130 Fairfax Boulevard, Suite 110, Fairfax, VA
BAN20081040 Elizabeth Mavroulis - To acquire 25 percent or more of Fidelity Home Mortgage Corporation
BAN20081041 Sam & Joe LLC - To open a check casher at 133 West Shirley Avenue, Warrenton, VA
BAN20081042 River City Bank - To open a branch at 10374 S. Leadbetter Road, Ashland, VA
BAN20081043 ClearPoint Financial Solutions, Inc. - To relocate credit counseling office from 4505 North Illinois, Suite 1, Swansea, IL to 4972 Benchmark Center, Suite 300, Swansea, IL
BAN20081044 The Gemris Group, LLC - To open a mortgage broker's office at 10 Pidgeon Hill Drive, Suite 150, Sterling, VA
BAN20081045 OlympiaWest Mortgage Group, LLC - To relocate mortgage lender broker's office from 1950 Old Gallows Road, 8th Floor, Vienna, VA to 8230 Old Courthouse Road, Suite 520, Vienna, VA
BAN20081046 One Reverse Mortgage, LLC - To relocate mortgage lender broker's office from 9740 Scranton Road, Suite 340, San Diego, CA to 9740 Scranton Road, Suite 300, San Diego, CA
BAN20081047 Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 13612 Brandy Oaks Road, Chesterfield, VA
BAN20081048 Check First, Inc. - To conduct payday lending business where open end credit business will also be conducted
BAN20081049 ClearPoint Financial Solutions, Inc. - To open an additional credit counseling office at 17119 Wayside Drive, Dumfries, VA
BAN20081050 La Regiomontana, Inc. - To open a check casher at 7218 A Hull Street Road, Richmond, VA
BAN20081051 Joseph L. Simmons - To acquire 25 percent or more of NationsPlus Mortgage Corporation
BAN20081052 Union Bank and Trust Company - To merge into it Bay Community Bank
BAN20081053 Bank of Essex - To merge into it TransCommunity Bank, N. A.
BAN20081054 Allied Home Mortgage Capital Corporation - To open a mortgage lender and broker's office at 500 Viking Drive, Suite 102, Virginia Beach, VA
BAN20081055 Admiral Lending, LLC d/b/a TheEquityNetwork.com - To open a mortgage broker's office at 967 Hillside Lake Terrace, Gaithersburg, MD
BAN20081056 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 4246 Cabin Road, Reva, VA
BAN20081057 U L Cash, Inc. - To conduct payday lending business where a money order/seller business will also be conducted
BAN20081058 Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 256 Chapman Road, Suite 105, Newark, DE
BAN20081059 Executive Lending Services, Inc. - For additional mortgage authority
BAN20081060 ABI Mortgage, Inc. - To relocate mortgage broker's office from 1901 N. Roselle Road, Suite 110, Schaumburg, IL to 1901 N. Roselle Road, Suite 320, Schaumburg, IL
BAN20081061 Valley Broker Services, Inc. d/b/a VBS Mortgage - To open a mortgage lender and broker's office at 70 East Mosby Road, Harrisonburg, VA
BAN20081062 Key Financial Corporation - To open a mortgage lender and broker's office at 732 Thimble Shoals Boulevard, Suite 104, Newport News, VA
BAN20081063 Gateway Funding Diversified Mortgage Services, L.P. - To open a mortgage lender and broker's office at 19 South Cameron Street, Suite 2, Winchester, VA
BAN20081064 Mortgage Funding US, LLC - For a mortgage broker's license
BAN20081065 Primary Residential Mortgage, Inc. - To relocate mortgage lender broker's office from 1934 Old Gallows Road, Suite 350, Vienna, VA to 1497 Chain Bridge Road, Suite 104, Mclean, VA
BAN20081066 CitiFinancial Services, Inc. - To relocate consumer finance office from 3809 Princess Anne Road, Suite 107, Virginia Beach, VA to 3352 Princess Anne Road, Suite 909, Virginia Beach, VA
BAN20081067 CitiFinancial Services, Inc. - To relocate consumer finance office from 749 Piney Forest Road, Danville, VA to 1155 Piney Forest Road, Suite E, Danville, VA
BAN20081068 Pertuity Consumer Finance LLC - To open a consumer finance office
BAN20081069 Yaneeth M Contractor LLC - To open a check casher at 501 Falcon Street, Prince George, VA
BAN20081070 Century Financial Group Inc. d/b/a 1st Century Mortgage - To relocate mortgage broker's office from 870 Greenbrier Circle, Suite 114, Chesapeake, VA to 5741 Cleveland Street, Suite 100 G, Virginia Beach, VA
BAN20081071 MegaStar Financial Corp. - To open a mortgage lender's office at 1427 Dolley Madison Boulevard, McLean, VA
BAN20081072 Virginia Elite Mortgage Company - To relocate mortgage broker's office from 4106 Waterswatch Drive, Midlothian, VA to 11900 Hull Street Road, Midlothian, VA
BAN20081073 Precision Funding Group LLC - To open a mortgage lender and broker's office at 207 North Main Street, Elkton, MD
BAN20081074 Riley Home Mortgage Corporation - To relocate mortgage broker's office from 4229 Lafayette Center Drive, Suite 1700, Chantilly, VA to 4810 Piney Branch Road, Fairfax, VA
BAN20081075 1st Solution Mortgage, Inc. - To relocate mortgage broker's office from 103 West Broad Street, Suite 340, Falls Church, VA to 5702 Helmsdale Lane, Alexandria, VA
BAN20081076 Virginia Commerce Bank - To open a branch at the southwest corner of Jefferson Davis Highway and Pine Bluff Drive, Princeton Woods SC, Dumfries, VA
BAN20081077 Virginia Commerce Bank - To open a branch at Celebrate Shopping Center, Celebrate Virginia Parkway, Stafford County, VA
BAN20081078 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 370 S. Main Street, Jefferson, NC
BAN20081079 Lincoln Mortgage, LLC - To relocate mortgage broker's office from 502 Newbern Road, Dublin, VA to 325 Maple Street, Dublin, VA
BAN20081080 Courtesy Mortgage Company - To relocate mortgage lender's office from 2615 Camino Del Rio, South, Suite 400, San Diego, CA to 2615 Camino Del Rio, South, Suite 200, San Diego, CA
BAN20081081 Neighborhood Assistance Corporation of America - To open a mortgage broker's office at 5500 Executive Center Drive, Suite 105, Charlotte, NC
BAN20081082 Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers - To relocate payday lender's office from 173 Ridgeview Road, S.W., Wise, VA to 655 Commonwealth Drive, Norton, VA
BAN20081083 Carteret Mortgage Corporation - To relocate mortgage broker's office from 6211 Centreville Road, Suite 800, Centreville, VA to 6211 Centreville Road, Suite 200, Centreville, VA
BAN20081084 First Meridian Mortgage Corporation of Florida (Used in VA by: First Meridian Mortgage Corporation) - To relocate mortgage broker's office from 140 Whittington Parkway, 2nd Floor, Louisville, KY to 10507 Timberwood Circle, Suite 100, Louisville, KY

BAN20081085 U.S. Mortgage Corporation of Virginia (Used in VA by: U.S. Mortgage Corp.) - To relocate mortgage lender broker's office from 7900 Sudley Road, Suite 214, Manassas, VA to 11496 Howar Court, Manassas, VA

BAN20081086 USA Home Loans, Inc. - To open a mortgage lender and broker's office at 306 N. Main Street, Suite 100, Bel Air, MD

BAN20081087 Eastern Specialty Finance, Inc. d/b/a Check 'N Go - To conduct payday lending business where open end credit business will also be conducted

BAN20081088 Omni Home Financing, Inc. d/b/a Omni Reverse - To relocate mortgage broker's office from 901 Calle Amanecer, Suite 150, San Clemente, CA to 27101 Puerta Real, Suite 300, Mission Viejo, CA

BAN20081089 Legacy Mortgage Advisory, LLC - For a mortgage broker's license

BAN20081090 Eastern Specialty Finance, Inc. d/b/a Check 'N Go - To conduct payday lending business where money transmission business will also be conducted by a third party

BAN20081091 Palma Family, Inc. d/b/a Multi Servicios Latinos - To open a check casher at 3709-B Columbia Pike, Arlington, VA

BAN20081092 CLB Grocery Latino, Inc. - To open a check casher at 1301 B Patterson Avenue, S.W., Roanoke, VA

BAN20081093 Tree Preferred Corp. - To acquire 25 percent or more of Home Loan Center, Inc.

BAN20081094 Tree Preferred Corp. - To acquire 25 percent or more of LendingTree of Delaware, LLC

BAN20081095 NFM, Inc. d/b/a Fidelity Mortgage Corporation - To open a mortgage lender and broker's office at 105 Centennial Street, Suite J, La Plata, MD

BAN20081096 Champions Mortgage Inc. - To relocate mortgage broker's office from 1650 Tysons Boulevard, Suite 200, McLean, VA to 1600 International Drive, Suite 200, McLean, VA

BAN20081097 Tolley's Market, Incorporated - To open a check casher at 1947 Pamplin Road, Pamplin, VA

BAN20081098 Allied Home Mortgage Capital Corporation - To open a mortgage lender and broker's office at 11800 Chester Village Drive, Suite B, Chester, VA

BAN20081099 Carteret Mortgage Corporation - To open a mortgage broker's office at 3827 Gustine Avenue, St. Louis, MO

BAN20081100 EVB Mortgage, LLC - To relocate mortgage lender broker's office from 150 Boush Street, Suite 400, Norfolk, VA to 4433 Corporation Lane, Suite 300, Virginia Beach, VA

BAN20081101 Atlantic Trust Mortgage, LLC - To relocate mortgage lender broker's office from 150 Boush Street, Suite 400, Norfolk, VA to 4433 Corporation Lane, Suite 300, Virginia Beach, VA

BAN20081102 Transcontinental Lending Group, Inc. - To relocate mortgage lender broker's office from 3655 Brookside Parkway, Suite 205A, Alpharetta, GA to 2344 Perimeter Park Drive, Suite 108, Atlanta, GA

BAN20081103 Mid-Atlantic Residential Funding, LLC - To relocate mortgage lender broker's office from 150 Boush Street, Suite 400, Norfolk, VA to 4433 Corporation Lane, Suite 300, Virginia Beach, VA

BAN20081104 Family Financial Group, Inc. - To relocate mortgage broker's office from 626 Park Avenue, Cranston, RI to 41 Comstock Parkway, Suite 100, Cranston, RI

BAN20081105 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To relocate mortgage lender broker's office from Town Point Center, 150 Boush Street, Norfolk, VA to 4433 Corporation Lane, Suite 300, Virginia Beach, VA

BAN20081106 U L Cash, Inc. - To conduct payday lending business where open end credit business will also be conducted

BAN20081107 Midlothian Mortgage Group, LLC - To relocate mortgage lender broker's office from Town Point Center, 150 Boush Street, Norfolk, VA to 4433 Corporation Lane, Suite 300, Virginia Beach, VA

BAN20081108 Freedom Mortgage Corporation - To open a mortgage lender and broker's office at 195-3 Keith Street, Warrenton, VA

BAN20081109 Summit Mortgage Corporation d/b/a Summit Home Mortgage Inc. - To relocate mortgage lender broker's office from 605 N. Highway 169, Suite 700, Plymouth, MN to 13355 10th Avenue N., Suite 100, Plymouth, MN

BAN20081110 Corporate Investors Mortgage Group, Inc. - To relocate mortgage lender broker's office from 2030 S. Tryon Street, Suite 3C, Charlotte, NC to 11121 Carmel Commons Boulevard, Suite 400, Charlotte, NC

BAN20081111 Equity Capital Funding, Corp. - For a mortgage lender's license

BAN20081112 QC Financial Services, Inc. d/b/a Quik Cash - To conduct payday lending business where open end credit business will also be conducted

BAN20081113 Morris, Boniface & Associates Incorporated - To relocate mortgage broker's office from 1002 Princess Anne Street, Fredericksburg, VA to 1014 Prince Edward Street, Fredericksburg, VA

BAN20081114 Precision Processing, LLC of VA (Used in VA by: Precision Processing, LLC) - For a mortgage broker's license

BAN20081115 Integrity Home Mortgage Corporation - To open a mortgage lender and broker's office at 3862 Valley Pike, Unit D183, Winchester, VA

BAN20081116 Network Funding, L.P. - To relocate mortgage lender broker's office from 8601 LaSalle Road, Suite 101, Towson, MD to 3936 Worthington Avenue, Reisterstown, MD

BAN20081117 First Residential Mortgage Corporation - To relocate mortgage broker's office from 432 East Main Street, Suite F, Abingdon, VA to 452 West Main Street, Abingdon, VA

BAN20081118 Accredited Home Lenders, Inc. - To relocate mortgage lender's office from 2780 Lake Vista Drive, Lewisville, TX to 1320 Greenway Drive, Suite 300, Irving, TX

BAN20081119 Homestead Funding Corp. - To open a mortgage lender and broker's office at 7777 Leesburg Pike, Falls Church, VA

BAN20081120 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 8307 Sperry Court, Laurel, MD to 19797 Sea Air Avenue, Rehoboth Beach, DE

BAN20081121 United Mortgage Express Inc. - For a mortgage broker's license

BAN20081122 ERL Inc. d/b/a LiLi Video Collection and Financial Services - To open a check casher at 720 Grant Street, Suite E, Herndon, VA

BAN20081123 Virginia Mortgage Services, Inc. - For additional mortgage authority

BAN20081124 AmericaHomeKey, Inc. - To open a mortgage lender and broker's office at 4012 Raintree Road, Suite 100A, Chesapeake, VA

BAN20081125 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 8101 Tower Bridge Drive, Pasadena, MD

BAN20081126 Weststar Mortgage, Inc. - To relocate mortgage lender broker's office from 760 Lynnhaven Parkway, Virginia Beach, VA to 870 Greenbrier Circle, Suite 202, Chesapeake, VA

BAN20081127 SB Mortgage Group, Inc. - To open a mortgage broker's office at 5601 Seminary Road, Suite 1706 N, Falls Church, VA

BAN20081128 Catholic Charities of Eastern Virginia, Inc. - To relocate credit counseling office from 601 Bank Street, Franklin, VA to 510 North Main Street, Franklin, VA

BAN20081129 1st City Lending Inc. d/b/a First City Mortgage - To relocate mortgage broker's office from 7600 Georgia Avenue, N.W., Suite 323, Washington, DC to 9470 Annapolis Road, Suite 223, Lanham, MD

BAN20081130 U.S. Mortgage Corporation of Virginia (Used in VA by: U.S. Mortgage Corp.) - To open a mortgage lender and broker's office at 575 Lynnhaven Parkway, Suite 102, Virginia Beach, VA
BAN20081131 MegaStar Financial Corp. - To open a mortgage lender's office at 1185 W. Utah Avenue, Suite 203, Hildale, UT
BAN20081132 Primerica Financial Services Home Mortgages, Inc. - To relocate mortgage broker's office from 5309 Commonwealth Centre Parkway, Midlothian, VA to 301 Southlake Boulevard, Suite 202, Richmond, VA
BAN20081133 USA Home Loans, Inc. - To open a mortgage lender and broker's office at 781 Far Hills Drive, Suite 450, New Freedom, PA
BAN20081134 USA Home Loans, Inc. - To open a mortgage lender and broker's office at 57 Meadow Lane, Suite B, Martinsburg, WV
BAN20081135 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 151 North Eagle Creek Drive, Suite 110, Lexington, KY
BAN20081136 The Mortgage Centre, Inc. - To relocate mortgage broker's office from 122 West Nelson Street, Lexington, VA to 133 Echo Hill Drive, Stamford, CT
BAN20081137 The Mortgage Centre, Inc. - To open a mortgage broker's office at 230 S. Wayne Avenue, Waynesboro, VA
BAN20081138 PennyMac Loan Services, LLC - For a mortgage lender's license
BAN20081139 Village Bank and Trust Financial Corp. - To acquire River City Bank, Mechanicsville, VA
BAN20081140 Village Bank - To merge into it River City Bank
BAN20081141 Dominion Home Mortgage Corp. - To open a mortgage broker's office at 1721 Brigands Way, Virginia Beach, VA
BAN20081142 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 326 Howard Avenue, Rockville, MD
BAN20081143 The Bank of Hampton Roads - To open a branch at 1635 Laskin Road, Virginia Beach, VA
BAN20081144 W.R. Starkey Mortgage, LLP - To relocate mortgage lender broker's office from 3200 Northline Avenue, Suite 130, Greensboro, NC to 300 East Wendover Avenue, Suite 201, Greensboro, NC
BAN20081145 Aaron K. Hill - To acquire 25 percent or more of First Meridian Mortgage Corporation of Florida
BAN20081146 Guardian First Funding Group, LLC - To relocate mortgage broker's office from 1544 12th Street, Suite 302, Santa Monica, CA to 100 Penn Square, East, Suite 1200, Philadelphia, PA
BAN20081147 E. Sean Gottleib - To acquire 25 percent or more of Affordable Home Mortgage, Inc.
BAN20081148 T.C.O. Money Services L. L. C. - To open a check casher at 1645 Washington Plaza, Reston, VA
BAN20081149 Olympic Mortgage Consultants, Inc. - For a mortgage broker's license
BAN20081150 Meridian Residential, Inc. - For a mortgage broker's license
BAN20081151 Cash Max Inc. - To open a check casher at 14441 Jefferson Davis Highway, Woodbridge, VA
BAN20081152 Cash Services Inc. d/b/a Cash N Go - For a payday lender license
BAN20081153 Cash Services, Inc. - To conduct payday lending business where open end credit business will also be conducted by a third party
BAN20081154 Family Supermarket II, Inc. - To open a check casher at 2400 Jefferson Avenue, Richmond, VA
BAN20081155 United Financial Systems, Inc. (Used in VA by: United Financial Systems, Inc.) - To relocate credit counseling office from 23123 State Road 7, Suite 340, Boca Raton, FL to 1117 Banks Road, Margate, FL
BAN20081156 ClearPoint Financial Solutions, Inc. - To relocate credit counseling office from 555 Perkins Road, Extended, Suite 417, Memphis, TN to 5050 Poplar Avenue, Suite 1101, Memphis, TN
BAN20081157 Apex Lending, Inc. - To open a mortgage lender and broker's office at 5347 Lila Lane, Virginia Beach, VA
BAN20081158 Primary Residential Mortgage, Inc. - To relocate mortgage lender broker's office from 110 West Road, Suite 216, Towson, MD to 1615 York Road, Lutherville, MD
BAN20081159 Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 317 Main Street, Reisterstown, MD
BAN20081160 Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 8121 Georgia Avenue, Suite 600, Silver Spring, MD
BAN20081161 Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 2319 Browns Mill Road, Suite C, Johnson City, TN
BAN20081162 Allied Home Mortgage Capital Corporation - To open a mortgage lender and broker's office at 900 Commonwealth Place, Suite 232, Virginia Beach, VA
BAN20081163 Allied Home Mortgage Capital Corporation - To open a mortgage lender and broker's office at 20195 Virgil Goode Highway, Suite B, Rocky Mount, VA
BAN20081164 Virginia Credit Union, Inc. - To relocate credit union office from 2101 Plank Road, Fredericksburg, VA to 2150 Gordon W. Shelton Boulevard, Fredericksburg, VA
BAN20081165 First Residential Mortgage Network, Inc. d/b/a SurePoint Lending - To open a mortgage lender and broker's office at 11595 N. Meridian Street, Suite 350, Carmel, IN
BAN20081166 Weber Financial Services, Inc. - To open a mortgage broker's office at 7043 Caney Ridge Road, Coeburn, VA
BAN20081167 Millennium Capital Markets, Inc. d/b/a The Mortgage Lending Group - To relocate mortgage broker's office from 10 Duff Road, Suite 208, Pittsburgh, PA to 473 Shadywood Drive, Pittsburgh, PA
BAN20081168 Norfolk Southern Employees' Credit Union, Incorporated - To relocate credit union office from 1417 North Battlefield Boulevard, Chesapeake, VA to 100 Volvo Parkway, Suite 310, Chesapeake, VA
BAN20081169 PHH Mortgage Corporation d/b/a Instamortgage.com - To open a mortgage lender and broker's office at 1512 E. Little Creek Road, Norfolk, VA
BAN20081170 First Home Mortgage Corporation - To relocate mortgage lender broker's office from 8000 Towers Crescent Drive, Suite 1350, Vienna, VA to 9681 Main Street, Suites A and B, Fairfax, VA
BAN20081171 Priority Financial Services, LLC - To open a mortgage broker's office at 1801 McCormick Drive, Suite 160, Largo, MD
BAN20081172 Priority Financial Services, LLC - To open a mortgage broker's office at 10 Gerard Avenue, Suite 110, Timonium, MD
BAN20081173 Priority Financial Services, LLC - To open a mortgage broker's office at 9921 Reisterstown Road, Owings Mills, MD
BAN20081174 Alcova Mortgage LLC - To relocate mortgage lender broker's office from 14117 Robert Paris Court, Chantilly, VA to 14113 Robert Paris Court, Suite 106, Chantilly, VA
BAN20081175 Alcova Mortgage LLC - To relocate mortgage lender broker's office from 223 East Valley Street, Abingdon, VA to 215 B East Valley Street, Abingdon, VA
BAN20081176 Justin Enterprises, Inc. d/b/a Cash To Payday - To relocate payday lender's office from 14284 Fancy Gap Highway, Cana, VA to 16266 Fancy Gap Highway, Cana, VA
BAN20081177 Union Bank and Trust Company - To open a branch at 10131 Jefferson Davis Highway, Spotsylvania County, VA
BAN20081178 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To open a mortgage broker's office at 15111 Washington Street, Haymarket, VA

BAN20081179 Covenant Mortgage and Investment Group, Ltd. - To relocate mortgage broker's office from 1615 A Robin Circle, Forest Hill , MD to 9925 Stephen Decatur Highway, Suite E-2, Ocean City, MD
BAN20081180 APEX Funding Group, Inc. - To relocate mortgage broker's office from 656 Quince Orchard Road, Suite 630, Gaithersburg, MD to 213 N. Frederick Avenue, Suite 7, Gaithersburg, MD
BAN20081181 Lewis Hunt Enterprises, Inc. d/b/a Interactive Financial Corporation - To open a mortgage lender and broker's office at 319 Edwin Drive, Virginia Beach, VA
BAN20081182 Carteret Mortgage Corporation - To open a mortgage broker's office at 1125 Curry Road, Schenectady, NY
BAN20081183 The Peoples Bank - To open a branch at 419 Erin Drive, Knoxville, TN
BAN20081184 CW Financial of VA LLC - To conduct payday lending business where open end credit business will also be conducted
BAN20081185 Rent-Way, Inc. d/b/a Rent-A-Center Financial Services - To open a check casher at 2696 Greensboro Road, Martinsville, VA
BAN20081186 Rent-A-Center East, Inc. d/b/a Rent-A-Center Financial Services - To open a check casher at 2323 Memorial Avenue, Suite 17B, Lynchburg, VA
BAN20081187 Rent-A-Center East, Inc. - For a payday lender license
BAN20081188 Rent-Way, Inc. - For a payday lender license
BAN20081189 Xenith Bank - To open a bank at One James Center, 901 East Cary Street, Suite 1700, Richmond, VA
BAN20081190 Juan Ontiveros Martinez - To open a check casher at 16163 Lankford Highway, Nelsonia, VA
BAN20081191 Burke & Herbert Bank & Trust Company - To open a branch at 302 Maple Avenue West, Vienna, VA
BAN20081192 Queena V. Hughes d/b/a Metropolitan Mortgage Group - To relocate mortgage broker's office from 11350 Random Hills Road, Suite 800, Fairfax, VA to 11264 Derosnec Drive, Oakton, VA
BAN20081193 First Nations Mortgage Co., Inc. (Used in VA by: First Security Mortgage Corp.) - To relocate mortgage broker's office from 225 Green Street, Suite 1100, Fayetteville, NC to 2604 Ft. Bragg Road, Suite 100, Fayetteville, NC
BAN20081194 Freedom Mortgage Corporation - To open a mortgage lender and broker's office at 4108 Park Road, Suite 300, Charlotte, NC
BAN20081195 C.C.C. Martinsville Employees Credit Union, Incorporated - To relocate credit union office from 810 Starling Avenue, Martinsville, VA to 2412 Greensboro Road, Martinsville, VA
BAN20081196 Martinsville Postal Credit Union, Incorporated - To relocate credit union office from 810 Starling Avenue, Martinsville, VA to 2412 Greensboro Road, Martinsville, VA
BAN20081197 Las Comadres LLC - To open a check casher at 24624 Front Street, Accomac, VA
BAN20081198 Barrons Mortgage Group, Ltd. d/b/a goodmortgage.com - To relocate mortgage lender broker's office from 2000 South Boulevard, Suite 540, Charlotte, NC to 3325 South Tryon Street, Charlotte, NC
BAN20081199 Advance America, Cash Advance Centers of Virginia, Inc. - To conduct payday lending business where a check cashing business will also be conducted
BAN20081200 Suzanne De Lyon, Inc. - For a mortgage broker's license
BAN20081201 Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers - To open a check casher at 442 S. Cumming Street, Abingdon, VA
BAN20081202 American Mortgage Express Finanical Service Inc. - For a mortgage broker's license
BAN20081203 F & L Marketing Enterprises LLC d/b/a Cash 2 U Payday Loans - To conduct payday lending business where wire transfer and money order sales will also be conducted
BAN20081204 Preferred Home Finance, LLC - For a mortgage lender and broker license
BAN20081205 O'Neill Financial Group, LLC - To relocate mortgage broker's office from 2775-B Hartland Road, Second Floor, Falls Church, VA to 7204 Alger Road, Falls Church, VA
BAN20081206 First Mutual Corp. - To relocate mortgage lender broker's office from 523 Hollywood Avenue, Suite 300, Cherry Hill, NJ to 523 Hollywood Avenue, Suite 207, Cherry Hill, NJ
BAN20081207 Blessed Mortgage & Financials, Inc. - To relocate mortgage broker's office from 14904 Jefferson Davis Highway, Woodbridge, VA to 14511-A Jefferson Davis Highway, Woodbridge, VA
BAN20081208 Primenet Mortgage Incorporated - To relocate mortgage broker's office from 9001 Braddock Road, Suite 390, Springfield, VA to 25714 Meadowhouse Court, South Riding, VA
BAN20081209 EVB Mortgage, LLC - To open a mortgage lender and broker's office at 8821 West Broad Street, Richmond, VA
BAN20081210 MLD Mortgage Inc. d/b/a The Money Store - To open a mortgage lender and broker's office at 243 Church Street, Vienna, VA
BAN20081211 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 4608 Highway 49, South, Harrisburg, NC
BAN20081212 J&J Lending Corporation - To relocate mortgage broker's office from 2603 Main Street, Suite 700, Irvine, CA to 4630 Campus Drive, Suite 111, Newport Beach, CA
BAN20081213 Virginia Business Bank - To open a branch at 1317 Executive Boulevard, Suite 110, Chesapeake, VA
BAN20081214 123 Mortgage Services, Inc. - To relocate mortgage broker's office from 22 Golden Ash Way, N. Potomac, MD to 4750 Cove Circle, N., Suite 410, St. Petersburg, FL
BAN20081215 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 1180 Fetterbush Circle, Sykesville, MD
BAN20081216 Trust Mortgage Corporation - To relocate mortgage broker's office from 2200 Cardiff Court, Richmond, VA to 6802 Paragon Place, Suite 601, Richmond, VA
BAN20081217 Harford Funding Group, Inc. - To relocate mortgage broker's office from 112 W. Pennsylvania Avenue, Suite 201, Bel Air, MD to 2906 McGonagall Court, Abingdon, MD
BAN20081218 Transcontinental Lending Group, Inc. - To open a mortgage lender and broker's office at 3014 Bluff Street, Suite 200, Boulder, CO
BAN20081219 Crossline Capital, Inc. - To relocate mortgage broker's office from 17870 Skypark Circle, Suite 102, Irvine, CA to 7 Wrigley, Suite B, Irvine, CA
BAN20081220 Gateway Funding Diversified Mortgage Services, L.P. - To open a mortgage lender and broker's office at 2353 Jefferson Highway, Suite 203, Waynesboro, VA
BAN20081221 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 55 Leighs Grove Way, Grayson, GA
BAN20081222 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 267 Silverthorne Circle, Douglasville, GA
BAN20081223 Premier Trust Mortgage, Inc. - For additional mortgage authority
BAN20081224 New Peoples Bank, Inc. - To open a branch at 127 Tempur Pedic Road, Duffield, VA
BAN20081225 LH Services, LLC d/b/a Dobordero Financial - To relocate mortgage broker's office from 15564 Three Otters Place, Manassas, VA to 44010 Royal Crest Square, Ashburn, VA

BAN20081226 Valley Broker Services, Inc. d/b/a VBS Mortgage - To relocate mortgage lender broker's office from 4502 Starkey Road, Suite 105, Roanoke, VA to 4519 Brambleton Avenue, Suite 210, Roanoke, VA

BAN20081227 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To relocate mortgage broker's office from 4134 E. Joppa Road, Suite 203, Baltimore, MD to 3338 Paper Mill Road, Phoenix, MD

BAN20081228 CitiFinancial Services, Inc. - To relocate consumer finance office from 3408 Virginia Avenue, Collinsville, VA to 247 Commonwealth Boulevard, West, Suite 6, Martinsville, VA

BAN20081229 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 6802 Paragon Place, Suite 410, Richmond, VA

BAN20081230 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 3985 Prince William Parkway, Suite 104, Woodbridge, VA

BAN20081231 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 1600 N. Coalter Street, Suite 15, Staunton, VA

BAN20081232 John Marshall Bank - To open a branch at 818 South King Street, Unit 3A, Leesburg, VA

BAN20081233 John Marshall Bank - To open a branch at 12165 Darnestown Road, Offices 3 and 4, Gaithersburg, MD

BAN20081234 American Equity Mortgage, Inc. - To open a mortgage lender and broker's office at 6465 Reflections Drive, Suite 240, Dublin, OH

BAN20081235 American Equity Mortgage, Inc. - To open a mortgage lender and broker's office at 11260 Chester Road, Suite 100, Cincinnati, OH

BAN20081236 Anthony Forde d/b/a Atlantic & Pacific Mortgage Services - To relocate mortgage broker's office from 3311 Toledo Terrace, Suite B101, Hyattsville, MD to 4008 Bladensburg Road, Brentwood, MD

BAN20081237 A M Financial Corp. - To relocate mortgage broker's office from 106 Woodhill Drive, Unit C-1, Nags Head, NC to 934 W. Kitty Hawk Road, Suite 15, Kitty Hawk, NC

BAN20081238 New America Financial Corporation - For a mortgage lender and broker license

BAN20081239 Carteret Mortgage Corporation - To relocate mortgage broker's office from 4782 Route 9, South, 2nd Floor, Howell, NJ to 525 East County Line Road, Suite 11, Lakewood, NJ

BAN20081240 Mortgage World, LLC - To relocate mortgage broker's office from 5627 Allentown Road, Suite 103, Suitland, MD to 12504 Minnehan Court, Clinton, MD

BAN20081241 Baldwin Financial, LLC - To relocate mortgage broker's office from 841-F and G Quince Orchard Boulevard, Gaithersburg, MD to 13230 Executive Park Terrace, Germantown, MD

BAN20081242 Peninsula Credit Services, Inc. - To relocate mortgage broker's office from 4663 Haygood Road, Suite 213, Virginia Beach, VA to 101 Northfield Street, Chesapeake, VA

BAN20081243 Bank of Marion - To open a branch at 2975 Lee Highway, Bristol, VA

BAN20081244 Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 7514 Diplomat Drive, Suite 101, Manassas, VA

BAN20081245 JBL Mortgage Network, L.L.C. - To relocate mortgage broker's office from 1410 Forest Drive, Suite 35, Annapolis, MD to 8530 Veterans Highway, 1st Floor, Millersville, MD

BAN20081246 Virginia One Mortgage Corporation - To relocate mortgage broker's office from 746 Walker Road, Suite 14, Great Falls, VA to 19375 Wrenbury Lane, Leesburg, VA

BAN20081247 1st Nations Mortgage Corporation - To relocate mortgage broker's office from 357 So. McCaslin Boulevard, Suite 200, Louisville, CO to 901 Front Street, Louisville, CO

BAN20081248 Village Capital & Investment LLC d/b/a Village Home Mortgage - To open a mortgage lender and broker's office at 959 Main Street, 3rd Floor, Springfield, MA

BAN20081249 USA Mortgage Solution, LLC - For a mortgage broker's license

BAN20081250 Green Leaf Mortgage Corp. - To relocate mortgage broker's office from 3415 Olandwood Court, Suite 201, Olney, MD to 17708 Queen Elizabeth Drive, Olney, MD

BAN20081251 Profirst Mortgage Corporation - To relocate mortgage broker's office from 1617 East Market Street, York, PA to 2200 East Market Street, York, PA

BAN20081252 Novelle Financial Services, Inc. - To relocate mortgage lender broker's office from 24411 Ridge Route Drive, Suite 225, Laguna Hills, CA to 19500 Jamboree Road, Suite 102, Irvine, CA

BAN20081253 CitiFinancial Services, Inc. - To relocate consumer finance office from 2017 Woodbrook Court, Albemarle County, VA to 1820 Rio Hill Center, Suite B3-4, Albemarle County, VA

BAN20081254 American Mortgage Lending Corp. - To relocate mortgage broker's office from 5206 Heming Avenue, Springfield, VA to 8113 American Holly Road, Lorton, VA

BAN20081255 Mortgage Bankers of Virginia, Inc. - To relocate mortgage broker's office from 2567 Homeview Drive, Richmond, VA to 11009 Slenderleaf Drive, Glen Allen, VA

BAN20081256 Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 5121 Center Street, Williamsburg, VA

BAN20081257 Gateway Mortgage Group, LLC - To relocate mortgage lender broker's office from 828 Main Street, 15th Floor, Lynchburg, VA to 1611 A Enterprise Drive, Lynchburg, VA

BAN20081258 NorthSide Mortgage Group LLC - To relocate mortgage broker's office from 172 West Independence Boulevard, Mount Airy, NC to 401 S. Main Street, Suite 200, Mount Airy, NC

BAN20081259 Network Funding, L.P. - To relocate mortgage lender broker's office from 3625 North Hall Street, Dallas, TX to 1111 W. Mockingbird Lane, Suite 810, Dallas, TX

BAN20081260 Primary Residential Mortgage, Inc. - To relocate mortgage lender broker's office from 10777 South Memorial Drive, Suite E, Tulsa, OK to 7633 E. 63rd Place, Suite 327, Tulsa, OK

BAN20081261 Primary Residential Mortgage, Inc. - To relocate mortgage lender broker's office from 13612 Brandy Oaks Road, Chesterfield, VA to 5805 Staples Mill Road, Richmond, VA

BAN20081262 Mortgage Source LLC - To relocate mortgage lender broker's office from 6601 Iron Gate Square, Suite CZ, Richmond, VA to 1901 Huguenot Road, Suite 101, Richmond, VA

BAN20081263 Flagship Mortgage Corporation - To relocate mortgage broker's office from 1104 Madison Plaza, Suite 104, Chesapeake, VA to 1108 Madison Plaza, Suite 203, Chesapeake, VA

BAN20081264 U.S. Mortgage Corporation of Virginia (Used in VA by: U.S. Mortgage Corp.) - To relocate mortgage lender broker's office from 11496 Howar Court, Manassas, VA to 10432 Balls Ford Road, Suite 366, Manassas, VA

BAN20081265 Allied Home Mortgage Capital Corporation - To open a mortgage lender and broker's office at 9161 Washington Street, Suite E, Amelia Court House, VA

BAN20081266 The Fauquier Bank - To open a branch at 10250 Bristow Center Drive, Bristow Shopping Center, Bristow, VA

BAN20081267 AHC Mortgage Services, Inc. - For a mortgage broker's license
BAN20081268 Priority Financial, LLC - For a mortgage broker's license
BAN20081269 Kumasi Supermarket, Inc. - To open a check casher at 14790 Build America Drive, Woodbridge, VA
BAN20081270 University of Virginia Community Credit Union, Inc. - To open a credit union service office at Tax Map, Parcel 52-13-8, State Route 15, Gordonsville, VA
BAN20081271 First Community Bancshares, Inc. - To acquire Coddle Creek Financial Corp.
BAN20081272 NFM, Inc. d/b/a Fidelity Mortgage Corporation - To open a mortgage lender and broker's office at 293 Independence Boulevard, Pembroke Five, Suite 210, Virginia Beach, VA
BAN20081273 America's Lending Solutions, Ltd., LLC (Used in VA by: America's Lending Solutions, Ltd.) - To relocate mortgage broker's office from 6180 Emerald Street, N. Ridgeville, OH to 5700 Lombardo Center Drive, Suite 101, Seven Hills, OH
BAN20081274 Lohit Technologies Inc. - To open a check casher at 101 E. Holly Avenue, Suite 2, Sterling, VA
BAN20081275 Elite Mortgage Services, Inc. - For a mortgage broker's license
BAN20081276 Metfund Financial Group, LLC - For a mortgage broker's license
BAN20081277 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To relocate mortgage broker's office from 4180 Highlander Parkway, Richfield, OH to 5800 Lombardo Center Road, Suite 202, Independence, OH
BAN20081278 New Penn Financial, LLC - To open a mortgage lender and broker's office at 800 Seahawk Circle, Suite 121, Virginia Beach, VA
BAN20081279 New Penn Financial, LLC - To open a mortgage lender and broker's office at 6250 Old Dobbins Lane, Suite 110, Columbia, MD
BAN20081280 K. Hovnanian American Mortgage, L.L.C. - To open a mortgage lender and broker's office at 4310 Regency Drive, Suite 100, High Point, NC
BAN20081281 Superior Home Mortgage Corporation (Used in VA by: Superior Mortgage Corporation) - To open a mortgage lender and broker's office at Patriot Self Storage, Pod # 803900, S. Egg Harbor Road, Hammonton, NJ
BAN20081282 Superior Home Mortgage Corporation (Used in VA by: Superior Mortgage Corporation) - To relocate mortgage lender broker's office from 5024 Campbell Boulevard, Suite J, Baltimore, MD to 2107 Laurel Bush Road, Suite 203, Bel Air, MD
BAN20081283 Freedom Mortgage Corporation - To relocate mortgage lender broker's office from 6571 Edsall Road, Springfield, VA to 5243 Monroe Drive, Springfield, VA
BAN20081284 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To open a mortgage broker's office at 115 N. Royal Avenue, Front Royal, VA
BAN20081285 Gunjan LLC d/b/a Nine Mile Convenience Store - To open a check casher at 4917 Nine Mile Road, Richmond, VA
BAN20081286 Bayview Asset Management, LLC - To acquire 25 percent or more of Bayview Loan Servicing, LLC
BAN20081287 StellarOne Bank - To open a branch at 4109 Plank Road, Spotsylvania County, VA
BAN20081288 Sun Mortgage, Inc. d/b/a First Coastal Mortgage - To open a mortgage broker's office at 3097 Brickhouse Court, Virginia Beach, VA
BAN20081289 Accountable Mortgage L.L.C. - To relocate mortgage broker's office from 4915 Auburn Avenue, Suite 100, Bethesda, MD to 81 Seagate Drive, Unit 703, Naples, FL
BAN20081290 Geneva Mortgage Corp. - To relocate mortgage lender broker's office from 100 North Centre Avenue, Rockville Centre, NY to 585 Stewart Avenue, Garden City, NY
BAN20081291 Mortgage 4 U LLC - For a mortgage broker's license
BAN20081292 Gold Star Mortgage Financial Group, Corporation - For a mortgage lender and broker license
BAN20081293 Midwest Funding Group, LLC - For a mortgage broker's license
BAN20081294 Evan L. Bernard - To acquire 25 percent or more of Atlantic Mortgage and Funding, Inc.
BAN20081295 Ryan L. Leon - To acquire 25 percent or more of Atlantic Mortgage and Funding, Inc.
BAN20081296 Reverse Mortgage GRP, Inc. - To relocate mortgage broker's office from 1504 N. Wells Street, Suite 3, Chicago, IL to 105 W. Adams Street, Suite 1325, Chicago, IL
BAN20081297 Shawn T. O'Brien - To acquire 25 percent or more of Greystone Residential Funding, Inc.
BAN20081298 Bergin Financial, Inc. - For a mortgage lender and broker license
BAN20081299 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To relocate mortgage broker's office from 8031 Ritchie Highway, Suite 204, Pasadena, MD to 4487 Mountain Road, Pasadena, MD
BAN20081300 Your Mortgage Source, LLC d/b/a Advanced Lending Network - To relocate mortgage lender's office from 3030 Royal Boulevard, South, Suite 150, Alpharetta, GA to 11675 Great Oaks Way, Suite 144, Alpharetta, GA
BAN20081301 Patriot Ntnl Mortgage Corporation - To open a mortgage broker's office at 4135 Old Town Road, Suite C, Huntingtown, MD
BAN20081302 Allied Home Mortgage Capital Corporation - To relocate mortgage lender broker's office from 67 Franklin Street, First Floor, Annapolis, MD to 67 Franklin Street, Second Floor, Annapolis, MD
BAN20081303 Spectra Funding, Inc. - For a mortgage lender's license
BAN20081305 Bank of the James - To open a branch at 815 Main Street, Altavista, VA
BAN20081306 Mid Atlantic Mortgage Specialists LLC (Used in VA by: Mid Atlantic Capital LLC) - To relocate mortgage lender broker's office from 180 Route 73, Suite 1201, Voorhees, NJ to 180 Route 73, Suite 1205, Voorhees, NJ
BAN20081307 Mid-Atlantic Mortgage Group, Inc. - To relocate mortgage broker's office from 7335 Timberlake Road, Unit A, Lynchburg, VA to 1438 Bethel Church Road, Forest, VA
BAN20081308 Benchmark Mortgage Inc. - To open a mortgage lender and broker's office at 2342 Blue Stone Hill Drive, Harrisonburg, VA
BAN20081309 A M C Funding Corporation d/b/a Atrium Financial Group - To relocate mortgage broker's office from 9045 Gaither Road, Gaithersburg, MD to 125 B Pleasant Street, S.W., Vienna, VA
BAN20081310 Real Estate Mortgage Network, Inc. d/b/a REMN - To open a mortgage lender and broker's office at 215 Coles Street, Jersey City, NJ
BAN20081311 Real Estate Mortgage Network, Inc. d/b/a REMN - To relocate mortgage lender broker's office from 220 Park Road, Wyomissing, PA to 3836 Penn Avenue, Sinking Spring, PA
BAN20081312 American General Financial Services of America, Inc. - To relocate consumer finance office from 477 West Reservoir Road, Woodstock, VA to 1066 Hisey Avenue, Suite 103, Woodstock, VA
BAN20081313 American General Financial Services, Inc. - To relocate mortgage lender broker's office from 477 West Reservoir Road, Woodstock, VA to 1066 Hisey Avenue, Suite 103, Woodstock, VA
BAN20081314 Old Virginia Mortgage, Inc. - To open a mortgage lender and broker's office at 20566 Timberlake Road, Suite A, Lynchburg, VA
BAN20081315 Bruce Hoting - To acquire 25 percent or more of Traditional Home Mortgage, Inc.
BAN20081316 Kimberly Hoting - To acquire 25 percent or more of Traditional Home Mortgage, Inc.
BAN20081317 Allied Home Mortgage Capital Corporation - To open a mortgage lender and broker's office at 10111 Martin Luther King Jr., Highway, Suite 120, Bowie, MD

BAN20081318 Sage Credit Company, Inc. d/b/a TradelineUSA (Only at 8001 Irvine Center Drive, Suite 200, Irvine, CA 92618) - To relocate mortgage lender broker's office from 8001 Irvine Center Drive, Suite 200, Irvine, CA to 30021 Tomas Street, Suite 300, Rancho Santa Margarita, CA

BAN20081319 Brookstone Mortgage, Inc. - To relocate mortgage broker's office from 6667A Old Dominion Drive, McLean, VA to 8015 Lewinsville Road, McLean, VA

BAN20081320 F. D. B. Mortgage, Inc. - To relocate mortgage broker's office from 10610 Beaver Dam Road, Hunt Valley, MD to 232 Cockeysville Road, Suite A-100, Cockeysville, MD

BAN20081321 Burnett Consulting, Inc. d/b/a Bon Air Mortgage Company - To open a mortgage broker's office at 2604 N. Parham Road, Richmond, VA

BAN20081322 Heritage Bank - To open a branch at 1756 Laskin Road, Virginia Beach, VA

BAN20081323 Rent-A-Center East, Inc. - To conduct payday lending business where a rent-to-own business will also be conducted

BAN20081324 Rent-Way, Inc. - To conduct payday lending business where a rent-to-own business will also be conducted

BAN20081325 Gateway Funding Diversified Mortgage Services, L.P. - To relocate mortgage lender broker's office from 9351 Lakeside Boulevard, Owings Mills, MD to 9419 Common Brook Road, Suite 216, Owings Mills, MD

BAN20081326 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 13154 Jesse Smith Road, Mt. Airy, MD

BAN20081327 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 9524 Coventry Way, Owings Mills, MD

BAN20081328 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 3512 Putty Hill Avenue, Parkville, MD

BAN20081329 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 11603 Butlers Branch Road, Clinton, MD

BAN20081330 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 963 Pirates Court, Edgewood, MD

BAN20081331 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 123 Spry Island Road, Joppa, MD

BAN20081332 Consumer Education Services, Inc. - To open an additional credit counseling office at 3000-101 Crimson Tree Court, Raleigh, NC

BAN20081333 Consumer Education Services, Inc. - To open an additional credit counseling office at 216 Timberlake Drive, Fayetteville, NC

BAN20081334 Lendmark Financial Services, Inc. - To conduct consumer finance business where credit property insurance business will also be conducted

BAN20081335 Lendmark Financial Services, Inc. - To conduct consumer finance business where involuntary unemployment insurance business will also be conducted

BAN20081336 Consumer Education Services, Inc. - To open an additional credit counseling office at 1103 Snowcrest Trail, Durham, NC

BAN20081337 Branch Banking and Trust Company - To open a branch at 43865 Freedom Station Plaza, Ashburn, VA

BAN20081338 Grace Mortgage and Financial, LLC - For a mortgage broker's license

BAN20081339 Chesapeake Capital Mortgage Corporation - To relocate mortgage broker's office from 8055 Ritchie Highway, Suite 207, Pasadena, MD to 882 Northfield Avenue, Pasadena, MD

BAN20081340 Fairway Independent Mortgage Corporation - To open a mortgage lender and broker's office at 5113 Piper Station Drive, Suite 104, Charlotte, NC

BAN20081341 First Home Mortgage Corporation - To open a mortgage lender and broker's office at 420 East Patrick Street, Suite 100, Frederick, MD

BAN20081342 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 28 West Park Place, 2nd Floor, Morristown, NJ

BAN20081343 Allied Home Mortgage Capital Corporation - To relocate mortgage lender broker's office from 105 and 107 Westwood Office Park, Fredericksburg, VA to 812 Westwood Office Park, Fredericksburg, VA

BAN20081344 Main Street Mortgage Group, Inc. - For a mortgage broker's license

BAN20081345 Reemak Mortgage Funding LLC - For a mortgage broker's license

BAN20081346 RKI Food, Inc. d/b/a El Mercadito Hispano - To open a check casher at 495B Elden Street, Herndon, VA

BAN20081347 American Streamline Mortgage, LLC - For a mortgage broker's license

BAN20081348 Apex Lending, Inc. - To open a mortgage lender and broker's office at 10510 Foxlake Drive, Mitchellville, MD

BAN20081349 MNET Mortgage Corp. (Used in VA by: Mortgage Network, Inc.) - To relocate mortgage lender's office from 600 Sable Oaks Drive, South Portland, ME to 100 Larrabee Road, Suite 210, Westbrook, ME

BAN20081350 Winchester Home Mortgage, LLC - To relocate mortgage broker's office from 1114 Fairfax Pike, Suite 14, White Post, VA to 234 Fairfield Drive, Winchester, VA

BAN20081351 Dominion Home Mortgage Corp. - To open a mortgage broker's office at 2697 International Parkway, Suite 107, Virginia Beach, VA

BAN20081352 Bayside Mortgage Services, Inc. - To relocate mortgage broker's office from 102 East Main Street, Suite 102 , Stevensville, MD to 3901 Main Street, Grasonville, MD

BAN20081353 Gateway Funding Diversified Mortgage Services, L.P. - To open a mortgage lender and broker's office at 1242 West Chester Pike, West Chester, PA

BAN20081354 Michael P. Witter - To acquire 25 percent or more of NorthPoint Financial, Inc.

BAN20081355 Alcova Mortgage LLC - To open a mortgage lender and broker's office at 4125 Valley Pike, Winchester, VA

BAN20081356 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 20 Paula Place, Apt. 304, Rosedale, MD to 9860 Decatur Road, Middle River, MD

BAN20081357 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 20518 Shadyside Way, Germantown, MD

BAN20081358 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 5922 Walther Avenue, Baltimore, MD

BAN20081359 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 4314 Flint Hill Drive, Apt. 302, Owings Mills, MD

BAN20081360 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 101 Cameron Parke Court, Alexandria, VA

BAN20081361 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 1553 Provincial Lane, Severn, MD

BAN20081362 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 4 Church Circle, Annapolis, MD

BAN20081363 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 10050 Baltimore National Pike, Ellicott City, MD

BAN20081364 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 9380 Baltimore National Pike, Suite 113, Ellicott City, MD

BAN20081365 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 7550 Teague Road, Suite 113, Hanover, MD

BAN20081366 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 10401 Coastal Highway, Ocean City, MD

BAN20081367 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 572-A Ritchie Highway, Severna Park, MD
BAN20081368 M2 Lending Solutions, LLC - To relocate mortgage broker's office from 7939 E. Arapahoe Road, Suite 200, Greenwood Village, CO to 2000 S. Colorado Boulevard, Tower One, 1-3400, Denver, CO
BAN20081369 American Cash Exchange Enterprise of Virginia, L.L.C. d/b/a 1st Choice Cash Advance - To conduct payday lending business where open end credit business will also be conducted
BAN20081370 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 529-D College Road, Greensboro, NC
BAN20081371 Mountainbrook Financial Corporation - For a mortgage broker's license
BAN20081372 LA Tapatia Inc. - To open a check casher at 17210 Jefferson Davis Highway, Colonial Heights, VA
BAN20081373 Oxford Lending Group, LLC - To open a mortgage lender and broker's office at 310 10th Avenue, N., Safety Harbor, FL
BAN20081374 America's Mortgage Broker, L.L.C. d/b/a Affordable Home Funding - To open a mortgage lender and broker's office at 1517 Huguenot Road, Suite 102, Midlothian, VA
BAN20081375 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 954 North Bridge Street, Elkin, NC
BAN20081376 Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 17 West Cary Street, Richmond, VA
BAN20081377 Primerica Financial Services Home Mortgages, Inc. - To relocate mortgage broker's office from 40 Southgate Court, Suite 101, Harrisonburg, VA to 2378 Lee Highway, Suite 1, Mt. Sidney, VA
BAN20081378 CitiFinancial Services, Inc. - To relocate consumer finance office from 2225 Lakeside Drive, Unit C-1, Lynchburg, VA to 2800 Dearing Ford Road, Suite B, Altavista, VA
BAN20081379 Capital Lending Service, Incorporated - For a mortgage broker's license
BAN20081380 Arihant Petroleum LLC d/b/a Shop & Go Mart - To open a check casher at 501 Southpark Boulevard, Colonial Heights, VA
BAN20081381 PHH Mortgage Corporation d/b/a Instamortgage.com - To open a mortgage lender and broker's office at 4243 Captains Corridor, Greenbackville, VA
BAN20081382 American Lending Network, Inc. - To open a mortgage lender and broker's office at 8001 Irvine Center Drive, Suite 100, Irvine, CA
BAN20081383 Franklin American Mortgage Company - To open a mortgage lender and broker's office at 1818 Library Street, Suite 500, Reston, VA
BAN20081384 Equity United Mortgage Corporation - To relocate mortgage broker's office from 8818 Centre Park Drive, Columbia, MD to 3440 Ellicott Center Drive, Ellicott City, MD
BAN20081385 Guardian Mortgage Partners, LLC - To relocate mortgage broker's office from 7609 Geranium Street, Bethesda, MD to 7700 Geranium Street, Bethesda, MD
BAN20081386 Provident Capital Mortgage, Inc. - To relocate mortgage broker's office from 120 Lambert Lind Highway, Warwick, RI to 72 Gansett Avenue, Cranston, RI
BAN20081387 City Line Mortgage, LLC - To relocate mortgage broker's office from 7910 Woodmont Avenue, Suite 1130, Bethesda, MD to 4720 Montgomery Lane, Suite 1000, Bethesda, MD
BAN20081388 TD Banknorth, National Association - To merge into it Commerce Bank, N.A.
BAN20081389 North South Financial, LLC - For a mortgage broker's license
BAN20081390 Commonwealth Mortgage Corporation - For additional mortgage authority
BAN20081391 Weststar Mortgage, Inc. - To open a mortgage lender and broker's office at 2901 S. Lynnhaven Road, Suite 180, Virginia Beach, VA
BAN20081392 Weststar Mortgage, Inc. - To open a mortgage lender and broker's office at 760 Lynnhaven Parkway, Suite 100, Virginia Beach, VA
BAN20081393 Premier Mortgage Capital, Inc. - To open a mortgage lender and broker's office at 445 North Battlefield Boulevard, Suite E, Chesapeake, VA
BAN20081394 Preferred Mortgage Group, LLC - For a mortgage lender and broker license
BAN20081395 Liberty United Mortgage, LLC - To relocate mortgage broker's office from 304 York Street, Suite E, Gettysburg, PA to 1709 Fleet Street, Baltimore, MD
BAN20081396 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 1809 William Street, Fredericksburg, VA
BAN20081397 Apex Lending, Inc. - To open a mortgage lender and broker's office at 2241 Allen Road, Berryville, VA
BAN20081398 Berkley Capital Corp. - For a mortgage broker's license
BAN20081399 Virginia Finance, LLC - To conduct consumer finance business where check cashing will also be conducted
BAN20081400 Virginia Finance, LLC - To conduct consumer finance business where payday lending will also be conducted
BAN20081401 PayDay Advance LLC - To conduct payday lending business where a third party will conduct consumer finance business
BAN20081402 Virginia Finance, LLC - To open a consumer finance office
BAN20081403 TMC Lending, Inc. - For a mortgage broker's license
BAN20081404 Apex Lending, Inc. - To open a mortgage lender and broker's office at 3822 Peach Orchid Circle, Portsmouth, VA
BAN20081405 Apex Lending, Inc. - To open a mortgage lender and broker's office at 6309 Meadow Glade Lane, Centreville, VA
BAN20081406 Apex Lending, Inc. - To open a mortgage lender and broker's office at 12 Deerfield Place, North Reading, MA
BAN20081407 U.S. Mortgage Corporation of Virginia (Used in VA by: U.S. Mortgage Corp.) - To relocate mortgage lender broker's office from 4445 Corporation Lane, Suite 200, Virginia Beach, VA to 5347 Lila Lane, Suite 106, Virginia Beach, VA
BAN20081408 CW Financial of VA LLC d/b/a Payday USA - To conduct payday lending business where a tax refund anticipation loan business will also be conducted
BAN20081409 CW Financial of VA LLC d/b/a Payday USA - To conduct payday lending business where a tax preparation and electronic tax filing services business will also be conducted
BAN20081410 U.S. Mortgage Corporation of Virginia (Used in VA by: U.S. Mortgage Corp.) - To open a mortgage lender and broker's office at 4330 Ridgewood Center Drive, Woodbridge, VA
BAN20081411 ABBA First Mortgage, Inc. - For a mortgage broker's license
BAN20081412 Financial Exchange Company of Virginia, Inc. d/b/a MoneyMart - To conduct payday lending business where open end credit business will also be conducted
BAN20081413 Home Equity Direct, L.L.C. - To relocate mortgage broker's office from 3961-F Stillman Parkway, Glen Allen, VA to 9649 Kingscroft Drive, Glen Allen, VA
BAN20081414 DMA Financial Corp. - For a payday lender license
BAN20081415 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 204 Monroe Street, South Boston, VA
BAN20081416 Ascent Home Loans, Inc. - To open a mortgage lender and broker's office at 7702 Newcastle Drive, Annandale, VA

BAN20081417 Kelly Mortgage, LLC - To relocate mortgage broker's office from 9667 Main Street, Unit D, Fairfax, VA to 8706 Queen Elizabeth Boulevard, Annandale, VA
BAN20081418 Citistar Funding Group, Inc. - To open a mortgage broker's office at 2095 Chain Bridge Road, Suite 200, Vienna, VA
BAN20081419 Citizens Financial Mortgage, Inc. - To open a mortgage broker's office at 426 Pennsylvania Avenue, Suite 205, Ft. Washington, PA
BAN20081420 TBI Mortgage Company - To relocate mortgage lender broker's office from 19775 Belmont Executive Plaza, Ashburn, VA to 19775 Belmont Executive Plaza, Suite 250, Ashburn, VA
BAN20081421 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 44365 Premier Plaza, Suite 200, Ashburn, VA
BAN20081422 Franklin American Mortgage Company - To open a mortgage lender and broker's office at 55 Ferncroft Road, Suite 404, Danvers, MA
BAN20081423 GMAC Mortgage, LLC d/b/a Ditech - To relocate mortgage lender broker's office from 10430 Harris Oaks Boulevard, Charlotte, NC to 2101 Rexford Road, Suite 250W, Charlotte, NC
BAN20081424 Apex Lending, Inc. - To open a mortgage lender and broker's office at 910 Bevridge Road, Richmond, VA
BAN20081425 GiroCheck Financial, Inc. - To open a check casher
BAN20081426 EZ Payday Loans of Virginia LLC - To open a check casher at 2041 N. Battlefield Boulevard, Chesapeake, VA
BAN20081427 Transcontinental Lending Group, Inc. - To open a mortgage lender and broker's office at 9399 Baltimore National Pike, Ellicott City, MD
BAN20081428 Dynamic Capital Mortgage, Inc. - To relocate mortgage lender broker's office from 7500 Greenway Center Drive, Suite 800, Greenbelt, MD to 7500 Greenway Center Drive, Suite 1110, Greenbelt, MD
BAN20081429 Dynamic Capital Mortgage, Inc. - To relocate mortgage lender broker's office from 870 Greenbrier Circle, Suite 202, Chesapeake, VA to 999 Waterside Drive, Suite 515, Norfolk, VA
BAN20081430 Tu mundo Latino Inc. - To open a check casher at 5759 Hull Street Road, Richmond, VA
BAN20081431 Eagle Creek Mortgage, LLC - To relocate mortgage broker's office from 20601 Miracle Drive, Gaithersburg, MD to 656 Quince Orchard Road, Suite 120, Gaithersburg, MD
BAN20081432 Merit Funding Group, Inc. - To relocate mortgage lender broker's office from 16257 Laguna Canyon Road, Suite 100, Irvine, CA to 959 South Coast Drive, Suite 490-A, Costa Mesa, CA
BAN20081433 Gateway Mortgage Group, LLC - To relocate mortgage lender broker's office from 120 W. Broadway Street, Peculiar, MO to 100 S. Main Street, Suite A, Clinton, MO
BAN20081434 Numerica Mortgage, LLC d/b/a Your Mortgage People - To open a mortgage lender and broker's office at 1403 Greenbriar Parkway, Suite 200, Chesapeake, VA
BAN20081435 Skeens Consulting Corporation d/b/a Colonial Mortgage Group - To open a mortgage broker's office at 115 West 2nd Avenue, Franklin, VA
BAN20081436 JBL Mortgage Network, L.L.C. - To relocate mortgage broker's office from 1410 Forest Drive, Suite 35, Annapolis, MD to 8530 Veterans Highway, 1st Floor, Millersville, MD
BAN20081437 Caliber Funding LLC - For a mortgage lender and broker license
BAN20081438 Nilam, Corporation - To open a check casher at 2223 Williamson Road, Roanoke, VA
BAN20081439 Synergy Mortgage, Inc. - For a mortgage broker's license
BAN20081440 Fairway Independent Mortgage Corporation - To relocate mortgage lender broker's office from 42882 Truro Parish Drive, Suite 206, Ashburn, VA to 661 Jefferson Street, Suite 302, Haymarket, VA
BAN20081441 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 725 Beech Grove Road, Roseland, VA
BAN20081442 Abacus Mortgage Corporation - To relocate mortgage broker's office from 605-2B S. Main Street, Culpeper, VA to 16341 Norman Road, Culpeper, VA
BAN20081443 Virginia Mortgage Bankers, LLC - To open a mortgage broker's office at 321 Custis Millpond Road, West Point, VA
BAN20081444 Pacific Coast Mortgage, Inc. - For a mortgage broker's license
BAN20081445 Allied Home Mortgage Capital Corporation - To open a mortgage lender and broker's office at 8996 Fern Park Drive, Burke, VA
BAN20081446 P & P Financial Group, Inc. - To relocate mortgage broker's office from 5900 Centreville Road, Suite 308, Centreville, VA to 7529 Cannon Fort Drive, Clifton, VA
BAN20081447 ClearPoint Financial Solutions, Inc. - To relocate credit counseling office from 200 Citizens Commonwealth Center, Charlottesville, VA to 1658 State Farm Boulevard, Suite B, Charlottesville, VA
BAN20081448 River City Mortgage, L.L.C. - To relocate mortgage broker's office from 9507 Hull Street Road, Richmond, VA to 13631 Laketree Drive, Chester, VA
BAN20081449 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 8391 Old Courthouse Road, Suite 100, Vienna, VA
BAN20081450 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 605 Pennsylvania Avenue, S.E., Washington, DC
BAN20081451 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 1009 Centerbrook Drive, Brandon, FL
BAN20081452 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 7272 Wisconsin Avenue, Bethesda, MD
BAN20081453 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 310 King Street, Alexandria, VA
BAN20081454 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 3401 Commission Court, Woodbridge, VA
BAN20081455 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 7696 Streamwalk Lane, Manassas, VA
BAN20081456 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 1525 Pointer Ridge Place, Suite 101, Bowie, MD
BAN20081457 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 465 Maple Avenue West, Suite A, Vienna, VA
BAN20081458 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 38 Villiage Square, Baltimore, MD

BAN20081459 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 14140 Minnieville Road, Woodbridge, VA

BAN20081460 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 2828 Pennsylvania, N.W., Washington, DC

BAN20081461 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 1801 Reston Parkway, Suite 300, Reston, VA

BAN20081462 PHH Home Loans, LLC d/b/a Coldwell Banker Home Loans - To open a mortgage lender and broker's office at 4000 Legato Road, Fairfax, VA

BAN20081463 1st Choice Mortgage/Equity Corporation of Lexington - To relocate mortgage lender broker's office from 2506 North Herritage Street, Suite B, Kinston, NC to 2506 North Herritage Street, Suite C, Kinston, NC

BAN20081464 1st AAA Reverse Mortgage, Inc. d/b/a Reverse Mortgage USA - To relocate mortgage broker's office from 4201 Plank Road, Suite B, Fredericksburg, VA to 150 Olde Greenwich Drive, Suite 204, Fredericksburg, VA

BAN20081465 Primerica Financial Services Home Mortgages, Inc. - To relocate mortgage broker's office from 2025 East Main Street, Suite 202, Richmond, VA to 4879 Finlay Street, Richmond, VA

BAN20081466 Primerica Financial Services Home Mortgages, Inc. - To relocate mortgage broker's office from 800 Loudoun Avenue, Suite 1-B, Portsmouth, VA to 1508 Airline Boulevard, Portsmouth, VA

BAN20081467 East Shore Mortgage, LLC - To relocate mortgage broker's office from 115 Samson Rock Drive, Madison, CT to 500 East Main Street, Suite 312, Bradford, CT

BAN20081468 Absolute Mortgage Solutions, LLC - To relocate mortgage broker's office from 124 Hebron Avenue, Glastonbury, CT to 943 Silas Deane Highway, Wethersfield, CT

BAN20081469 Residential Lending Corporation - To relocate mortgage lender broker's office from 4041 Powder Mill Road, Suite 520, Calverton, MD to 7501 Greenway Center Drive, Suite 700, Greenbelt, MD

BAN20081470 America's Mortgage Broker, L.L.C. d/b/a Affordable Home Funding - To open a mortgage lender and broker's office at 739 Thimble Shoals Boulevard, Suite 704, Newport News, VA

BAN20081471 1st Choice Mortgage/Equity Corporation of Lexington - To open a mortgage lender and broker's office at 820 West Pine Street, Mount Airy, NC

BAN20081472 Provident Lending Corporation - For a mortgage broker's license

BAN20081473 Freedom Mortgage Corporation - To open a mortgage lender and broker's office at 44084 Riverside Parkway, Suite 120, Landsdowne, VA

BAN20081474 Southern Trust Mortgage, LLC d/b/a Middleburg Mortgage (2 Norfolk Offices) - To relocate mortgage lender broker's office from 208 W. Depot Street, Suite D, Bedford, VA to 311 W. Main Street, Suite C, Bedford, VA

BAN20081475 EVB Mortgage, LLC - To open a mortgage lender and broker's office at 2599 New Kent Highway, Quinton, VA

BAN20081476 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To open a mortgage broker's office at 103 E. Washington Street, Lexigton, VA

BAN20081477 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To open a mortgage broker's office at 382 W. Main Street, Lebanon, VA

BAN20081478 iPayDebt Financial Services, Inc. d/b/a Cornerstone Financial Education - To relocate credit counseling office from 9433 Bee Cave Road, Building 3, Austin, TX to 3011 N. Lamar Street, Austin, TX

BAN20081479 New American Mortgage LLC d/b/a Dominion Trust Mortgage - To relocate mortgage lender broker's office from 600 Lynnhaven Parkway, Suite 204, Virginia Beach, VA to 575 Lynnhaven Parkway, Suite 101, Virginia Beach, VA

BAN20081480 Family Lender, Inc. - To relocate mortgage broker's office from 10300 Eaton Place, Suite 120, Fairfax, VA to 3900 Jermantown Road, Suite 420, Fairfax, VA

BAN20081481 Edward D. Jones & Co., L.P. d/b/a EdwardJones - To relocate mortgage broker's office from 100 S. Main Street, Suite 1, Bridgewater, VA to 121 A North Main Street, Suite 1, Bridgewater, VA

BAN20081482 Lendmark Financial Services, Inc. - To conduct consumer finance business where a mechanical breakdown protection sales business will also be conducted

BAN20081483 Primary Residential Mortgage, Inc. - To relocate mortgage lender broker's office from 8601 Six Forks Road, Suite 100, Raleigh, NC to 701 Exposition Place, Suite 118, Raleigh, NC

BAN20081484 Somerset Investors Corp. - To relocate mortgage lender broker's office from 5340 North Federal Highway, Suite 102, Lighthouse Point, FL to 1166 West Newport Center Drive, Suite 311, Deerfield Beach, FL

BAN20081485 MegaStar Financial Corp. - To relocate mortgage lender's office from 1427 Dolley Madison Boulevard, McLean, VA to 7775 Rogues Road, Nokesville, VA

BAN20081486 Integrity Home Mortgage Corporation - To open a mortgage lender and broker's office at 154 E. King Street, Strasburg, VA

BAN20081487 American Nationwide Mortgage Company, Inc. - To open a mortgage lender and broker's office at 7726 Williamson Road, Suite 100, Roanoke, VA

BAN20081488 J & C Investment Properties Corp. - For a mortgage broker's license

BAN20081489 Brisas-Del-Mar-Latino Market Inc. - To open a check casher at 4603 Jefferson Davis Highway, Richmond, VA

BAN20081490 Daylight Discount Mortgage Corporation - To relocate mortgage broker's office from 1017 Ashes Drive, Suite 104, Wilmington, NC to 7110 Wrightsville Avenue, Suite A-4, Wilmington, NC

BAN20081491 MLD Mortgage Inc. d/b/a The Money Store - To open a mortgage lender and broker's office at 9700 Rockside Road, Valley View, OH

BAN20081492 MLD Mortgage Inc. d/b/a The Money Store - To open a mortgage lender and broker's office at 12850 Middlebrook Road, Suite 104, Germantown, MD

BAN20081493 Washington Capitol Financial Corp. - To relocate mortgage broker's office from 8150 Leesburg Pike, Suite 1040, Vienna, VA to 3 Research Place, Suite 100, Rockville, MD

BAN20081494 American Cash Exchange Enterprise of Virginia, L.L.C. d/b/a 1st Choice Cash Advance - To relocate payday lender's office from 2113 College Avenue, Bluefield, VA to 2113 College Avenue, Suite 21, Bluefield, VA

BAN20081495 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 5372 Fallowater Lane, S.W., Roanoke, VA

BAN20081496 Weststar Mortgage, Inc. - To open a mortgage lender and broker's office at 1353 South Military Highway, Suite 105, Chesapeake, VA

BAN20081497 Apex Lending, Inc. - To open a mortgage lender and broker's office at 9203 Deer Crossing, Lorton, VA

BAN20081498 Apex Lending, Inc. - To open a mortgage lender and broker's office at 1209 Hatcher Court, Charlottesville, VA

BAN20081499 Apex Lending, Inc. - To open a mortgage lender and broker's office at 253 Choptank Road, Stafford, VA

BAN20081500 Hometown Lenders, L.L.C. - To open a mortgage broker's office at 5366 Twin Hickory Road, Glen Allen, VA

BAN20081501 Ibanez Mortgage Group, LLC d/b/a USA Loans - To relocate mortgage broker's office from 6601 Little River Turnpike, Suite 305, Alexandria, VA to 4 Bishop Street, Suite 112, Framingham, MA
BAN20081502 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 106 Liberty Hall Road, Goose Creek, SC
BAN20081503 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 44121 Harry Byrd Highway, Suite 240-D, Ashburn, VA
BAN20081504 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 4401 Starkey Road, Roanoke, VA
BAN20081505 Topaz Mortgage Corporation d/b/a Topaz Mortgage - For a mortgage broker's license
BAN20081506 The Business Bank - To open a branch at 1750 Tyson's Boulevard, Suite 100, McLean, VA
BAN20081507 Atlas Mortgage, Inc. - To relocate mortgage broker's office from 1341 Argyll Drive, Arnold, MD to 100 Sutton Wick Road, Pasadena, MD
BAN20081508 Set 2 Go Loans, Inc. - To open a mortgage broker's office at 2082 S.E. Bristol Street, Suite 218, New Port Beach, CA
BAN20081509 USA Home Loans, Inc. - To open a mortgage lender and broker's office at 1717 Elton Road, Suite 212, Silver Spring, MD
BAN20081510 Total Mortgage Services, LLC - To open a mortgage lender and broker's office at 1100 Kennedy Road, Windsor, CT
BAN20081511 CitiFinancial Services, Inc. - To relocate consumer finance office from 4300 Plank Road, Suite 210, Fredericksburg, VA to 4500 Plank Road, Suite 1010, Spotsylvania County, VA
BAN20081512 Apex Lending, Inc. - To open a mortgage lender and broker's office at 3221 S. Ocean Boulevard, Suite 607, Highland Beach, FL
BAN20081513 Freedom Mortgage Corporation - To open a mortgage lender and broker's office at 702 South Broadway, Suite 200, Baltimore, MD
BAN20081514 Atlantic Bay Mortgage Group, L.L.C. - To relocate mortgage lender broker's office from 825 Holston Road, Wytheville, VA to 665 E. Main Street, Wytheville, VA
BAN20081515 Continental Exchange Solutions, Inc. d/b/a Ria Financial Services - To open a check casher at 5827 Columbia Pike, Suite 100, Falls Church, VA
BAN20081516 NFM, Inc. d/b/a Fidelity Mortgage Corporation - To relocate mortgage lender broker's office from 121 Cathedral Street, Suite 3B, Annapolis, MD to 293 Independence Boulevard, Pembroke Five, Suite 210, Virginia Beach, VA
BAN20081517 CitiFinancial Services, Inc. - To relocate consumer finance office from 182 S. 10 Neff Avenue, Harrisonburg, VA to 2035-75 East Market Street, Harrisonburg, VA
BAN20081518 Chesapeake Capital Mortgage Corporation - To relocate mortgage broker's office from 882 Northfield Avenue, Pasadena, MD to 8055 Ritchie Highway, Suite 207, Pasadena, MD
BAN20081519 Allied Home Mortgage Capital Corporation - To open a mortgage lender and broker's office at 300 Hickman Road, Suite 303, Charlottesville, VA
BAN20081520 T Y Mortgage, LLC - To relocate mortgage broker's office from 8811 Sudley Road, Suite 103, Manassas, VA to 8811 Sudley Road, Suite 204, Manassas, VA
BAN20081521 HSBC Bank USA, National Association - To merge into it HSBC National Bank USA
BAN20081522 MLD Mortgage Inc. d/b/a The Money Store - To open a mortgage lender and broker's office at 9320 Annapolis Road, Suite 300, Lanham, MD
BAN20081523 Dominion First, Inc. - To relocate mortgage broker's office from 774 C Walker Road, Great Falls, VA to 10190 Milstead Road, Great Falls, VA
BAN20081524 Apex Lending, Inc. - To open a mortgage lender and broker's office at 1 Wallace Circle, Newport News, VA
BAN20081525 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To relocate mortgage broker's office from 201 Centennial Street, La Plata, MD to 9375 Chesapeake Street, Suite 113, La Plata, MD
BAN20081526 Advance America, Cash Advance Centers of Virginia, Inc. - To conduct payday lending business where open end credit business will also be conducted
BAN20081527 M.P.H. Falcon, LLC - To acquire 25 percent or more of Premier Mortgage Company, LLC
BAN20081528 Coastal Lending Group LLC - For a mortgage broker's license
BAN20081529 Peoples Community Bank - To open a branch at 5082 James Madison Parkway, King George County, VA
BAN20081530 Onyx Finanical, Inc. - For a mortgage broker's license
BAN20081531 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 4 Ayrshire Street, Bear, DE
BAN20081532 BI-BID LTD, LLC - To open a check casher at 1715 Wilson Boulevard, Arlington, VA
BAN20081533 Checks Mate, Inc. d/b/a Checks Mate - To conduct payday lending business where installment loans business will also be conducted
BAN20081534 Checks Mate, Inc. d/b/a Checks Mate - To conduct payday lending business where open end credit business will also be conducted
BAN20081535 The Equity House Inc. - For a mortgage broker's license
BAN20081536 The Fauquier Bank - To relocate office from 216 Broadview Avenue, Warrenton, VA to 87 Lee Highway, Warrenton, VA
BAN20081537 First Capital Mortgage Corporation - To relocate mortgage broker's office from 6201 Leesburg Pike, Suite 5, Falls Church, VA to 1057 West Broad Street, Suite 219, Falls Church, VA
BAN20081538 Assurity Financial Services, LLC - To relocate mortgage lender broker's office from 6025 S. Quebec Street, Suite 350, Englewood, CO to 6025 South Quebec Street, Suite 260, Englewood, CO
BAN20081539 U.S. Mortgage Corporation of Virginia (Used in VA by: U.S. Mortgage Corp.) - To open a mortgage lender and broker's office at 5243 Monroe Drive, Springfield, VA
BAN20081540 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To relocate mortgage broker's office from 4320 Fulton Drive, N.W., Suite 200, Canton, OH to 5377 Lauby Road, N.W., Suite 201, North Canton, OH
BAN20081541 Superior Home Mortgage Corporation (Used in VA by: Superior Mortgage Corporation) - To open a mortgage lender and broker's office at 8 Neshaminy Interplex, Suite 111, Trevose, PA
BAN20081542 Irene E. Mark - To acquire 25 percent or more of Diamond Funding Corporation
BAN20081543 Brookfield Mortgage Group, LLC (Used in VA by: The Mortgage Group, LLC) - To relocate mortgage lender broker's office from 8500 Executive Park Avenue, Fairfax, VA to 8500 Executive Park Avenue, Suite 310, Fairfax, VA
BAN20081544 Checkpay, Inc. - To open a check casher at 3903 Mount Vernon Avenue, Alexandria, VA
BAN20081545 Cash Express of Virginia, Inc. - To open a payday lender's office at 422 Furr Street, South Hill, VA
BAN20081546 Cash Express of Virginia, Inc. - To open a payday lender's office at 97 Main Street, Suite B, South Boston, VA
BAN20081547 Cash Express of Virginia, Inc. - To open a payday lender's office at 5957 E. Virginia Beach Boulevard, Suite 49, Norfolk, VA
BAN20081548 Cash Express of Virginia, Inc. - To open a payday lender's office at 1814 Todds Lane, Suite J, Hampton, VA
BAN20081549 Cash Express of Virginia, Inc. - To open a payday lender's office at 1155 Piney Forest Road, Suite C, Danville, VA
BAN20081550 Cash Express of Virginia, Inc. - To open a payday lender's office at 2085 Lynnhaven Parkway, Suite 103, Virginia Beach, VA

BAN20081551 Jennifer E. Holland - To acquire 25 percent or more of Atlantic Bay Mortgage Group, L.L.C.
BAN20081552 TrustMor Mortgage Company, LLC d/b/a Members Mortgage Solutions - To open a mortgage lender and broker's office at 1201 N. Laburnum Avenue, Richmond, VA
BAN20081553 Jacob Dean Mortgage, Inc. - To open a mortgage broker's office at 4928 Windy Hill Drive, Suite A, Raleigh, NC
BAN20081554 America's Mortgage Broker, L.L.C. d/b/a Affordable Home Funding - To open a mortgage lender and broker's office at 4604 Pembroke Lake Circle, Suite 104A, Virginia Beach, VA
BAN20081555 David Nunez d/b/a Chingo's Food Mart - To open a check casher at 2024 S. Sycamore Street, Petersburg, VA
BAN20081556 Lemus Cruz Corporation - To open a check casher at 6006 West Broad Street, Richmond, VA
BAN20081557 Evergreen Financial, Inc. d/b/a Evergreen Mortgage Services - To relocate mortgage broker's office from 5039-B Backlick Road, Annandale, VA to 11200 Marwood Hill Drive, Potomac, MD
BAN20081558 American Eagle Mortgage Corporation - To open a mortgage broker's office at 10090 Mill Run Circle, Suite 147, Owings Mills, MD
BAN20081559 Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 4641 Montgomery Avenue, Suite 207, Bethesda, MD
BAN20081560 Anthony Accounting & Business Consuting LLC - For a mortgage broker's license
BAN20081561 All State Home Mortgage, Inc. - To open a mortgage lender and broker's office at 26250 Euclid Avenue, Suite 935, Euclid, OH
BAN20081562 Tripoint Mortgage Group, Inc. - To relocate mortgage broker's office from 8899 University Center Lane, Suite 385, San Diego, CA to 4645 Ruffner Street, Suite M, San Diego, CA
BAN20081563 Tripoint Mortgage Group, Inc. - To relocate mortgage broker's office from 3522 Chipada Court, Chesapeake, VA to 13500 Fallen Oak Court, Chantilly, VA
BAN20081564 Advanced Home Loans Corp. - To relocate mortgage broker's office from 4323 Ridgewood Center Drive, Woodbridge, VA to 4330 Ridgewood Center Drive, Woodbridge, VA
BAN20081565 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 1215 Stonewood Court, Annapolis, MD to 391 Hillside Drive, Castle Rock, CO
BAN20081566 First Virginia Residential Mortgage Corp. - To relocate mortgage broker's office from 120 South Lynnhaven Road, Suite 204, Virginia Beach, VA to 1552 Wolfsnare Road, Virginia Beach, VA
BAN20081567 Fairland Mortgage Company, Inc. - To relocate mortgage broker's office from 4306 Evergreen Lane, Suite 104, Annandale, VA to 16800 Monrovia Road, Orange, VA
BAN20081568 Bank of Virginia - To relocate office from 6657 Lake Harbour Drive, Midlothian, VA to 15100 Hull Street Road, Midlothian, VA
BAN20081569 New Seasons Financial, LLC - To relocate mortgage broker's office from 302 Corporate Drive, Langhorne, PA to 102 Corporate Drive, Langhorne, PA
BAN20081570 First Main Street Financial, Inc. - For a mortgage lender and broker license
BAN20081571 Your Family Lender, Inc. - For a mortgage broker's license
BAN20081572 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 10 Key Avenue, Frederick, MD to 577 Eisenhower Drive, Frederick, MD
BAN20081573 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 1347 Huntover Drive, Odenton, MD
BAN20081574 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 298 Mountain Ridge Court, Apt. G, Glen Burnie, MD
BAN20081575 Premier Mortgage Capital, Inc. - To open a mortgage lender and broker's office at 8855 Annapolis Road, Suite 304, Lanham, MD
BAN20081576 Cash Advance Centers of VA, Inc. - To conduct payday lending business where open end credit business will also be conducted
BAN20081577 Greenlight Financial Services, Inc. (Used in VA by: Greenlight Financial Services) - To relocate mortgage lender broker's office from 8105 Irvine Center Drive, Suite 100, Irvine, CA to 8105 Irvine Center Drive, Suite 150, Irvine, CA
BAN20081578 ClearPoint Financial Solutions, Inc. - To open an additional credit counseling office at 3510 A Avenue, Fort Lee, VA
BAN20081579 First Home Mortgage Corporation - To open a mortgage lender and broker's office at 9515 Deereco Road, Timonium, MD
BAN20081580 Precision Funding Group LLC - To relocate mortgage lender broker's office from 1300 Mercantile Lane, Suite 146, Largo, MD to 709 Frederick Road, Suite 2, Baltimore, MD
BAN20081581 CashNet, Inc. - To conduct payday lending business where open end credit business will also be conducted
BAN20081582 Flagship Mortgage Corporation - To open a mortgage broker's office at 3480 West Market Street, Suite 203, Fairlawn, OH
BAN20081583 Polaris Home Funding Corporation - For a mortgage lender and broker license
BAN20081584 Colonial Mart, Inc. - To open a check casher at 8411 Roxbury Road, Charles City, VA
BAN20081585 Allied Home Mortgage Capital Corporation - To open a mortgage lender and broker's office at 295 Bendix Road, Suite 320, Convergence Center One, Virginia Beach, VA
BAN20081586 New Penn Financial, LLC - To open a mortgage lender and broker's office at 6230 Fairview Road, Suite 220, Charlotte, NC
BAN20081587 St Fin Corp. - To relocate mortgage lender broker's office from 5 Mason, Suite 200, Irvine, CA to 23330 Mill Creek, Suite 250, Laguna Hills, CA
BAN20081588 U.S. Mortgage Corporation of Virginia (Used in VA by: U.S. Mortgage Corp.) - To relocate mortgage lender broker's office from 575 Lynnhaven Parkway, Suite 102, Virginia Beach, VA to 916 Great Marsh Avenue, Chesapeake, VA
BAN20081589 Fulton Bank - To open a branch at Princess Anne Road and Dam Neck Road, Virginia Beach, VA
BAN20081590 Blue Ridge Loan Company, L.L.C. - To conduct consumer finance business where an auto loans business will also be conducted
BAN20081591 Blue Ridge Loan Company, L.L.C. - To open a consumer finance office
BAN20081592 Mason Dixon Funding, Inc. - To open a mortgage lender and broker's office at 1216 King Street, Suite 200, Alexandria, VA
BAN20081593 Genesis Mortgage Company LLC - To relocate mortgage broker's office from 6010 West Broad Street, Suite 201, Richmond, VA to 132 Autumn Breeze Drive, Oilville, VA
BAN20081594 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 309 Fellowship Road, Suite 200, Mt. Laurel, NJ
BAN20081595 MLD Mortgage Inc. d/b/a The Money Store - To open a mortgage lender and broker's office at 1500 Colonial Boulevard, Suite 224, Fort Meyers, FL
BAN20081596 Metrocities Mortgage, LLC d/b/a Fidelity & Trust Mortgage (at certain locations) - To open a mortgage lender and broker's office at 11350 Random Hills Road, Suite 800, Fairfax, VA
BAN20081597 Axcidion Mortgage Corporation - To relocate mortgage broker's office from 648 Cedar Spring Street, Gaithersburg, MD to 4 Professional Drive, Suite 143, Gaithersburg, MD
BAN20081598 TideH2O Residential Funding, Inc. - To relocate mortgage broker's office from 4176 S. Plaza Trail, Suite 234, Virginia Beach, VA to 1404 Ships Landing, Virginia Beach, VA

BAN20081599 CW Financial of VA LLC d/b/a Cashwell - To relocate payday lender's office from 221 Carlton Road, Suite 11, Charlottesville, VA to 156 Carlton Road, Suite 102, Charlottesville, VA
BAN20081600 John Marshall Bank - To open a branch at 2300 Wilson Boulevard, Arlington County, VA
BAN20081601 Maverick Funding Corp. - For a mortgage lender and broker license
BAN20081602 Global Traders LLC d/b/a Snappy Food Mart - To open a check casher at 617 Liberty Road, Roanoke, VA
BAN20081603 Khalil, Inc. - To open a check casher at 1000 7th Street, Portsmouth, VA
BAN20081604 Mortgage South, Inc. - To relocate mortgage lender broker's office from 5206 Markel Road, Suite 100 A, Richmond, VA to 3113 West Marshall Street, Suite 209, Richmond, VA
BAN20081605 Dynamic Capital Mortgage, Inc. - To open a mortgage lender and broker's office at 609 Eugene Court, Suite A, Greensboro, NC
BAN20081606 The Money Source Inc. - For a mortgage lender's license
BAN20081607 Sakura International LLC - For a money order license
BAN20081608 Beacon Credit Union, Incorporated - To merge into it Big Island 1013 Federal Credit Union
BAN20081609 Empire Equity Group, Inc. d/b/a 1st Metropolitan Mortgage - To open a mortgage broker's office at 19425 E. Liverpool Parkway, Cornelius, NC
BAN20081610 Citizens Financial Mortgage, Inc. - To open a mortgage broker's office at 187 Franklin Avenue, 1st Floor, Nutley, NJ
BAN20081611 Freedom Mortgage Corporation - To open a mortgage lender and broker's office at 219 N. Salem Street, Suite 202, Apex, NC
BAN20081612 The First Bank and Trust Company - To relocate office from 150 West Main Street, Wytheville, VA to 1290 N. 4th Street, Wytheville, VA
BAN20081613 Beneficial Discount Co. of Virginia - To open a mortgage lender's office at 2929 Walden Avenue, Depew, NY
BAN20081614 Beneficial Mortgage Co. of Virginia - To open a mortgage lender and broker's office at 2929 Walden Avenue, Depew, NY
BAN20081615 Household Realty Corporation of Virginia (Used in VA by: Household Realty Corporation) - To open a mortgage lender and broker's office at 2929 Walden Avenue, Depew, NY
BAN20081616 Ethio American Money Exchange Inc. - For a money order license
BAN20081617 GMAC Mortgage, LLC d/b/a Ditech - To open a mortgage lender and broker's office at 950 Apollo Road, Eagan, MN
BAN20081618 GMAC Mortgage, LLC d/b/a Ditech - To open a mortgage lender and broker's office at 1000 Campus Drive, Collegeville, PA
BAN20081619 GMAC Mortgage, LLC d/b/a Ditech - To open a mortgage lender and broker's office at 700 Burning Tree Road, Fullerton, CA
BAN20081620 GMAC Mortgage, LLC d/b/a Ditech - To open a mortgage lender and broker's office at 4001 44th Avenue, Cedar Rapids, IA
BAN20081621 Alpha Home Mortgage, L.L.C. - For a mortgage broker's license
BAN20081622 EC Financial, LLC - For a mortgage broker's license
BAN20081623 JH Mortgage Inc. - To relocate mortgage broker's office from 7023 Little River Turnpike, Annandale, VA to 3415 Silver Maple Place, Falls Church, VA
BAN20081624 Maharzada Financial Inc. - To open a mortgage broker's office at 4115 Annandale Road, Suite 202, Annandale, VA
BAN20081625 Traditional Home Mortgage, Inc. - To relocate mortgage broker's office from 15990 N. Greenway Hayden Loop, Scottsdale, AZ to 15475 N. Greenway-Hayden Loop, Suite B20, Scottsdale, AZ
BAN20081626 Washington Home Mortgage, LLC - To relocate mortgage lender broker's office from 7508 Wisconsin Avenue, 3rd Floor, Bethesda, MD to 7101 Wisconsin Avenue, 11th Floor, Bethesda, MD
BAN20081627 MegaStar Financial Corp. - To open a mortgage lender's office at 11 Rutledge Court, Sterling, VA
BAN20081628 SunTrust Bank - To open a branch at 8170 Stonewall Shops Square, Gainesville, VA
BAN20081629 United Bank - To open a branch at Chesterbrook Residences, 2030 Westmoreland Street, Fairfax County, VA
BAN20081630 Hampton Roads Bankshares, Inc. - To acquire Gateway Financial Holdings, Inc.
BAN20081631 Freedom Financial, Inc. (Used in VA by: Freedom Financial Solutions, Inc.) - For additional mortgage authority
BAN20081632 Chartwell Mortgage Funding, LLC - For a mortgage broker's license
BAN20081633 MBA Mortgage Services, Inc. - For a mortgage lender and broker license
BAN20081634 Churchill Mortgage Corporation of TN (Used in VA by: Churchill Mortgage Corporation) - To open a mortgage lender and broker's office at 1925 Isaac Newton Square, Suite 200, Reston, VA
BAN20081635 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 8919 River Island Drive, Apt. 304, Savage, MD
BAN20081636 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 2911 Ridge Road, Windsor Mill, MD
BAN20081637 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 7219 Pahls Farm Way, Pikesville, MD
BAN20081638 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 3609 Mt. Olney Lane, Olney, MD
BAN20081639 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 130 D Royal Oak Drive, Bel Air, MD
BAN20081640 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 11980 T Little Patuxent Parkway, Columbia, MD
BAN20081641 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 5764 Stevens Forest Road, Apt. 217, Columbia, MD
BAN20081642 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 310 Laburnum Road, Edgewood, MD
BAN20081643 Gateway Mortgage Group, LLC - To open a mortgage lender and broker's office at 20550 S. LaGrange Road, Suite 210, Frankfort, IL
BAN20081644 HomeOwners of America, Inc. - For a mortgage lender's license
BAN20081645 Best Option Mortgage Inc. - To open a mortgage lender and broker's office at 2250 Ellison Lakes Drive, Suite 218, Kennesaw, GA
BAN20081646 Priority Financial Services, LLC - To open a mortgage broker's office at 8401 Corporate Drive, Suite 480, Landover, MD
BAN20081647 CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 1776 Northeast 27th Terrace, Gresham, OR to 844 Pool Street, Apt. 42, Eugene, OR
BAN20081648 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 8773 W. Desert Trails, Peoria, AZ
BAN20081649 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 8012 Corkberry Lane, Apt. 404, Pasadena, MD
BAN20081650 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 3 A Sugar Plum Court, Cockeysville, MD
BAN20081651 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 5606 Winthrope Avenue, Baltimore, MD
BAN20081652 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 645 Chapelview Drive, Odenton, MD
BAN20081653 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 609 South Wickham Road, Baltimore, MD
BAN20081654 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 7523 Helston Court, Hanover, MD
BAN20081655 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 8749 Contee Road, Apt. 302, Laurel, MD
BAN20081656 CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 4404 Chatham Road, Baltimore, MD

BAN20081657	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 12906 Broadview Run Drive, Waldorf, MD
BAN20081658	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 2138 Bernays Drive, York, PA
BAN20081659	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 13630 Colgate Way, Apt. 746, Silver Spring, MD
BAN20081660	Louis J. Bottari - To acquire 25 percent or more of Mid-Island Mortgage Corp.
BAN20081661	America's Mortgage Broker, L.L.C. d/b/a Affordable Home Funding - To open a mortgage lender and broker's office at 3203 Hull Street, Richmond, VA
BAN20081662	AmericaHomeKey, Inc. - To open a mortgage lender and broker's office at 312 Merchants Walk, Suite 7, Tuscaloosa, AL
BAN20081663	Mortgage One Solutions, Inc. - To open a mortgage lender and broker's office at 11848 Rock Landing Drive, Suite 102, Newport News, VA
BAN20081664	Home Consultants, Inc. - For a mortgage lender and broker license
BAN20081665	WCS Funding Grp. Inc. - For a mortgage lender's license
BAN20081666	Aurora Mortgage LLC - To relocate mortgage lender broker's office from 8150 Leesburg Pike, Suite 1070, Vienna, VA to 8150 Leesburg Pike, Suite 410, Vienna, VA
BAN20081667	Equity Source Home Loans, LLC - To open a mortgage lender and broker's office at 510 Bay Avenue, Suite A, Beach Haven Borough, NJ
BAN20081668	East West Financial Services, Inc. - To relocate mortgage broker's office from 8280 Greensboro Drive, Suite 130, Mclean, VA to 8280 Greensboro Drive, Suite 105, McLean, VA
BAN20081669	Christopher J. Lanzoni - To acquire 25 percent or more of Freedom One Funding, Inc.
BAN20081670	1st Preference Mortgage Corp. - To relocate mortgage lender broker's office from 2235C Tackett's Mill Drive, Woodbridge, VA to 8394 Whites Road, Sanford, VA
BAN20081671	American Nationwide Mortgage Company, Inc. - To open a mortgage lender and broker's office at 20 Prospect Street, Suite 215, Ballston Spa, NY
BAN20081672	Premier Mortgage Capital, Inc. - To relocate mortgage lender broker's office from 1805 Monument Avenue, Suite 301, Richmond, VA to 106 Old Court Drive, Suite 200, Baltimore, MD
BAN20081673	Potomac Mortgage Capital, Inc. - To relocate mortgage lender broker's office from 585 Grove Street, Suite 350, Herndon, VA to 828 Springvale Road, Great Falls, VA
BAN20081674	Universal Mortgage & Finance, Inc. - To open a mortgage lender and broker's office at 100 Biddle Avenue, Suite 200, Newark, DE
BAN20081675	Sonabank - To convert to state
BAN20081676	Allied Home Mortgage Capital Corporation - To open a mortgage lender and broker's office at 1106 Business Parkway, South, Suite E, Westminster, MD
BAN20081677	Freedom Mortgage Corporation - To relocate mortgage lender broker's office from 21 Brendan Court, Holland, PA to 224 Anvil Drive, Feasterville, PA
BAN20081678	First Equitable Financial Corp. - To relocate mortgage broker's office from 5955 Centreville Crest Lane, Centreville, VA to 4701 Old Dominion Drive, Arlington, VA
BAN20081679	Steven Foigelman - To acquire 25 percent or more of The Loanleaders of America, Inc.
BAN20081680	New American Mortgage LLC d/b/a Dominion Trust Mortgage - To open a mortgage lender and broker's office at 355 West Rio Road, Suite 103, Charlottesville, VA
BAN20081681	Google Payment Corp. - For a money order license
BAN20081682	Bank of Essex - To open a branch at 10105 Highway 142, Covington, GA
BAN20081683	Bank of Essex - To open a branch at 4581 Atlanta Highway, Loganville, GA
BAN20081684	Bank of Essex - To open a branch at 2001 Grayson Highway, Grayson, GA
BAN20081685	Bank of Essex - To open a branch at 2238 Main Street East, Snellville, GA
BAN20081686	Geeum, LLC d/b/a S & R Convenience Mart - To open a check casher at 5742 Pickwick Road, Centreville, VA
BAN20081687	Target Enterprises Inc. - To relocate mortgage broker's office from 830 E. Main Street, Suite 402, Richmond, VA to 9235 Stephens Manor Drive, Mechanicsville, VA
BAN20081688	Midatlantic Investment & Funding, Inc. d/b/a NVA Financials Inc. - To relocate mortgage broker's office from 4115 Annandale Road, Suite 102 , Annandale, VA to 7535 Little River Turnpike, Suite 325, Annandale, VA
BAN20081689	Chesapeake Capital Mortgage Corporation - To relocate mortgage broker's office from 8055 Ritchie Highway, Suite 207, Pasadena, MD to 423 Shetlands Lane, Glen Burnie, MD
BAN20081690	Flagship Financial Group, LLC - To open a mortgage broker's office at 107 S. 1470 E., Suite 101, St. George, UT
BAN20081691	Guardian Mortgage, Inc. - To relocate mortgage broker's office from 9300-E Old Keene Mill Road, Burke, VA to 8989 Cotswald Drive, Suite 6, Burke, VA
BAN20081692	Jacob Dean Mortgage, Inc. - For additional mortgage authority
BAN20081693	TruPoint Bank - To open a branch at 600 East Main Street, Abingdon, VA
BAN20081694	Fairway Independent Mortgage Corporation - To relocate mortgage lender broker's office from 4925 Greenville Avenue, Suite 200, Dallas, TX to 1162 East Sonterra Boulevard, Suite 120, San Antonio, TX
BAN20081695	American Affordable Homes, Inc. - To relocate mortgage lender broker's office from 1600 International Drive, Suite 200, McLean, VA to 4100 Monument Corner Drive, Suite 430, Fairfax, VA
BAN20081696	Allied Home Mortgage Capital Corporation - To relocate mortgage lender broker's office from 295 Bendix Road, Suite 320, Virginia Beach, VA to 295 Bendix Road, Suite 320A, Convergence Center One, Virginia Beach, VA
BAN20081697	Guidance Residential, LLC - To open a mortgage lender and broker's office at 110 Washington Avenue, Lower Level, North Haven, CT
BAN20081698	Peoples Home Equity, Inc. d/b/a United Capital Lending - To open a mortgage lender and broker's office at 2203 McKinley Road, Suite 130, Johnson City, TN
BAN20081699	CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 5319 Cordelia Avenue, Baltimore, MD to 3400 W. Belvedere Avenue, Baltimore, MD
BAN20081700	Frontline Financial , LLC - To relocate mortgage lender broker's office from 4543 South 700 East, Suite 202, Salt Lake City, UT to 341 S. Main, Suite 210, Salt Lake City, UT
BAN20081701	Gulfport Financial LLC d/b/a Virginia Cash Advance - To conduct payday lending business where open end credit business will also be conducted

BAN20081702	PHH Mortgage Corporation d/b/a Instamortgage.com - To open a mortgage lender and broker's office at 4005 Electric Road, Suite 100, Roanoke, VA
BAN20081703	Sridharan Krishnaswami - To open a check casher at 3228 A-C S. Military Highway, Chesapeake, VA
BAN20081704	Allstate Lending Corporation - For a mortgage broker's license
BAN20081705	The CIT Group/Sales Financing, Inc. - For a mortgage lender and broker license
BAN20081706	Mortgage America Bankers, LLC - To relocate mortgage lender broker's office from 8555 - 16th Street, Suite 205, Silver Spring, MD to 118 Etna Mills Road, Manquin, VA
BAN20081707	Pembroke Mortgage Group, LLC - To relocate mortgage broker's office from 11710 Plaza America Drive, Suite 2000, Reston, VA to 22087 Vantage Pointe Place, Ashburn, VA
BAN20081708	VBB Financial Corporation - To acquire Virginia Business Bank
BAN20081709	Virginia HomeLoan, L.C. - To relocate mortgage broker's office from 18130 Bridlewood Lane, Ruther Glen, VA to 4 Norgate Court, Ruther Glen, VA
BAN20081710	Global Equity Finance, Inc. - To relocate mortgage broker's office from 4660 La Jolla Village Drive, San Diego, CA to 4747 Morena Boulevard, Suite 201, San Diego, CA
BAN20081711	Access Mortgage Services, Inc. - To relocate mortgage broker's office from 671 King Georges Road, Fords, NJ to 97 Main Street, Suite 209, Woodbridge, NJ
BAN20081712	American General Financial Services of America, Inc. - To relocate consumer finance office from 3439 Jefferson Davis Highway, Fredericksburg, VA to Southpoint Shoppes, 10054 Southpoint Parkway, Spotsylvania County, VA
BAN20081713	American General Financial Services, Inc. - To relocate mortgage lender broker's office from 3439 Jefferson Davis Highway, Fredericksburg, VA to Southpoint Shoppes, 10054 Southpoint Parkway, Fredericksburg, VA
BAN20081714	The Business Bank - To open a branch at 44933 George Washington Boulevard, Suite 100, Ashburn, VA
BAN20081715	Mortgage Access Corp. d/b/a Weichert Financial Services - To open a mortgage lender's office at 809 Broad Street, Shrewsbury, NJ
BAN20081716	Mortgage Access Corp. d/b/a Weichert Financial Services - To open a mortgage lender's office at 1909 Route 70 East, Cherry Hill, NJ
BAN20081717	Cornerstone Mortgage Services, Inc. - To relocate mortgage broker's office from 811 Russell Avenue, Suite J, Gaithersburg, MD to 16220 Frederick Road, Suite 510, Gaithersburg, MD
BAN20081718	Equitable Trust Mortgage Corporation - To open a mortgage lender and broker's office at 6901 Rockledge Drive, Suite 710, Bethesda, MD
BAN20081719	Equitable Trust Mortgage Corporation - To open a mortgage lender and broker's office at 19522 Club House Road, Montgomery Village, MD
BAN20081720	Equitable Trust Mortgage Corporation - To open a mortgage lender and broker's office at 46169 West Lake Drive, Suite 110, Potomac Falls, VA
BAN20081721	H & H Financial Group LLC - For a mortgage lender's license
BAN20081722	First Home Mortgage Corporation - To relocate mortgage lender broker's office from 1750 Tysons Boulevard, 4th Floor, McLean, VA to 1660 International Drive, Suite 400, McLean, VA
BAN20081723	Urgent Money Service Inc. d/b/a Urgent money Service - To conduct payday lending business where open end credit business will also be conducted
BAN20081724	W.R. Starkey Mortgage, LLP - To open a mortgage lender and broker's office at 8521 Six Forks Road, Suite 100, Raleigh, NC
BAN20081725	JB Mortgage, LLC - For a mortgage broker's license
BAN20081726	Blue Coast Mortgage LLC - For a mortgage broker's license
BAN20081727	Mortgage Source Direct, L.L.C. - For a mortgage broker's license
BAN20081728	Fairway Independent Mortgage Corporation - To open a mortgage lender and broker's office at 9 Lighthouse Plaza, Rehoboth Beach, DE
BAN20081729	MLD Mortgage Inc. d/b/a The Money Store - To open a mortgage lender and broker's office at 12805 Portias Promise Drive, Bowie, MD
BAN20081730	Equity Source Home Loans, LLC - To relocate mortgage lender broker's office from 1116 Campus Drive, West, Morganville, NJ to 1120 Campus Drive, West, Morganville, NJ
BAN20081731	Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 2898 Virginia Avenue, Collinsville, VA
BAN20081732	Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 4419 Pheasant Ridge Road, Roanoke, VA
BAN20081733	Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 329 W. Main Street, Salem, VA
BAN20081734	Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 3630 South Plaza Trail, Virginia Beach, VA
BAN20081735	Ryland Mortgage Company - To relocate mortgage lender broker's office from 6300 Canoga Avenue, 14th Floor, Woodland Hills, CA to 24025 Park Sorrento, Suite 100, Calabasas, CA
BAN20081736	Griffin Financial Mortgage, LLC - To relocate mortgage broker's office from 1701 River Run, Suite 308, Fort Worth, TX to 1701 River Run, Suite 408, Fort Worth, TX
BAN20081737	Flagship Financial Group, LLC - To open a mortgage broker's office at 5655 Peachtree Parkway, Suite 112, Norcross, GA
BAN20081738	US Mortgage Network L.P. (Used in VA by: US Mortgage Network) - To relocate mortgage broker's office from 115 VIP Drive, Suite 300, Wexford, PA to 2605 Nicholson Road, Suite 200, Sewickley, PA
BAN20081739	United Bank - To open a branch at One Montrose Metro11921 Rockville Pike, Suite 110, Rockville, MD
BAN20081740	Springboard Non-Profit Consumer Management, Inc. - To open a credit counseling office
BAN20081741	All State Home Mortgage, Inc. - To open a mortgage lender and broker's office at 300 Penn Center, Suite 449, Pittsburgh, PA
BAN20081742	The First Bank and Trust Company - To open a branch at the southern intersection of Forest Road and Cloverdale Boulevard, Forest, VA
BAN20081743	One Stop Home Loans, Inc. (Used in VA by: One Stop Home Loans) - To relocate mortgage broker's office from 4740 Von Karman, Suite 300, Newport Beach, CA to 17842 Irvine Boulevard, Suite B100, Tustin, CA
BAN20081744	Metropolis Funding, Inc. - To relocate mortgage broker's office from 14 North Main Street, Shrewsbury, PA to 8601 LaSalle Road, Suite 207, Towson, MD
BAN20081745	SLS Mortgage, L.L.C. - To relocate mortgage broker's office from 258 East Davis Street, Culpeper, VA to 114 North West Street, Culpeper, VA
BAN20081746	RAJ Food Corporation - To open a check casher at 3842 Shenandoah Avenue, Roanoke, VA
BAN20081747	EZ Consumer Loans, Inc. - To open a consumer finance office
BAN20081748	Integrity Home Mortgage Corporation - To open a mortgage lender and broker's office at 126 S. Royal Avenue, Front Royal, VA

BAN20081749	Peoples Home Equity, Inc. d/b/a United Capital Lending - To relocate mortgage lender broker's office from 4300 Sidco Drive, Suite 200, Nashville, TN to 213 Ward Circle, Suite 201, Brentwood, TN
BAN20081750	Innovative Lending Solutions, LLC - To relocate mortgage broker's office from 4816 Six Forks Road, Suite 202, Raleigh, NC to 7404-N Chapel Hill Road, Raleigh, NC
BAN20081751	Equality Mortgage Group, Inc. - To relocate mortgage broker's office from 7702 Leesburg Pike, Suite T400, Falls Church, VA to 25192 Larks Terrace, Chantilly, VA
BAN20081752	United Capital Lenders LLC - To relocate mortgage broker's office from 931 Huntingdon Pike, Huntingdon Valley, PA to 1310 Industrial Boulevard, Suite 202, Southampton, PA
BAN20081753	Mortgage Lenders of America, L.L.C. - To open a mortgage lender and broker's office at 15400 W. 99th Street, Lenexa, KS
BAN20081754	Umax Capital Corp. - For a mortgage broker's license
BAN20081755	ABC Mortgage, Inc. - For a mortgage broker's license
BAN20081756	MPI Mortgage Services, Inc. (Used in VA by: Mortgage Professionals, Inc.) - To open a mortgage broker's office at 1100 N. Mountain Road, Harrisburg, PA
BAN20081757	CBB Financial Corp. - To acquire Community Bankers' Bank, Midlothian, VA
BAN20081758	Sher Financial Group, Inc. d/b/a Citizens Lending Group, Inc. - To open a mortgage lender and broker's office at 228 East Orange Street, Lancaster, PA
BAN20081759	Sher Financial Group, Inc. d/b/a Citizens Lending Group, Inc. - To open a mortgage lender and broker's office at 237 Main Street, Fort Mill, SC
BAN20081760	Legacy Mortgage, LLC - To relocate mortgage broker's office from 1320 Central Park Boulevard., Suite 211, Fredericksburg, VA to 4 Houghton Lane, Fredericksburg, VA
BAN20081761	Delwar, Inc. - For a money order license
BAN20081762	Hometown Lenders, L.L.C. - To open a mortgage broker's office at 55 Leslie Street, S.E., Atlanta, GA
BAN20081763	Capitol Cash LLC - To conduct payday lending business where open end credit business will also be conducted
BAN20081764	Hometown Bankshares Corporation - To acquire HomeTown Bank
BAN20081765	Remington Mortgage, Inc. - For a mortgage broker's license
BAN20081766	Professional Mortgage Source LLC - For a mortgage broker's license
BAN20081767	Sunshine Mortgage LLC - To open a mortgage broker's office at 4302 Chancery Park Drive, Fairfax, VA
BAN20081768	Virginia Mortgage Bankers, LLC - To open a mortgage broker's office at 192 Ballard Court, Suite 303, Virginia Beach, VA
BAN20081769	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 1322 Rosewick Avenue, Rosedale, MD
BAN20081770	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 605 Bartell Avenue, Linthicum, MD
BAN20081771	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 2338 Madison Avenue, Baltimore, MD
BAN20081772	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 4852 Wainwright Circle, Owings Mills, MD
BAN20081773	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 15628 Copper Beech Drive, Upper Marlboro, MD
BAN20081774	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 2978 Brookwood Road, Ellicott City, MD
BAN20081775	CareOne Services, Inc. d/b/a CareOne - To open an additional credit counseling office at 1201 Plantation Lakes Circle, Chesapeake, VA
BAN20081776	Equity Source Home Loans, LLC - To open a mortgage lender and broker's office at 5220 River Club Drive, Suffolk, VA
BAN20081777	Equity Source Home Loans, LLC - To open a mortgage lender and broker's office at 2771 Broadland Way, Sandy Hook, VA
BAN20081778	CTX Mortgage Company, LLC - To relocate mortgage lender broker's office from 3100 McKinnon, Suite 500, Dallas, TX to 1603 LBJ Freeway, 6th Floor, Dallas, TX
BAN20081779	Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 1932 Kempsville Road, Suite 107, Virginia Beach, VA
BAN20081780	Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 11864 Canon Boulevard, Suite 103, Newport News, VA
BAN20081781	Cash Express of Virginia Inc. - To conduct payday lending business where open end credit business will also be conducted
BAN20081782	EZ Loans of Virginia Inc. - To conduct payday lending business where open end credit business will also be conducted
BAN20081783	Network Capital Funding Corporation - To relocate mortgage broker's office from 8929 Irvine Center Drive, Suite 100, Irvine, CA to 2040 Main Street, Suite 420, Irvine, CA
BAN20081784	Accredited Home Lenders, Inc. - For additional mortgage authority
BAN20081785	U.S. Mortgage Finance Corp. - To relocate mortgage lender broker's office from 1922 Greenspring Drive, Suite 4, Timonium, MD to 225 International Circle, Suite 102, Hunt Valley, MD
BAN20081786	Maharzada Financial Inc. - To open a mortgage broker's office at 12359 Sunrise Valley Drive, Suite 310, Reston, VA
BAN20081787	Peoples Home Equity, Inc. d/b/a United Capital Lending - To open a mortgage lender and broker's office at 3500 Vest Mill Road, Suite 3, Winston Salem, NC
BAN20081788	MegaStar Financial Corp. - To open a mortgage lender's office at 9035 Wadsworth Parkway, Suite 2730, Westminster, CO
BAN20081789	Apex Lending, Inc. - To open a mortgage lender and broker's office at 9143 Ermantrude Court, Vienna, VA
BAN20081790	Primary Residential Mortgage, Inc. - To open a mortgage lender and broker's office at 300 East Lombard Street, Suite 840, Baltimore, MD
BAN20081791	First Alliance Mortgage Corporation - To relocate mortgage broker's office from 10300 Eaton Place, Suite 310, Fairfax, VA to 5225 Jule Star Drive, Centreville, VA
BAN20081792	Superior Home Mortgage Corporation (Used in VA by: Superior Mortgage Corporation) - To relocate mortgage lender broker's office from 854 South White Horse Pike, Hammonton, NJ to 1671 S. State Street, Dover, DE
BAN20081793	Terrell L. Gravely, Sr. d/b/a AAA Cash Advance - To conduct payday lending business where wire transfer and money order sales will also be conducted
BAN20081794	First Houston Mortgage, LP (Used in VA by: First Houston Mortgage, Ltd.) - To open a mortgage lender's office at 4733 Bethesda Avenue, Bethesda, MD
BAN20081795	ResMAE Mortgage Corporation - To open a mortgage lender and broker's office at 7101 College Boulevard, Suite 1400, Overland Park, KS
BAN20081796	City Line Mortgage, LLC - To open a mortgage broker's office at 839 Quince Orchard Boulevard, Suites D and E, Gaithersburg, MD
BAN20081797	Kwik Cash Inc. - To conduct payday lending business where open end credit business will also be conducted

BAN20081798	Masari, Inc. USA - To relocate mortgage broker's office from 600 W. Santa Ana Boulevard, Suite 101A, Santa Ana, CA to 17981 Sky Park Circle, Irvine, CA
BAN20081799	First Ohio Banc & Lending, Inc. - To relocate mortgage lender broker's office from 21333 Haggerty Road, Novi, MI to 126 Maincentre, Suite 6, Northville, MI
BAN20081800	Acclaimed Financial Group, Inc. - To relocate mortgage broker's office from 2694 Lake Park Drive, Suite B, North Charleston, SC to 6650 Rivers Avenue, Suite 1434, North Charleston, SC
BAN20081801	Apex Lending, Inc. - To open a mortgage lender and broker's office at 1420 Spring Hill Road, Suite 600, McLean, VA
BAN20081802	Green Tree Servicing LLC - To open a mortgage lender's office at 17592 East 17th Street, Suite 310, Tustin, CA
BAN20081803	Amerigroup Mortgage Corporation (Used in VA by: Mortgage Investors Corporation) - To open a mortgage lender and broker's office at 5982 Central Avenue, St. Petersburg, FL
BAN20081804	Amerigroup Mortgage Corporation (Used in VA by: Mortgage Investors Corporation) - To open a mortgage lender and broker's office at 5960 Central Avenue, St. Petersburg, FL
BAN20081805	American Nationwide Mortgage Company, Inc. - To open a mortgage lender and broker's office at 5115 Airport Road, Roanoke, VA
BAN20081806	American Nationwide Mortgage Company, Inc. - To open a mortgage lender and broker's office at 117 Pleasant Street, Suite B, Vienna, VA
BAN20081807	Union Bank and Trust Company - To open a branch at 8983 Staples Mill Road, Henrico County, VA
BAN20081808	King's Constuction, Incorporated - To open a check casher at 3012 Birchbrook Road, Richmond, VA
BAN20081809	Synergy Mortgage, Inc. - To relocate mortgage broker's office from 230 Willow Springs Road, Troutville, VA to 1432 Roanoke Road, Daleville, VA
BAN20081810	C-3 Finanical Inc. d/b/a EZ Cash, Cash Advance - To conduct payday lending business where revolving line of credit business will also be conducted
BAN20081811	Consumers Real Estate Finance Co. - To relocate mortgage broker's office from 655 Metro Place South, Suite 380, Dublin, OH to 888 E. Las Olas Boulevard, Suite 506, Fort Lauderdale, FL
BAN20081812	Thomas Matthew Reeves - To acquire 25 percent or more of Your Mortgage Source, LLC
BAN20081813	Atlantic Bay Mortgage Group, L.L.C. - To open a mortgage lender and broker's office at 11719 B Jefferson Avenue, Suite 105, Newport News, VA
BAN20081814	Pulte Mortgage LLC - To relocate mortgage lender broker's office from 5155 East 46th Avenue, Denver, CO to 5050 Moline Street, Denver, CO
BAN20081815	Primerica Financial Services Home Mortgages, Inc. - To relocate mortgage broker's office from 531 W. Main Street, Waynesboro, VA to 421 W. Main Street, Suite F1, Waynesboro, VA
BAN20081816	Primerica Financial Services Home Mortgages, Inc. - To relocate mortgage broker's office from 102 Oakley Avenue, Suite 514, Lynchburg, VA to 102 Oakley Avenue, Suite 511, Lynchburg, VA
BAN20081817	Primerica Financial Services Home Mortgages, Inc. - To relocate mortgage broker's office from 1781 Jamestown Road, Suite 231, Williamsburg, VA to 820 Merrimac Trail, Suite D, Williamsburg, VA
BAN20081818	CareOne Services, Inc. d/b/a CareOne - To relocate credit counseling office from 1347 Huntover Drive, Odenton, MD to 1339 Huntover Drive, Odenton, MD
BAN20081819	Prysma Lending Group, LLC - To relocate mortgage lender broker's office from 30 Main Street, Suite 200, Danbury, CT to 10 Precision Road, Suite 2B, Danbury, CT
BAN20081820	Optima Funding Group, Inc. d/b/a Potomac Lending Group (at 1 office) - To relocate mortgage broker's office from 10807 Main Street, Suite 700, Fairfax, VA to 8408 Arlington Boulevard, Suite 102, Fairfax, VA
BAN20081821	Altabanc Financial Corp. - To relocate mortgage broker's office from 14239 Park Center Drive, Suite 150, Laurel, MD to 15200 Shady Grove Road, Suite 300, Rockville, MD
BAN20081822	Elite Mortgage Services, Inc. - To open a mortgage broker's office at 8743 Center Road, Springfield, VA
BAN20081823	DuPont Community Credit Union - To relocate credit union office from 305 West Court Street, Woodstock, VA to 1025 Woodstock Commons Drive, Woodstock, VA
BAN20081824	HouseTech, Inc. - To open a mortgage broker's office at 1230 Rosecrans Avenue, Suite 630, Manhattan Beach, CA
BAN20081825	Apex Lending, Inc. - To open a mortgage lender and broker's office at 2500 DeKalb Pike, East Norriton, PA
BAN20081826	Mortgage Access Corp. d/b/a Weichert Financial Services - To relocate mortgage lender's office from 7515 Somerset Crossing Drive, Gainesville, VA to 7520 Iron Bar Lane, Gainesville, VA
BAN20081827	Everett Financial, Inc. d/b/a Supreme Lending - To relocate mortgage lender broker's office from 9550 Forest Lane, Suite 319, Dallas, TX to 4975 Preston Park Boulevard, Suite 800, Plano, TX
BAN20081828	First Equitable Financial Corp. - To relocate mortgage broker's office from 4701 Old Dominion Drive, Arlington, VA to 6257 Old Dominion Drive, McLean, VA
BAN20081829	First Equitable Financial Corp. - To relocate mortgage broker's office from 7515 Somerset Crossing Drive, Gainesville, VA to 7520 Iron Bar Lane, Gainesville, VA
BFI-2007-00021	Allstate Mortgage, Inc. - Alleged violations of VA Code §§ 6.1-417 B, 6.1-422 A (1) and 6.1-422 B (4)
BFI-2007-00059	Oswald Redman d/b/a Greater Capital Mortgage - Alleged violation of VA Code § 6.1-418
BFI-2007-00078	Cityside Mortgage Group, LLC - Alleged violation of VA Code § 6.1-418
BFI-2007-00201	First American Mortgage Services, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2007-00243	Global Mortgage, Inc. - Alleged violations of Chapter 16 of Title 6.1 of the Code of Virginia
BFI-2007-00244	Montgomery Capital Corporation d/b/a Montgomery Capital Mortgage Corporation - Alleged violation of Chapter 16 of Title 6.1
BFI-2007-00245	Mallory Paul Hill - Alleged violation of VA Code § 6.1-416.1
BFI-2007-00247	Faysal Warfa - Alleged violation of VA Code § 6.1-378.2
BFI-2007-00269	Brookshire Financial Group, Inc. - Alleged violation of 10 VAC 5-160-60
BFI-2007-00275	Optima Mortgage Corporation - Alleged violation of VA Code § 6.1-413
BFI-2007-00283	Select Mortgage Resource Center Inc. - Alleged violation of VA Code § 6.1-413
BFI-2007-00284	United Freedom Funding Corp. - Alleged violation of VA Code § 6.1-413
BFI-2007-00286	Avantor Capital LLC - Alleged violation of VA Code § 6.1-413
BFI-2007-00291	Sound Mortgage Corp. - Alleged violation of VA Code § 6.1-420
BFI-2007-00294	MFS/TA, Inc. - Alleged violation of VA Code § 6.1-420
BFI-2007-00295	Benjamin Financial Consulting Firm, Inc. - Alleged violation of VA Code § 6.1-420
BFI-2007-00298	The Kimberlie Financial Group, Inc. - Alleged violation of VA Code § 6.1-420

BFI-2007-00302 Capital Mortgage LLC - Alleged violation of VA Code § 6.1-420
BFI-2007-00307 Creative Mortgages LLC - Alleged violation of VA Code § 6.1-420
BFI-2007-00312 AAPEX Financial Solutions, LLC - Alleged violation of VA Code § 6.1-420
BFI-2007-00314 A-1 Unique Mortgage, Inc. - Alleged violation of VA Code § 6.1-420
BFI-2007-00315 Global Financial Mortgage, Inc. (Used in Virginia by: Global Financial Services Inc.) - Alleged violation of VA Code § 6.1-420
BFI-2007-00316 Berwyn Mortgage, Inc. - Alleged violation of VA Code § 6.1-420
BFI-2007-00320 Service 1 Mortgage Corporation - Alleged violation of VA Code § 6.1-420
BFI-2007-00326 G O Financial Group, Inc. f/k/a Legacy Financial Corporation - Alleged violation of VA Code § 6.1-420
BFI-2007-00328 Access Mortgage & Financial Corporation - Alleged violation of VA Code § 6.1-420
BFI-2007-00329 Lighthouse Mortgage Service Co., Inc. - Alleged violation of VA Code § 6.1-420
BFI-2007-00330 United Financial Mortgage Corp. of Virginia - Alleged violation of VA Code § 6.1-413
BFI-2007-00332 First Mortgage of America, Inc. - Alleged violation of VA Code § 6.1-420
BFI-2007-00334 Eastern Specialty Finance, Inc. d/b/a Check 'n Go - Alleged violation of Chapter 18 of Title 6.1
BFI-2007-00335 Sunrise Mortgage Group LLC - Alleged violation of VA Code § 6.1-413
BFI-2007-00337 Tristate Mortgage, LLC - Alleged violation of VA Code § 6.1-413
BFI-2007-00338 Freedom Funding Group, Inc. d/b/a Ameri-fi Mortgage Corp. - Alleged violation of VA Code § 6.1-413
BFI-2007-00339 MLSG, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2007-00341 Southern Star Mortgage Corp. - Alleged violation of VA Code § 6.1-413
BFI-2007-00342 Mandalay Mortgage, LLC - Alleged violation of VA Code § 6.1-413
BFI-2007-00344 Amerifund Financial, Inc. d/b/a All Fund Mortgage - Alleged violation of VA Code § 6.1-413
BFI-2007-00345 Rogal Real Estate, LLC d/b/a Dalsan USA - Alleged violation of VA Code § 6.1-372
BFI-2007-00346 Bradford Mortgage Company - Alleged violation of VA Code §§ 6.1-410 and 6.1-416.1
BFI-2007-00347 Lincoln Mortgage, LLC - Alleged violation of VA Code § 6.1-416
BFI-2007-00348 IPP of America, Inc. - Alleged violation of VA Code § 6.1-371
BFI-2008-00001 Premier Home Lending, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00002 American Commercial Lending, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00004 Get Lower, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00005 Dollar Mortgage Corporation - Alleged violation of VA Code § 6.1-413
BFI-2008-00007 Omni Home Financing, Inc. - Alleged violation of 10 VAC 5-160-60, et al.
BFI-2008-00012 First American Realty Capital Corp. - Alleged violation of VA Code § 6.1-413
BFI-2008-00014 Universal Mortgages & Financial Services, LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00017 Metro Mortgage Corporation - Alleged violation of VA Code § 6.1-413
BFI-2008-00019 Big Lending, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00022 Advantage Mortgage Funding, LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00024 First Trust Mortgage Corporation - Alleged violation of VA Code § 6.1-413
BFI-2008-00026 JT Mortgage, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00027 Semidey & Semidey Mortgage Group, LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00028 Statewide Trust, Inc. d/b/a Statewide Trust Mortgage Company - Alleged violation of VA Code § 6.1-413
BFI-2008-00029 American Mortgage Specialists 1 Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00034 Mortgage Strategies Group, LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00035 Washington Premier Mortgage Corporation - Alleged violation of VA Code § 6.1-413
BFI-2008-00037 Capital Mortgage LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00038 The Americas Mortgage LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00039 Edward A. Cairo - Alleged violation of VA Code § 6.1-413
BFI-2008-00040 In re: annual assessment of credit unions under Chapter 4.01 of Title 6.1 of the Code of Virginia
BFI-2008-00041 Matthew Financial LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00042 Summit Mortgage, LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00045 AAPEX Financial Solutions LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00046 Wall Street Mortgage, Inc. - Alleged violation of VA Code § 6.1-416
BFI-2008-00047 Mortgage 180 LLC - Alleged violation of VA Code § 6.1-416
BFI-2008-00048 Credit Solution and Financial Services, Inc. - Alleged violation of VA Code § 6.1-419
BFI-2008-00050 Service 1 Mortgage Corporation - Alleged violation of VA Code § 6.1-413
BFI-2008-00051 Access Mortgage & Financial Corporation - Alleged violation of VA Code § 6.1-413
BFI-2008-00053 Equity House, LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00054 1st Dominion Mortgage, L.L.C. - Alleged violation of VA Code § 6.1-413
BFI-2008-00061 Bobby R. Hall, Jr. - Alleged violation of VA Code § 6.1-452
BFI-2008-00062 Glenn H. Hall - Alleged violation of VA Code § 6.1-452
BFI-2008-00066 Ex Parte: In re: annual fees paid by banks and savings institutions
BFI-2008-00068 Payday Today, LLC - Alleged violation of VA Code § 6.1-448
BFI-2008-00077 Danville Postal Credit Union, Incorporated and Roanoke Postal Employees Federal Credit Union - For approval of merger
BFI-2008-00082 First Decision Mortgage, LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00086 Superior Mortgage Corporation d/b/a Superior Home Mortgage Corporation - Alleged violation of VA Code § 6.1-416
BFI-2008-00087 In re: Annual Assessment of Licensees under Chapter 16 of Title 6.1 of the Code of Virginia
BFI-2008-00088 In re: Annual Assessment of Licensees under Chapter 6 of Title 6.1 of the Code of Virginia
BFI-2008-00090 1st Principle Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00100 Agency Mortgage Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00102 The Alta Companies, Inc. d/b/a Alta Home Funding - Alleged violation of VA Code § 6.1-418
BFI-2008-00103 American Coast Financial Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00104 American Eagle Funding, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00105 American Heritage Capital, L.P. - Alleged violation of VA Code § 6.1-418
BFI-2008-00106 American Lending Corp. - Alleged violation of VA Code § 6.1-418
BFI-2008-00107 American Mortgage and Financial Consultants, Inc. - Alleged violation of VA Code § 6.1-418

BFI-2008-00110 America's 1st Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00113 Anchor Financial Mortgage Company, Inc. d/b/a Anchor Lending, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00114 Anchor Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00117 APEX Funding Group, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00118 Apollo Mortgage Group, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00120 Arch Lending Group, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00121 Assurance Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00122 Atlantic Coast Mortgage Group, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00124 Atlas Mortgage, LLC d/b/a Atlas Mortgage of Virginia, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00129 Belmont Mortgage, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00135 The Burford Group d/b/a The Burford Group, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00137 C & G Financial Services, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00139 CapStar Mortgage, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00141 Choice Financing Services, Inc. d/b/a Choice Funding Group, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00143 City Wide Mortgage Limited Liability Company - Alleged violation of VA Code § 6.1-418
BFI-2008-00145 Coast to Coast, Mortgage and Funding LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00152 Diversified Mortgage, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00153 Dolphin Acceptance Corporation d/b/a DAC Mortgage Funding - Alleged violation of VA Code § 6.1-418
BFI-2008-00154 Eagle Creek Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00156 Elite Mortgage Group, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00159 Envision Lending Group, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00160 Eqqus Mortgage of Virginia LLC d/b/a Eqqus Mortgage - Alleged violation of VA Code § 6.1-418
BFI-2008-00161 Equity 1 Mortgage and Financial Services Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00162 Equity Consultants, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00163 Everyday Lending Mortgage Corporation, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00165 eWeb Funding Group, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00167 Family Mortgage Corp. - Alleged violation of VA Code § 6.1-418
BFI-2008-00168 Family Trei, Inc. d/b/a PorchLight - Alleged violation of VA Code § 6.1-418
BFI-2008-00169 Federal Fidelity Mortgage Corporation d/b/a FFM Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00170 Fidelity Mortgage Solutions, Inc. d/a/a Fidelity Mortgage Services, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00171 Fidelity First Home Mortgage Company - Alleged violation of VA Code § 6.1-418
BFI-2008-00173 Financial Freedom Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00176 First Metro Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00177 First Saratoga Funding, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00178 First Southern Mortgage Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00180 First Equitable Mortgage Corp. - Alleged violation of VA Code § 6.1-418
BFI-2008-00181 First Madison Mortgage Corp. - Alleged violation of VA Code § 6.1-418
BFI-2008-00182 FirstStar Home Equity, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00184 Forsythe Mortgage and Financial Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00185 Freedom Lending, L.L.C. - Alleged violation of VA Code § 6.1-418
BFI-2008-00186 Frontgate Financial Services, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00187 Garrison Financial Solutions Group, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00191 Global Mortgage Group, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00192 Global Service Enterprises, Inc. d/b/a Global Financial Services - Alleged violation of VA Code § 6.1-418
BFI-2008-00194 Heartwell Mortgage Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00195 Hollander Financial Holding, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00198 Homeloan USA Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00199 HomeSouth Mortgage Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00203 J & M Mortgage Services, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00205 KCP Corporation d/b/a Virginia Community Lending Group - Alleged violation of VA Code § 6.1-418
BFI-2008-00208 Lakeview Capital Services, LLC d/b/a Capital First Financial Services - Alleged violation of VA Code § 6.1-418
BFI-2008-00209 L.A.P. Holdings, LLC d/b/a First Finance - Alleged violation of VA Code § 6.1-418
BFI-2008-00211 Lending Xpert Financials Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00216 Lowe's Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00217 MacArthur & Baker International, Inc. d/b/a MBI Mortgage Funding - Alleged violation of VA Code § 6.1-418
BFI-2008-00218 Martin Mortgage Associates, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00219 Master Home Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00221 Maverick Residential Mortgage, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00223 Meridias Capital, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00227 Money Tree Funding, L.L.C. - Alleged violation of VA Code § 6.1-418
BFI-2008-00230 Mortgage Horizons, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00236 NORAA Mortgage and Financial Services LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00237 Norcapital Funding Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00238 Northeast Real Estate Investments, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00239 NorthStar Mortgage Corp. - Alleged violation of VA Code § 6.1-418
BFI-2008-00243 Pacific Northwest Mortgage Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00245 Pinnacle Mortgage Corporation d/b/a Pinnacle Mortgage Corporation of Maryland - Alleged violation of VA Code § 6.1-418
BFI-2008-00246 Pinnacle Mortgage Funding, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00250 Primary Mortgage Lending, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00251 Premier Mortgage Funding, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00254 Professional Lending Solutions, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00256 Reliance Funding Services, Inc. - Alleged violation of VA Code § 6.1-418

BFI-2008-00257 Resicom Funding, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00258 Residential Broker Group, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00259 Residential Mortgage Solutions, Inc. d/b/a Residential Mortgage Solutions, Inc. of South Carolina - Alleged violation of VA Code § 6.1-418
BFI-2008-00261 Sampson Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00263 Skyland Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00264 Skyline Mortgage Group, L.C. - Alleged violation of VA Code § 6.1-418
BFI-2008-00266 Source Funding Corp. - Alleged violation of VA Code § 6.1-418
BFI-2008-00269 Swift 1 Mortgage LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00275 UMG Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00278 USA Mortgage Solutions, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00279 Veterans First Mortgage Services, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00280 Virginia Mutual Mortgage Corporation - Alleged violation of VA Code § 6.1-418
BFI-2008-00282 Washington Home Mortgage, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00285 W F Financial Corp. - Alleged violation of VA Code § 6.1-418
BFI-2008-00286 XyberFinance, Inc. d/b/a PSA Funding, Inc. - Alleged violation of VA Code § 6.1-418
BFI-2008-00287 Affordable Financial Services, Ltd. - Alleged violation of VA Code § 6.1-418
BFI-2008-00288 Innovative Lending Solutions, LLC - Alleged violation of VA Code § 6.1-418
BFI-2008-00289 In re: proposed amendments to Mortgage Lender and Broker Act regulations
BFI-2008-00290 Joseph Niosi, Jr. - Alleged violation of VA Code § 6.1-416.1
BFI-2008-00291 Kulane Darman - Alleged violation of VA Code § 6.1-378.2
BFI-2008-00292 Allied Cash Advance Virginia, LLC d/b/a Allied Cash Advance - Alleged violation of VA Code §§ 6.1-459(1), (2), (8), (10), (14), (15), (17) and 10 VAC 5-200-30 B 2 and 70 B
BFI-2008-00293 First Washington Mortgage, LLC - Alleged violations of 10 VAC 5-160-60
BFI-2008-00294 Neighborhood Assistance Corporation of America - Alleged violation of VA Code § 6.1-410
BFI-2008-00295 In re: Proposed amendments to Payday Loan Act regulations
BFI-2008-00296 Green Dot Corporation d/b/a Green Dot Financial Corporation - Alleged violation of VA Code § 6.1-371
BFI-2008-00300 HomeWealth Financial, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00301 The First Fidelity Mortgage Group, LLC - Alleged violations of 10 VAC 5-160-60
BFI-2008-00303 A One Mortgage Corporation - Alleged violation of VA Code § 6.1-413
BFI-2008-00305 Sher Financial Group, Inc. - Alleged violations of 10 VAC 5-160-60
BFI-2008-00306 In re: Annual assessment of financial institutions under Chapters 2 and 3.01 of Title 6.1 of the Code of Virginia
BFI-2008-00307 In re: annual assessment of industrial loan associations under Chapter 5 of Title 6.1 of the Code of Virginia
BFI-2008-00309 In re: payday lending database inquiry fee
BFI-2008-00311 Edgar Uriona - Alleged violation of VA Code § 6.1-416.1
BFI-2008-00315 Fairway Capital Mortgage Corp. - Alleged violation of VA Code § 6.1-418
BFI-2008-00323 Home Sure Mortgage, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00326 Charter Lending, LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00330 Low Rate Mortgage, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00331 First Financial Funding Corporation - Alleged violation of VA Code § 6.1-413
BFI-2008-00332 First Choice Funding Group, Ltd. - Alleged violation of VA Code § 6.1-413
BFI-2008-00333 Home Consultants, Inc. d/b/a HCI Mortgage - Alleged violation of VA Code § 6.1-413
BFI-2008-00336 Trinity Capital Realty, Inc. d/b/a 3N1Home Loans - Alleged violation of VA Code § 6.1-413
BFI-2008-00337 Charm City Mortgage, LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00338 Novo Mortgage Group, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00342 Allied Home Mortgage Capital Corporation - Allied violation of VA Code §§ 6.1-424 (1), et al.
BFI-2008-00343 Stephen Bennett - Alleged violation of VA Code § 6.1-416.1
BFI-2008-00346 Cash Express of Virginia, Inc. - Alleged violation of VA Code §§ 6.1-459 (1), (6), (8), (9), (10), (14), (17) and 10 VAC 5-200-30 and 70 C
BFI-2008-00347 Home Energy Savings Corp. - Alleged violation of VA Code § 6.1-416.1
BFI-2008-00348 iPayDebt Financial Services, Inc. - Alleged violation of VA Code § 6.1-363.3
BFI-2008-00349 Joseph D. Argilagos - Alleged violation of VA Code § 6.1-378.2
BFI-2008-00353 Nations Choice Financial, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00355 Golden Trust Mortgage Group, LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00356 Dynamic Mortgage, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00357 MC Marketing Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00359 Domus Holdings Corp. - Alleged violation of VA Code § 6.1-416.1
BFI-2008-00360 Choice Financing Services, Inc. d/b/a Choice Funding Group, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00362 Vanguard Mortgage & Title, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00365 Statewide Bancorp Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00370 Gateway Mortgage Group, LLC - Alleged violation of VA Code § 6.1-416
BFI-2008-00371 The Home Mortgage Source, L.L.C. - Alleged violation of VA Code § 6.1-413
BFI-2008-00373 In re: Database inquiry fee
BFI-2008-00378 Allegiance Mortgage Services, LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00379 First Priority Mortgage, Inc. d/b/a Mortgage First Priority, Inc. - Alleged violation of VA 10 VAC 5-160-50
BFI-2008-00380 SPA Funding, Inc. - Alleged violation of 10 VAC 5-160-50
BFI-2008-00382 Advantage Financial Corporation, LLC d/b/a Advantage Financial - Alleged violation of VA Code § 6.1-413
BFI-2008-00384 Colonial Atlantic Mortgage, Inc. - Alleged violation of 10 VAC 5-160-50
BFI-2008-00385 MegaStar Financial Corp. - Alleged violation of VA Code § 6.1-416
BFI-2008-00387 American Heritage Home Loans LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00389 Archway Mortgage Services, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00390 Rhema Mortgage Corporation - Alleged violation of VA Code § 6.1-413

BFI-2008-00391 Streamline Holding, LLC d/b/a Streamline Mortgage & Financial of VA - Alleged violation of VA Code § 6.1-413
BFI-2008-00393 Banneker Financial Group, Incorporated d/b/a Banneker Mortgage Group - Alleged violation of VA Code § 6.1-413
BFI-2008-00395 Residential One Mortgage, LLC - Alleged violation of VA Code § 6.1-413
BFI-2008-00399 Bruce Hoting - Alleged violation of VA Code § 6.1-416.1
BFI-2008-00400 Kimberly Hoting - Alleged violation of VA Code § 6.1-416.1
BFI-2008-00404 Allied Capital Mortgage Company - Alleged violation of VA Code § 6.1-413
BFI-2008-00405 Home Advantage Funding Group, Inc. - Alleged violation of VA Code § 6.1-413
BFI-2008-00406 TriPoint Mortgage Group, Inc. - Alleged violation of VA Code § 6.1-416
BFI-2008-00407 Anvil Mortgage Corporation - Alleged violation of VA Code § 6.1-413
BFI-2008-00408 Family Financial Corporation d/b/a Family Financial Mortgage Corporation - Alleged violation of VA Code § 6.1-413
BFI-2008-00409 1st Atlas Mortgage & Investment Corp. d/b/a 1st Atlas Mortgage - Alleged violation of VA Code § 6.1-413
BFI-2008-00436 In re: limited revisions to Payday Loan Act regulations

CLK: CLERK'S OFFICE

CLK-2008-00001 Election of Commission Chairman Pursuant to VA Code § 12.1-7
CLK-2008-00002 In the matter concerning revised State Corporation Commission Rules of Practice and Procedure
CLK-2008-00003 Mary Juergens, Petitioner v. First Mount Vernon Industrial Loan Association and Dale E. Duncan, Respondents - For Declaratory Judgment
CLK-2008-00004 Dynex Capital, Inc. - For Correction of Commission's Records pursuant to VA Code § 13.1-614 C
CLK-2008-00005 In The matter of the appointment of James C. Dimitri to the State Corporation Commission
CLK-2008-00006 RZ Group Inc. - For order of dissollution pursuant to VA Code § 13.1-749
CLK-2008-00007 Tidewater Ambulance Service, Inc. - For order vacating certificates of dissolution and termination pursuant to VA Code § 13.1-614 C

INS: BUREAU OF INSURANCE

INS-2005-00223 Ace Indemnity Insurance Company - Alleged violation of VA Code § 38.2-1300
INS-2007-00084 MAMSI Life and Health Insurance Company, Optimum Choice, Inc., MD-Individual Practice Association, Inc. - Alleged violation of VA Code §§ 38.2-3407. 15 B 4 a (ii)(c), et al.
INS-2007-00255 American Guarantee and Liability Insurance Company - Alleged violation of VA Code § 38.2-1903.1
INS-2007-00274 Shannon J. Hunt - Alleged violation of subsection 1 of VA Code § 38.2-1831
INS-2007-00279 Aetna Life Insurance Company - Alleged violation of VA Code §§ 38.2-510 A 5, 38.2-3407.1 B and 14 VAC 5-400-60 A
INS-2007-00293 Ricardo Antonio Barriga - Alleged violation of VA Code § 38.2-1813
INS-2007-00294 Terrel Yvonnell Bruce - Alleged violation of VA Code § 38.2-1826 C and subsection 1 of 38.2-1831
INS-2007-00298 In the matter of Adopting Revisions to the Rules Governing Life Insurance and Annuity Replacements
INS-2007-00313 Accurate Title Group, LLC - Alleged violation of VA Code § 6.1-2.23
INS-2007-00343 Save Rite Insurance Agency, Inc. - Alleged violation of VA Code §§ 38.2-512, et al.
INS-2007-00345 Crystal F. Jamrozek - Alleged violation of VA Code §§ 38.2-512, 38.2-1812.2 and 38.2-1822
INS-2007-00346 J. Melissa Jamrozek - Alleged violation of VA Code §§ 38.2-512 and 38.2-1822
INS-2007-00347 Kevin W. Mews - Alleged violation of VA Code §§ 38.2-1812.2, 38.2-1822 and 38.2-1826
INS-2007-00348 Joseph Lynn Moore - Alleged violation of VA Code § 38.2-1826 C
INS-2007-00351 DaVita VillageHealth of Virginia, Inc. - Alleged violation of VA Code § 38.2-1301 A
INS-2007-00356 Quality Title Agency, Inc. - Alleged violation of VA Code § 6.1-2.21
INS-2007-00359 Golden Rule Insurance Company - Alleged violation of subsection 1 of VA Code §§ 38.2-502, et al.
INS-2007-00362 Frederick J. French, Jr. and RIKK, Inc. t/a Cousy Bail Bonds - Alleged violation of VA Code §§ 38.2-1809, 38.2-1813 and 38.2-1822
INS-2007-00363 Cuc H. Nguyen - Alleged violation of VA Code §§ 38.2-5212, 38.2-1813 and 38.2-1822
INS-2007-00367 Southern Title of the Peninsula, LC - Alleged violation of VA Code § 6.1-2.26
INS-2007-00369 AIU Insurance Co., American Home Assurance Co., American International South Insurance Co., AIG Casualty Co., Commerce and Industry Insurance Co., Granite State Insurance Co., The Insurance Co. of the State of Pennsylvania, National Union Fire Insurance Co. of Pittsburgh, PA and New Hampshire Insurance Co. - Alleged violation of VA Code § 38.2-1919
INS-2007-00371 Richard L. Lowry - Alleged violation of VA Code §§ 38.2-1822 and 38.2-1826 C
INS-2007-00373 Kaleen A. Cooper - Alleged violation of VA Code § 38.2-1826 C
INS-2007-00374 Allstate Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2007-00376 Agency Insurance Company of Maryland - Alleged violation of VA Code §§ 38.2-305 A, et al.
INS-2007-00377 Electric Insurance Company - Alleged violation of VA Code §§ 38.2-502, 38.2-1906 D, et al.
INS-2007-00378 Government Employees Insurance Company, GEICO Casualty Company, GEICO General Insurance Company and GEICO Indemnity Company - Alleged violation of VA Code §§ 38.2-604, et al.
INS-2008-00001 Continental General Insurance Company - Alleged violation of VA Code § 38.2-3503.13
INS-2008-00002 In the matter of Adopting Revisions to the Rules Governing Long-Term Care Insurance
INS-2008-00003 David Thomason - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00004 Alfred W. Gross, as Deputy Receiver of Reciprocal of America and The Reciprocal Group, in Receivership for Liquidation, Plaintiff v. Memorial Professional Assurance Co., Defendant - For Recovery of Reinsurance against Memorial Professional Assurance Co.
INS-2008-00005 California Casualty Indemnity Exchange - Alleged violation of VA Code §§ 38.2-610 A and 38.2-1905 B
INS-2008-00007 Virginia Smith - Alleged violation of VA Code § 38.2-1819 and subsection 1 of 38.2-1831
INS-2008-00008 John Martin Ficklin - Alleged violation of VA Code §§ 38.2-1819, 38.2-1826 and subsection 1 of 38.2-1831
INS-2008-00009 Hubbard Leasing Services, LLC - For a review of a decision by the National Council on Compensation Insurance pursuant to VA Code § 38.2-2018
INS-2008-00010 Independent Escrow, Inc. - Alleged violation of VA Code § 6.1-2.26 and 14 VAC 5-395-30
INS-2008-00011 Carteret Title, LLC - Alleged violation of VA Code § 6.1-2.21
INS-2008-00012 Creative Title, LLC - Alleged violation of VA Code § 6.1-2.21
INS-2008-00013 Paul R. Wosnig - Alleged violation of subsection 1 of VA Code § 38.2-1831
INS-2008-00014 Tracee N. Long - Alleged violation of VA Code § 38.2-1809

INS-2008-00015	Glenda R. Williams - Alleged violation of VA Code §§ 38.2-1819, 38.2-1826 and subsection 1 of 38.2-1831
INS-2008-00016	James Joseph Lombardo, Jr. - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00017	Kristina Patricia Johnson - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00018	Donald Alan Miller - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00019	Quality First Title & Escrow - Alleged violation of VA Code § 6.1-2.23
INS-2008-00020	Madison Title Agency, LLC - Alleged violation of VA Code § 6.1-2.23
INS-2008-00021	Old Line Title & Escrow, LLC - Alleged violation of VA Code § 6.1-2.23
INS-2008-00022	Flying J Insurance Services, Inc. - Alleged violation of VA Code §§ 38.2-512, et al.
INS-2008-00023	Progressive Casualty Insurance Company - Alleged violation of 14 VAC 5-335-10 et seq.
INS-2008-00024	National Fire Insurance Company of Hartford - Alleged violation of VA Code § 38.2-2223
INS-2008-00025	AAA Mid-Atlantic Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00026	Trevor D. Losse - Alleged violation of VA Code §§ 38.2-1819, 38.2-1826 C and subsection 1 of 38.2-1831
INS-2008-00027	Mike Padilla - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00028	Erik G. Goerman - Alleged violation of VA Code § 38.2-503
INS-2008-00029	Arthur J. Gallagher Risk Management Services, Inc. - Alleged violation of VA Code § 38.2-4807
INS-2008-00030	National Home Protection, Inc. - Alleged violation of VA Code §§ 38.2-2603, et al.
INS-2008-00031	ABC Title & Escrow - Alleged violation of VA Code §§ 6.1-2.23 and 38.2-1809
INS-2008-00032	John Daniel Young - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00033	Dennis M. Murphy - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00034	AIG Premier Insurance Company and AIG Centennial Insurance Company and - Alleged violation of VA Code §§ 38.2-610 and 38.2-1905
INS-2007-00344	Charles W. Newman - Alleged violation of VA Code §§ 38.2-512, et al.
INS-2008-00035	Safeco Insurance Company of America, Safeco Insurance Company of Illinois, American States Preferred Insurance Company and Safeco Insurance Company of Indiana - Alleged violation of VA Code § 38.2-510 A 1
INS-2008-00036	First American Title Insurance Company - Alleged violation of VA Code § 6.1-2.21 and 14 VAC 5-395-50
INS-2008-00037	Freedom Title Services, LLC - Alleged violation of VA Code § 6.1-2.23 and 14 VAC 5-395-60
INS-2008-00038	PBX Settlement Services, LLC - Alleged violation of VA Code § 6.1-2.23
INS-2008-00039	Washington Title, LLC - Alleged violation of VA Code §§ 6.1-2.21 and 38.2-1809
INS-2008-00040	First Maryland Title & Escrow Services, LLC - Alleged violation of VA Code § 6.1-2.21
INS-2008-00041	Olympic Title & Escrow, Inc. - Alleged violation of VA Code § 6.1-2.21
INS-2008-00042	American Home Title Agency, Inc. - Alleged violation of VA Code § 6.1-2.23
INS-2008-00043	Nellie Williams - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 1
INS-2008-00047	Peerless Indemnity Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00048	SUA Insurance Company - Alleged violation of VA Code §§ 38.2-2204 and 38.2-2220
INS-2008-00049	Aetna Health, Inc. - Alleged violation of VA Code §§ 38.2-316 B, 38.2-316 C 1, et al.
INS-2008-00050	Commonwealth Dealers Life Insurance Company - Alleged violation of VA Code § 38.2-3126 B
INS-2008-00051	First Virginia Life Insurance Company - Alleged violation of VA Code § 38.2-3126 B
INS-2008-00055	Optima Health Group, Inc. - Alleged violation of 14 VAC 5-234-40 C
INS-2008-00056	Optima Health Insurance Company - Alleged violation of 14 VAC 5-234-40 C
INS-2008-00057	Optima Health Plan - Alleged violation of 14 VAC 5-234-40 C
INS-2008-00058	AIG Casualty Co., American International South Insurance Co., American Home Assurance Co., National Union Fire Insurance Co. of Pittsburgh, PA and The Insurance Co. of the State of Pennsylvania - Alleged violation of VA Code §§ 38.2-1906 D and 38.2-2214
INS-2008-00059	Satma Wati Lal - Alleged violation of VA Code § 38.2-1826 C and subsection 1 of 38.2-1831
INS-2008-00060	Tyesse Marie King - Alleged violation of VA Code § 38.2-1826 C and subsection 1 of 38.2-1831
INS-2008-00061	Building Industry Association, Inc. - Alleged violation of VA code § 38.2-1300
INS-2008-00062	Atlantic Specialty Insurance Company - Alleged violation of VA Code § 38.2-2220
INS-2008-00063	United Health Care of the Mid-Atlantic, Inc. - Alleged violation of VA Code §§ 38.2-316 A, 38.2-316 C, et al.
INS-2008-00064	Dominion Dental Services, Inc. - Alleged violation of VA Code §§ 38.2-502, 38.2-503, et al.
INS-2008-00066	Fidelity National Title Insurance Company - Alleged violation of VA Code § 6.1-2.21 and 14 VAC 5-395-50
INS-2008-00067	Benson Settlement Company, LLC - Alleged violation of VA Code §§ 6.1-2.21 and 32.2-1809
INS-2008-00068	Fast Track National Title Agency, LLC - Alleged violation of VA Code §§ 6.1-2.21 and 38.2-1809
INS-2008-00069	Group Hospitalization and Medical Services, Inc. - Alleged violation of VA Code §§ 38.2-510 A 5, 38.2-510 A 6 and 38.2-3407.1 B
INS-2008-00070	CareFirst BlueChoice, Inc. - Alleged violation of VA Code §§ 38.2-510 A 5, 38.2-510 A 6, 38.2-4306.1 B, 38.2-4312.3 B and 14 VAC 5-211-160 A 5
INS-2008-00071	Chelsea Jo Labarr - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00073	Amerin Guaranty Corporation - To eliminate impairment and restore surplus to minimum amount required by law
INS-2008-00074	Medical Savings Insurance Company - To eliminate impairment and restore surplus to minimum amount required by law
INS-2008-00075	Rita J. Griffin and First Choice Insurance Services, Inc. - Alleged violation of VA Code §§ 38.2-1809, et al.
INS-2008-00076	Shenandoah Life Insurance Company - Alleged violation of VA Code §§ 38.2-316 B, 38.2-316 C 1, et al.
INS-2008-00078	Absolute Title Company - Alleged violation of VA Code § 6.1-2.21
INS-2008-00079	Wellington Title Services, LLC - Alleged violation of VA Code §§ 6.1-2.21 and 38.2-1809
INS-2008-00080	Montel Dewayne Conner - Alleged violation of VA Code § 38.2-1819 and subsection 1 of 38.2-1831
INS-2008-00082	Frederick L. Rook - Alleged violation of VA Code §§ 38.2-502, 38.2-503 and 14 VAC 5-40-40
INS-2008-00083	In the matter of Adopting Revisions to the Rules Governing Health Maintenance Organizations
INS-2008-00084	Alan Walter Rosenberg - Alleged violation of VA Code §§ 38.2-512, 38.2-1809 and 38.2-1813
INS-2008-00085	Marcus Daniel Slate - Alleged violation of VA Code §§ 38.2-512, 38.2-1809, 38.2-1813, 38.2-1819 and subsection 1 of 38.2-1831
INS-2008-00086	Conseco Senior Health Insurance Co. and Bankers Life & Casualty Co.-In the matter of Approval of a Multi-State Regulatory Settlement Agreement between Conseco Senior Health Insurance Co. and Bankers Life & Casualty Co., and the Florida Office of Insurance Regulation, the Illinois Division of Insurance, the Indiana Department of Insurance. the Pennsylvania Insurance Department, and the Texas Department of Insurance, for an on behalf of the Virginia Bureau of Insurance and the Insurance Regulators of the remaining States and the District of Columbia
INS-2008-00087	CIGNA Healthcare of Virginia, Inc. - Alleged violation of VA Code §§ 38.2-503, et al.

INS-2008-00088	Edward Vincent Lankford, III and E. V. Lankford, Inc. - Alleged violation of VA Code §§ 38.2-1809 and 38.2-1813
INS-2008-00089	Bruce D. McKinney - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00090	Michelle C. Foster - Alleged violation of VA Code § 38.2-1826 C and subsection 1 of 38.2-1831
INS-2008-00091	Thienan Vu Pham - Alleged violation of VA Code § 38.2-1819 and subsection 1 of 38.2-1831
INS-2008-00092	Rica J. Rich - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00093	Commonwealth Dealers Life Insurance Company - Alleged violation of subsection 1 of VA Code §§ 38.2-502, et al.
INS-2008-00094	EquiTitle - Alleged violation of VA Code § 6.1-2.26
INS-2008-00095	Mary Agnes Donaldson - Alleged violation of VA Code § 38.2-1809
INS-2008-00096	Reciprocal of America and The Reciprocal Group - For Authority to Execute Closing Agreement
INS-2008-00097	Clear Title Escrow & Settlements, LLC - Alleged violation of VA Code § 6.1-2.21
INS-2008-00098	Loyalty Title Company, LLC - Alleged violation of VA Code § 6.1-2.23
INS-2008-00099	American Home Warranty Company - Alleged violation of VA Code §§ 38.2-2603 and 38.2-2608
INS-2008-00100	The Glebe, Inc. - For consent order to immediately cease collecting entrance fees from new residents
INS-2008-00101	Virginia Independent Coal Operators Group Self-Insurance Association - Alleged violation of 14 VAC 5-370-30
INS-2008-00102	Erica L. Tattnall - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00104	Absolute Title & Escrow, LLC - Alleged violation of VA Code § 6.1-2.21
INS-2008-00105	Commonwealth Land Title Insurance Company - Alleged violation of VA Code § 6.1-2.21
INS-2008-00106	Accurate Settlement Services, Inc. - Alleged violation of VA Code § 6.1-2.21
INS-2008-00107	Legacy Title, LLC - Alleged violation of VA Code § 6.1-2.24
INS-2008-00108	Maximum Impact Title Company - Alleged violation of VA Code § 6.1-2.21
INS-2008-00109	One Call Lender Services - Alleged violation of VA Code § 6.1-2.21
INS-2008-00110	Precise Title, Inc. - Alleged violation of VA Code § 6.1-2.21
INS-2008-00111	Myra Noel Reynolds - Alleged violation of VA Code § 38.2-1809
INS-2008-00112	Conestoga Title Insurance Company - To eliminate impairment and restore surplus to minimum amount required by law
INS-2008-00113	CIGNA Dental Health of Virginia, Inc. - Alleged violation of VA Code §§ 38.2-1833 C and 38.2-1833 E
INS-2008-00114	CIGNA Healthcare Mid-Atlantic Inc. - Alleged violation of VA Code §§ 38.2-1833 C and 38.2-1833 E
INS-2008-00115	Connecticut General Life Insurance Company - Alleged violation of VA Code §§ 38.2-1833 C and 38.2-1833 E
INS-2008-00116	Life Insurance Company of North America - Alleged violation of VA Code §§ 38.2-1833 C and 38.2-1833 E
INS-2008-00117	Time Insurance Company - Alleged violation of 14 VAC 5-234-40 B
INS-2008-00118	Unicare Life & Health Insurance Company - Alleged violation of 14 VAC 5-234-40 B
INS-2008-00119	Union Security Insurance Company - Alleged violation of 14 VAC 5-234-40 B
INS-2008-00121	Ethan Wm. Erickson - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00124	In the matter of refunding overpayments of the assessment for the maintenance of the Bureau of Insurance on direct gross premium income of insurance companies for the assessable year 2007
INS-2008-00125	In the matter of refunding overpayments of the premium license tax on direct gross premium income of insurance companies for the taxable year 2007
INS-2008-00126	Larry Christopher Gregg - Alleged violation of subsection 1 of VA Code § 38.2-1831
INS-2008-00127	Michael Bruce Hendley - Alleged violation of subsection 1 of VA Code § 38.2-1831
INS-2008-00128	Wright & Company - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00129	John Newton Peckens - Alleged violation of VA Code § 38.2-512
INS-2008-00132	Jerry Alan Fraley - Alleged violations of VA Code § 38.2-1826 C
INS-2008-00133	Jeffrey W. Martin - Alleged violation of VA Code § 38.2-4807 A
INS-2008-00134	Arthur John Prieston - Alleged violation of VA Code § 38.2-4807 A
INS-2008-00135	Bryan N. Boyette - Alleged violation of VA Code § 38.2-4807 A
INS-2008-00136	Coastal Risk Underwriters, LLC - Alleged violation of VA Code § 38.2-4807 A
INS-2008-00137	1st National Title, LLC - Alleged violation of VA Code § 6.1-2.26
INS-2008-00138	National Council on Compensation Insurance, Inc. - For revisions of advisory loss costs and assigned risk workers' compensation insurance rates
INS-2008-00139	John P. Bagdonas - Alleged violation of VA Code §§ 38.2-502. 38.2-512 (B) and 38.2-1831
INS-2008-00140	FINCO Premium Finance Company - Alleged violation of VA Code § 38.2-4707
INS-2008-00141	Ex Parte: In the matter of Adopting Revisions to the Rules Governing Settlement Agents
INS-2008-00142	In the matter of refunding overpayments of the Fire Programs Fund assessment based on direct gross premium income of insurance companies for the assessable year 2007
INS-2008-00143	In the matter of refunding overpayments of the Flood Prevention and Protection Assistance Fund assessment based on direct gross premium income of insurance companies for the assessable year 2007
INS-2008-00144	Commonwealth Dealers Life Insurance Company - Alleged violation of 14 VAC 5-270-50
INS-2008-00145	Charles R. Scales, Jr. - Alleged violation of VA Code § 38.2-502
INS-2008-00146	The MEGA Life and Health Insurance Co, Mid-West National Life Insurance Co. of Tennesse, and The Chesapeake Life Insurance Co. - In the matter of Approval of a Multi-State Regulatory Settlement Agreement between the MEGA Life and Health Insurance Co., Mid-West National Life Insurance Co. of Tennessee and the Chesapeake Life Insurance Co., and the Washington State Office of the Insurance Commissioner and the Alaska Division of Insurance, 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
INS-2008-00152	Commonwealth Annuity and Life Insurance Company - Alleged violation of VA Code §§ 38.2-1833 C and 38.2-1833 E
INS-2008-00153	In the matter of refunding overpayments of the Virginia State Police, Insurance Fraud Fund assessment based on direct gross premium income of insurance companies for the assessable year 2006
INS-2008-00154	In the matter of refunding overpayments of the Virginia State Police, Insurance Fraud Fund assessment based on direct gross premium income of insurance companies for the assessable year 2007
INS-2008-00155	In the matter of refunding overpayments of the Help Eliminate Automobile Theft (HEAT) Fund assessment based on direct gross premium income of insurance companies for the assessable year 2007
INS-2008-00156	American Service Insurance Company - Alleged violation of VA Code §§ 38.2-305, et al.
INS-2008-00158	Melvin B. Gillenwater - Alleged violation of VA Code § 38.2-503
INS-2008-00159	Jessica Vivanco Lott - Alleged violation of VA Code § 38.2-1809

INS-2008-00161	Talbot Settlement & Escrow, LLC - Alleged violation of VA Code § 6.1-2.21 and 14 VAC 5-395-50
INS-2008-00162	Crystal Marie Chamberlain - Alleged violation of VA Code §§ 38.2-1812 and 38.2-1822
INS-2008-00163	Direct General Life Insurance Company - Alleged violation of VA Code § 38.2-1822
INS-2008-00164	Direct General Insurance Company - Alleged violation of VA Code § 38.2-1822
INS-2008-00165	Free Bird, Inc. - Alleged violation of VA Code §§ 38.2-1809 and 38.2-1826
INS-2008-00168	Hartford Life and Annuity Insurance Company - Alleged violation of VA Code § 38.2-316 C 1 and 14 VAC 5-30-40 B
INS-2008-00169	Amanda Kay Lewis - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00170	Roberto Ettorre - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00171	Essex National Securities, Inc. - Alleged violation of VA Code § 38.2-1826 C and subsection 1 of 38.2-1831
INS-2008-00173	Nathaniel Allen Reid - Alleged violation of subsection 1 of VA Code § 38.2-1831
INS-2008-00174	Norman C. Johnson - Alleged violation of VA Code § 38.2-1821.1
INS-2008-00175	John G. Cini - Alleged violation of VA Code §§ 38.2-502 and 38.2-503
INS-2008-00176	Bankers Insurance Company - Alleged violation of VA Code § 38.2-1833
INS-2008-00177	Gail Nadine Bradley - Alleged violation of VA Code § 38.2-1831
INS-2008-00178	Cora Mae Lane - Alleged violation of VA Code § 38.2-1831
INS-2008-00179	Excel Staffing Services, Inc. - For review of a decision by the National Council on Compensation Insurance pursuant to VA Code § 38.2-2018
INS-2008-00180	Direct General Life Insurance Company - Alleged violation of VA Code §§ 38.2-502, 38.2-503, 14 VAC 5-40-4 A 3 et al.
INS-2008-00181	Sonya Elaine Wynne - Alleged violation of VA Code § 38.2-4809 A
INS-2008-00182	William R. Hess, Jr. - Alleged violation of VA Code § 38.2-4809 A
INS-2008-00183	Michael A. Nardiello - Alleged violation of VA Code § 38.2-4809 A
INS-2008-00184	Grayle W. Brandon - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00185	Linda L. Torres - Alleged violation of subsection 1 of VA Code § 38.2-1831
INS-2008-00186	Alan C. Chen - Alleged violation of sub§ 1 of VA Code § 38.2-1831
INS-2008-00187	Anthem Health Plans of Virginia, Inc. - For approval to provide case management services from locations outside of Virginia for members receiving treatment outside of Virginia
INS-2008-00188	State Farm Fire and Casualty Insurance Company and State Farm Mutual Automobile Insurance Company - Alleged violation of VA Code §§ 38.2-305, et al.
INS-2008-00189	Advanced Edge Limited Liability Company and Angela Bulan - Alleged violation of VA Code §§ 38.2-512, 38.2-1813 and 38.2-1822
INS-2008-00190	Jason A. Moriah - Alleged violation of VA Code § 38.2-1822
INS-2008-00191	Elouis L. Watford - Alleged violation of VA Code § 38.2-1822
INS-2008-00192	Ung Sung Choo - Alleged violation of VA Code § 38.2-1809
INS-2008-00193	Direct General Insurance Agency of Tennessee, Inc. - Alleged violation of VA Code §§ 38.2-1822 and 38.2-1833
INS-2008-00194	Ex Parte: In the matter of Adopting Rules Governing Preneed Life Insurance Minimum Standards for Determing Reserve Liabilities and Nonforfeiture Values
INS-2008-00195	Andrew Layne Weeks - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00196	Donald Arnold Goetz - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00197	Tamara Eryn Sibson - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00198	Stephen Michael Kreal - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00199	Titlepro, Inc. - Alleged violation of VA Code § 6.1-2.24
INS-2008-00200	K. E. L. Title Insurance Agency, Inc. - Alleged violation of VA Code § 6.1-2.23
INS-2008-00201	Linear Title & Closing Ltd. - Alleged violation of VA Code § 6.1-2.23
INS-2008-00202	CIFG Assurance North America, Inc. - To eliminate impairment and restore surplus to the minimum amount required by law
INS-2008-00203	Syncora Guarantee, Inc. - To eliminate impairment and restore surplus to the minimum amount required by law
INS-2008-00204	Robert Arthur Smith, II - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00206	Mark Girard Campbell - Alleged violation of VA Code § 38.2-1826 C and subsection 1 of 38.2-1831
INS-2008-00207	First Colony Life Insurance Company - Alleged violation of VA Code §§ 38.2-316 A, et al.
INS-2008-00208	Experienced Title, Inc. - Alleged violation of VA Code §§ 6.1-2.21, 6.1-2.26 and 14 VAC 5-395-30
INS-2008-00209	Derrick Shovenn Montgomery, Sr. - Alleged violation of subsection 1 of VA Code § 38.2-1831
INS-2008-00211	Reba Nell Brooks - Alleged violation of VA Code § 38.2-4809 A
INS-2008-00212	Craig Kendell Mason - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00213	Central Reserve Life Insurance Company - Alleged violation of VA Code § 38.2-3433 D
INS-2008-00215	ACE American Insurance Company and ACE Property & Casualty Insurance Company - Alleged violation of VA Code § 38.2-317
INS-2008-00216	American Bankers Insurance Company of Florida - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00217	CUMIS Insurance Society - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00218	Transguard Insurance Company of America - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00219	Empire Fire and Marine Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00220	Edward R. Pittman - Alleged violation of VA Code § 38.2-512
INS-2008-00221	Joseph Raymond Tropea - Alleged violation of VA Code §§ 38.2-1822 and 38.2-1833
INS-2008-00222	Katika Jajuan Roberts - Alleged violation of subsection 1 of VA Code § 38.2-1831
INS-2008-00223	Greenwich Insurance Company - Alleged violation of VA Code § 38.2-317
INS-2008-00224	Atlantic Specialty Insurance Company - Alleged violation of 14 VAC 5-335-10 et seq.
INS-2008-00225	St. Paul Mercury Insurance Company - Alleged violation of 14 VAC 5-335-10 et seq.
INS-2008-00226	Amerisure Mutual Insurance Company and Amerisure Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00227	Westfield Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00228	Westfield Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00229	Classic Title & Escrow Inc. - Alleged violation of VA Code § 6.1-2.21
INS-2008-00230	Dynamic Settlements, LLC - Alleged violation of VA Code § 6.1-2.23
INS-2008-00231	Community Settlement Group, LLC - Alleged violation of VA Code § 6.1-2.23
INS-2008-00232	Definitive Title, LLC - Alleged violation of VA Code § 6.1-2.23
INS-2008-00236	Encore Title, Inc. - Alleged violation of VA Code § 6.1-2.26
INS-2008-00237	Lincoln General Insurance Company - Alleged violations of VA Code §§ 38.2-231, 38.2-304, et al.

INS-2008-00239 Auto-Owners Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00240 Janet G. Gervais - Alleged violation of subsection 1 of VA Code § 38.2-1831
INS-2008-00241 Barbara J. Gibson - Alleged violation of VA Code §§ 38.2-502, 38.2-503 and subsection 10 of 38.2-1831
INS-2008-00243 Alpha Property & Casualty Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00244 North American Specialty Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00245 Capital BlueCross - For approval of acquisition of control of Dominion Dental USA, Inc.
INS-2008-00246 Joseph T. Horvath - Alleged violation of VA Code § 38.2-512
INS-2008-00248 Interstate Mutual Fire Insurance Company - Alleged violation of VA Code § 38.2-2515
INS-2008-00250 Trevor D. Losse - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00253 St. Paul Fire and Marine Insurance Company and St. Paul Mercury Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00254 Penn Treaty Network America Insurance Company - To eliminate impairment and restore surplus to the minimum amount required by law
INS-2008-00255 Kendra Parker Hatcher - Alleged violation of VA Code §§ 38.2-503 and 38.2-512
INS-2008-00257 Legacy Title & Escrow, Inc. - Alleged violation of VA Code § 6.1-2.21
INS-2008-00258 In re: Assessment upon certain companies and surplus lines brokers to pay the expense of the Bureau of Insurance for the calendar year 2009
INS-2008-00260 Bryant Ray Filter - Alleged violation of VA Code § 38.2-1826 C
INS-2008-00261 Brian A. Stopchinski - Alleged violation of VA Code §§ 38.2-1826 A and 38.2-1809
INS-2008-00264 Trumbull Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2008-00268 Seaton Insurance Company of New York - To eliminate impairment and restore surplus to the minimum amount required by law

PST: DIVISION OF PUBLIC SERVIC E TAXATION

PST-2008-00011 Fiberlight of Virginia, LLC - For review and correction of gross receipts certified to the Department of Taxation for Tax Year 2007 and for a Partial Refund of Special Regulatory Revenue Tax
PST-2008-00012 FiberLight of Virginia, LLC - For review and correction of gross receipts certified to the Department of Taxation for Tax Year 2008 and for a Partial Refund of Special Regulatory Revenue Tax
PST-2008-00025 DIECA Communications, Inc. d/b/a Covad Communications - For Review and Correction of Gross Receipts
PST-2008-00026 Level 3 Communications, LLC - For Review and Correction of Certification of Gross Receipts

PUC: DIVISION OF COMMUNICATIONS

PUC-2007-00100 Adera, LLC - For a certificate to provide local exchange telecommunication services
PUC-2007-00121 SBC Long Distance, LLC - For approval to partially discontinue local exchange service
PUC-2007-00122 DIECA Communications, Inc., Covad Communications Group, Inc., d/b/a Covad Communications Company, CCGI Holding Corporation and Platinum Equity, LLC - For approval of indirect transfer of control of DIECA Communications, Inc. d/b/a Covad Communications Co.
PUC-2007-00123 Citizens Communications Corporation - For discontinuance of local exchange service and cancellation of tariffs and certificate
PUC-2008-00001 Frances and Larry Davis - Appeal of the Division of Communications' Denial of Claim to Participate in the Corrective Action Plan of Verizon Virginia Inc. and Verizon South Inc.
PUC-2008-00002 Barbara J. Lloyd - Appeal of the Division of Communications' Denial of Claim to Participate in the Corrective Action Plan of Verizon Virginia Inc. and Verizon South Inc.
PUC-2008-00003 Carter Diversified, Inc. - Appeal of the Division of Communications' Denial of Claim to Participate in the Corrective Action Plan of Verizon Virginia Inc. and Verizon South Inc.
PUC-2008-00004 Wilkinson Advertising Promotions - Appeal of the Division of Communications' Denial of Claim to Participate in the Corrective Action Plan of Verizon Virginia Inc. and Verizon South Inc.
PUC-2008-00005 William R. Dykes - Appeal of the Division of Communications' Denial of Claim to Participate in the Corrective Action Plan of Verizon Virginia Inc. and Verizon South Inc.
PUC-2008-00006 FASCAB LLC - Appeal of the Division of Communications' Denial of Claim to Participate in the Corrective Action Plan of Verizon Virginia Inc. and Verizon South Inc.
PUC-2008-00007 Citynet Virginia LLC, Citynet LLC, Zayo Bandwidth, Inc., Communications Infrastructure Investments, LLC, Oak Investment Partners XII, Limited Partnership and M/C Venture Partners VI, L.P. - For approval of the indirect transfer of control of Citynet Virginia. LLC to Zayo Bandwidth, Inc., and Communications Infrastructure Investments, LLC
PUC-2008-00008 Central Telephone Company of Virginia and United Telephone-Southeast Inc. - For approval of its new plan for Alternative Regulation
PUC-2008-00010 Central Telephone Company of Virginia, United Telephone-Southeast, Inc. and Charter Fiberlink VA-CCO, LLC – For approval of a Negotiated Interconnection, Collocation and Resale Agreement
PUC-2008-00011 Choice One Communications of Virginia, Inc. - For cancellation of certificates to provide local exchange and interexchange telecommunications services and to reissue certificates reflecting new corporate name of FiberNet of Virginia, Inc.
PUC-2008-00012 Verizon Virginia Inc. and MetTel of VA, Inc. f/k/a Metropolitan Telecommunications of VA, Inc. – For approval of Amendment No. 1 to the Interconnection Agreement under § 252(e) of the Telecommunications Act of 1996
PUC-2008-00013 Verizon Virginia Inc. and Broadview Networks of Virginia, Inc. – For approval of Amendments No. 1 and 2 to the Interconnection Agreement under § 252(e) of the Telecommunications Act of 1996
PUC-2008-00014 Metropolitan Network Services, Inc. - For certificates to provide local exchange and interexchange telecommunications services
PUC-2008-00016 ACC Telecommunications of Virginia, LLC - To cancel existing certificates to provide local exchange and interexchange telecommunications services
PUC-2008-00018 Gateway Communications Services of Virginia, Inc. - For waiver of surety bond
PUC-2008-00019 ATC Outdoor DAS, LLC - For certificates to provide local and interexchange telecommunication services
PUC-2008-00021 Intrado Communications of Virginia Inc - For Arbitration to Establish an Interconnection Agreement with Verizon Virginia Inc. and Verizon South Inc. under § 252(b) of the Telecommunications Act of 1996
PUC-2008-00022 eGIX Network Services of Virginia, Inc. - For cancellation of certificates to provide local and interexchange telecommunications services

PUC-2008-00023	In the Matter of Interstate Rates, Terms, and Conditions for Verizon Communications Inc., MCI, Inc., and MCImetro Access Transmission Services of Virginia, Inc.
PUC-2008-00024	First Communications, LLC - For a certificate to provide local exchange telecommunications services
PUC-2008-00025	Comcast Phone of Virginia, Inc. - For partial discontinuance of local exchange telecommunications services
PUC-2008-00026	Central Telephone Company of Virginia, United Telephone-Southeast, Inc. and Business Telecom of Virginia, Inc. d/b/a BTI – For approval of an interim Interconnection, Collocation and Resale Agreement
PUC-2008-00028	Central Telephone Company of Virginia, United Telephone-Southeast, Inc., NTELOS Network, Inc. and NA Communications, Inc. – For approval of a negotiated Interconnection, Collocation and Resale Agreement.
PUC-2008-00029	Time Warner Telecom of Virginia LLC - For amended and reissued certificates to reflect new name: tw telecom of virginia llc
PUC-2008-00030	My Tel Co, Inc. - To cancel existing certificates to provide local exchange and interexchange telecommunications services
PUC-2008-00031	Verizon South Inc. - For exemption from physical collocation at its Arcola Central Office
PUC-2008-00032	Citynet Virginia, LLC - For amended and reissued certificates to reflect its new name
PUC-2008-00033	Verizon Virginia Inc. and Bandwidth.com CLEC, LLC – For approval of an Interconnection Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00034	Verizon South Inc. and Bandwidth.com CLEC, LLC – For approval of an Interconnection Agreement pursuant to § 252(e) of the Telecommuncations Act of 1996
PUC-2008-00035	Central Telephone Company of Virginia, United Telephone Southeast LLC and Bandwidth.com CLEC, LLC – For approval of an Interconnection, Collocation and Resale Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00036	Central Telephone Company of Virginia, United Telephone Southeast LLC and Access Point of Virginia, Inc. – For approval of a Master Interconnection, Collocation and Resale Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00037	Virginia Telecommunications Industry Association - For Change in the Commission's Rule 20 VAC 5-10-10 regarding Bad Check and Late Payment Charges
PUC-2008-00038	Verizon Virginia Inc. and DukeNet Communications, LLC – For approval of an Interconnection Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00039	Verizon South Inc. and Duke.Net Communications, LLC – For approval of an Interconnection Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00040	Global Connection Inc. of Virginia and L6-Global, LLC - For approval of a transfer of control of Global Connection Inc. of Virginia from Global Connection Inc. of America to L6-Global LLC
PUC-2008-00041	Eureka Telecom of VA, Inc. - For cancellation of a certificate to provide interexchange telecommunications services
PUC-2008-00042	Broadview Networks of Virginia, Inc. - For cancellation of a certificate to provide interexchange telecommunications services
PUC-2008-00043	ATX Telecommunications Services of Virginia, LLC - For cancellation of a certificate to provide interexchange telecommunications services
PUC-2008-00044	Trinsic Communications of Virginia, Inc. - For cancellation of certificate to provide local exchange telecommunications services
PUC-2008-00045	White Homes & Land, LLC - Alleged violation of 20 VAC 5-407-10 et seq.
PUC-2008-00046	Virginia Telecommunications Industry Association - For authority to eliminate the current requirement for a Three-Free Call Allowance for Local Directory Assistance Service
PUC-2008-00047	Ex Parte: Revision of Rules for Local Exchange Telecommunications Company Service Quality Standards
PUC-2008-00048	Wedgewood Associates, LLC, Petitioner v. Verizon Virginia Inc. - For Declaratory Judgment
PUC-2008-00049	Verizon Virginia Inc. and Wholesale Carrier Services of Virginia, Inc. – For approval of an Interconnection Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00050	Verizon South Inc. and Wholesale Carrier Services of Virginia, Inc. – For approval of an Interconnection Agreement between Verizon South Inc. and Wholesale Carrier Services of Virginia, Inc. pursuant to § 252(e) of the Telecommunications Act of 1996.
PUC-2008-00051	Verizon South Inc. and PNG Telecommunications of Virginia, LLC d/b/a Powernet Global Communications – For approval of an Interconnection Agreement between pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00052	Verizon Virginia Inc. and PNG Telecommunications of Virginia, LLC d/b/a Powernet Global Communications – For approval of an Interconnection Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00053	New Horizons Communications of Virginia, Inc. - For certificates to provide local exchange and interexchange telecommunications services
PUC-2008-00054	Ex Parte: Adoption of New Rules Governing Late Payment and Bad Check Charges for Local Exchange Telephone Companies
PUC-2008-00055	Cox Virginia Telcom, Inc. - For amendment of its certificates to reflect applicant's new name, Cox Virginia Telcom, L.L.C.
PUC-2008-00056	Central Telephone Company of Virginia, United Telephone Southeast LLC and Global Connection Inc. of Virginia – For approval of a Negotiated Master Resale Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00057	Lightwave Communications, LLC and Broadview Networks of Virginia, Inc. - For approval of a transaction to transfer certain assets from Lightwave Communications, LLC to Broadview Networks of Virginia, Inc.
PUC-2008-00058	Shenandoah Telephone Company and Verizon Wireless – For approval of an Interconnection Agreement
PUC-2008-00059	St. Paul Exchange Customers - For Extended Local Service from Verizon Virginia Inc.'s St. Paul Exchange to Verizon Virginia Inc.'s Wise Exchange
PUC-2008-00060	Cavalier Telephone, LLC, Cox Virginia Telcom, L.L.C., NTELOS Network Inc., R & B Network Inc. and XO Virginia, LLC, Petitioners v. Verizon Virginia Inc., Respondent - For relief from Unlawful Charges against Verizon Virginia Inc.
PUC-2008-00061	Verizon Virginia Inc. and Charter Fiberlink VA-CCO, LLC - For a Rule to Show Cause
PUC-2008-00062	New Edge Networks of Virginia, Inc. - For certificates to provide local exchange and interexchange telecommunications services
PUC-2008-00063	TelCove Operations, LLC, Level 3 Communications, LLC and Eldorado Acquisition Three, LLC - For approval of an internal reorganization and pro forma transfer of control of TelCove Operations, LLC from Eldorado Acquisition Three, LLC to Level Communications
PUC-2008-00064	Ex Parte: In the matter of addressing the continuing service quality problems being experienced by customers in the Rocky Gap exchange
PUC-2008-00065	Central Telephone Company of Virginia, United Telephone Southeast LLC and LTS of Rocky Mount, LLC – For approval of a Master Resale Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00066	Various Terminated Carriers - For cancellation of certificates to provide local exchange and/or interexchange telecommunications services
PUC-2008-00067	Global Connection Inc. of Virginia - For cancellation of certificates to provide local exchange and interexchange telecommunications services

PUC-2008-00068 DSCI Corporation of Virginia, Inc. - For a certificate to provide local exchange telecommunications services
PUC-2008-00070 American Fiber Network of Virginia, Inc. - For replacement of existing letter of credit with surety bond and return of the letter of credit
PUC-2008-00071 Lightyear Network Solutions, LLC, LY Holdings, LLC and Wherify Wireless, Inc. - For approval of the indirect transfer of control of Lightyear Network Solutions, LLC to Wherify Wireless, Inc.
PUC-2008-00072 BLC Management, LLC d/b/a Angles Communications Services - For certificates to provide local exchange and interexchange telecommunications services
PUC-2008-00073 Comcast Phone of Virginia, Inc. - For partial discontinuance of local exchange telecommunications services
PUC-2008-00074 MidAtlantic Broadband, Inc. - For cancellation of certificates to provide local exchange and interexchange telecommunications services
PUC-2008-00075 Verizon South Inc. - For determination that Asynchronous Transfer Mode (ATM) Cell Relay Service (CRS) is Competitive
PUC-2008-00076 Verizon South Inc. and Cricket Communications, Inc. – For approval of Amendment No. 2 to the Interconnection Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00077 Verizon Virginia Inc. and Cricket Communications, Inc. – For approval of Amendment No. 2 to the Interconnection Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00078 Central Telephone Company of Virginia, United Telephone Southeast LLC and DSLnet Communications Virginia, Inc. d/b/a DSLnet – For approval of a negotiated Interconnection, Collocation and Resale Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00079 Verizon South Inc. and PaeTec Communications of Virginia Inc. – For approval of Amendments No. 1 and 2 to the Interconnection Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00080 Verizon South Inc. and US LEC of Virginia, L.L.C. d/b/a PAETEC Business Services – For approval of Amendments No. 1 and 2 to the Interconnection Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00081 Central Telephone Company of Virginia d/b/a Embarq, United Telephone Southeast LLC d/b/a Embarq and MCImetro Access Transmission Services of Virginia, Inc. – For approval of a Master Interconnection, Collocation and Resale Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00082 Global Connection Inc. of Virginia - Requesting Release of Letter of Credit
PUC-2008-00083 Central Telephone Company of Virginia d/b/a Embarq, United Telephone Southeast LLC d/b/a Embarq and KDL of Virginia, Inc. – For approval of an Interconnection, Collocation and Resale Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00084 Central Telephone Company of Virginia d/b/a Embarq, United Telephone Southeast LLC d/b/a Embarq) and Comcast Phone of Virginia, Inc. d/b/a Comcast Digital Phone – For approval of a Master Interconnection, Collocation and Resale Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00085 First Communications, Inc., First Communications, LLC and Renaissance Acquisition Corp. - For approval of the transfer of control of First Communications, LLC to Renaissance Acquisition Corp.
PUC-2008-00086 Federal Communications Commission - For agreement in redefining the service areas of NTELOS Telephone Inc., Peoples Mutual Telephone Company, Inc., Central Telephone Company of Virginia, and Verizon South Inc. pursuant to 47 C.F.R. § 54.207(d)
PUC-2008-00087 Central Telephone Company of Virginia d/b/a Embarq, United Telephone Southeast LLC d/b/a Embarq and Granite Telecommunications, LLC – For approval of a Negotiated Interconnection, Collocation and Resale Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00088 Central Telephone Company of Virginia d/b/a Embarq, United Telephone Southeast LLC d/b/a Embarq and IDT America of Virginia, LLC – For approval of a Negotiated Interconnection, Collocation and Resale Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00089 Peoples Mutual Telephone Company d/b/a FairPoint Communications and GCR Telecommunications, Inc. – For approval of the Traffic Exchange Agreement pursuant to § 251 (b) (5) of the Telecommunications Act of 1996
PUC-2008-00090 Alltel Communications of Virginia, Inc. - For approval to voluntary cancel certificates to provide local and interexchange telecommunications services
PUC-2008-00091 LightWave Communications, LLC - For cancellation of certificates to provice local exchange and interexchange telecommunications services
PUC-2008-00092 Ex Parte: In Re: Cancellation of Payphone Service Provider Certificate of National Telephone Company, L.L.C.
PUC-2008-00093 Reliant Communications, Inc. - For cancellation of certificate to provide local exchange telecommunications services
PUC-2008-00094 AT&T Communications of Virginia, LLC - For a waiver of the price ceilings for the residential local exchange service of Call Plan Unlimited Plus
PUC-2008-00095 KMC Data, LLC - For amended and reissued local exchange certificate to reflect its new name
PUC-2008-00096 Inter-Tel Netsolutions Inc. of Virginia, Inc. - For amended and reissued certificate to reflect new name: Mitel NetSolutions of Virginia, Inc.
PUC-2008-00097 TDS Telecom and Virginia PCS Alliance, L.C. – For approval of a Wireless Traffic Exchange Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00098 Cox Virginia Telcom, L.L.C. - For Extension of Waivers of, and a Permanent Waiver of, and/or a Grant of Exception to, the Customer Notice of Disconnection Requirements of the Rules Governing Disconnection of Local Exchange Services
PUC-2008-00099 Central Telephone Company of Virginia d/b/a Embarq, United Telephone Southeast LLC d/b/a Embarq and MountaiNet Telephone Company – For approval of a negotiated Master Interconnection, Collocation and Resale Agreement pursuant to § 252(e) of the Telecommunications Act
PUC-2008-00100 Verizon South Inc. and Verizon Verizon Inc. - For an exemption from the annual filing requirement imposed by the Commission pursuant to VA Code § 56-77 (A)
PUC-2008-00102 Verizon South Inc. and IDT America of Virginia, LLC – For approval of Amendment No. 1 to the Interconnection Agreement pursuant to § 252(e) of the Telecommunications Act of 1996
PUC-2008-00103 Hybrid Networks, LLC - For approval to voluntarily cancel certificates to provide local and interexchange telecommunications services
PUC-2008-00104 Embarq Corporation, Central Telephone Company of Virginia, United Telephone Southeast LLC and CenturyTel, Inc. - For Approval of the Indirect Transfer of Control of Central Telephone Co. of Virginia and United Telephone-Southeast LLC from Embarq Corporation to CenturyTel, Inc.
PUC-2008-00105 Vanco plc, Vanco Direct USA, LLC, Capital Growth Systems, Inc. and Capital Growth Acquisition, Inc. - For approval of a transfer of control of Vanco Direct USA, LLC
PUC-2008-00106 FiberLight of Virginia, LLC - For replacement of existing letter of credit with surety bond and return letter of credit

PUC-2008-00109 Shenandoah Telephone Co., Shenandoah Telecommunications Co., Shenandoah Cable Television Co., Shentel Cable Co., Shentel Service Co., Shentel Wireless Co., Shenandoah Mobile Co., Shenandoah Long Distance Co., Shenandoah Network Co., Shenandoah Personal Communications Co., Shentel Communications Co., Shentel Management Co., Shentel Converged Services, Inc. and Shentel Converged Services of West Virginia, Inc. - For approval of Affiliates Arrangement pursuant to VA Code §§ 56-76, et seq.

PUC-2008-00111 SkyTerra Inc. of Virginia (formerly Mobile Satellite Ventures Inc. of Virginia) - To amend and reissue certificate to provide local exchange telecommunications services

PUC-2008-00112 Winstar Wireless of Virginia, LLC - For cancellation of certificates to provide local exchange and interexchange telecommunications services

PUC-2008-00113 Looking Glass Networks of Virginia, Inc. - For surrender of certificates and withdrawal of tariffs

PUC-2008-00114 Central Telephone Company of Virginia d/b/a Embarq, United Telephone Southeast LLC d/b/a Embarq and American Fiber Network of Virginia, Inc. – For approval of a Master Resale Agreement pursuant to § 252(e) of the Telecommunications of 1996

PUE: DIVISION OF ENERGY REGULATION

PUE-2006-00088 Sydnor Utilities, Inc. - For Authority to Transfer Utility Assets pursuant to the Utility Transfers Act and Utility Facilities Act

PUE-2007-00105 Dale Service Corporation - For Volumetric Rate Design Approval

PUE-2007-00111 Virginia Electric and Power Company d/b/a Dominion Virginia Power - For a certificate to construct and operate a 138 kV Double Circuit Transmission Line in Wise and Russell Counties

PUE-2007-00113 Appalachian Power Company - For a certificate to construct and operate a 138 kV double circuit transmission line and substation in Botetourt County, Virginia

PUE-2007-00118 Kentucky Utilities Company d/b/a Old Dominion Power Company - For authority to issue securities and to engage in an affiliate transaction

PUE-2008-00002 Virginia Electric and Power Company d/b/a Dominion Virginia Power - For a certificate for facilities in Caroline County: Ladysmith CT-Line #256 Junction 230 kV Double Circuit Transmission Line

PUE-2008-00003 Appalachian Power Company - For approval to Participate in the Virginia Renewable Energy Portfolio Standard Program

PUE-2008-00004 In the matter of establishing interconnection standards for distributed electric generation

PUE-2008-00005 Columbia Gas of Virginia, Inc - For an Annual Informational Filing for 2007

PUE-2008-00006 Appalachian Power Company - For a certificate to construct and operate a 138 kV transmission line in Buchanan County, Virginia

PUE-2008-00007 Atmos Energy Corporation - For an expedited increase in rates

PUE-2008-00008 In re: In the matter of amending regulations governing net energy metering

PUE-2008-00009 Virginia-American Water Company - For a general increase in rates

PUE-2008-00010 Land 'Or Utility Company - For waiver of 2007 Annual Informational Filing

PUE-2008-00011 Community Electric Cooperative - For authority to incur debtedness

PUE-2008-00012 Kentucky Utilities Company d/b/a Old Dominion Power Company - To revise its fuel factor pursuant to VA Code § 56-249.6

PUE-2008-00013 Alpha Water Corporation, Aqua Utility-Virginia, Inc., Aqua Lake Holiday Utilities, Inc., Land'Or Utility Co., Inc., Caroline Utilities, Inc., Aqua/SL, Inc., Mayfore Water Co., Inc., Ellerson Wells, Inc., Blue Ridge Utility Co., Mountainview Water Co., Inc., James River Service Corporation, Earlysville Forest Water Co., Rainbow Forest Water Corporation, Powhatan Water Works, Inc., Heritage Homes of Virginia, Inc., Sydnor Hydrodynamics, Inc., Sydnor Water Corporation, Indian River Water Co., Water Distributors, Inc., Reston/Lake Anne Air Conditioning Corp., Aqua Virginia, Inc., Aqua Utilities, Inc. and Aqua America, Inc. - For authority to enter into a Tax Allocation Agreement pursuant to the Affiliates Act, VA Code § 56-76, et seq.

PUE-2008-00014 Virginia Electric and Power Company - For a certificate to construct and operate a generating facility; for certificates for a transmission line: Bear Garden Generating Station and Bear Garden-Bremo 230 kV Transmission Interconnection Line

PUE-2008-00015 BARC Electric Cooperative and Virginia Electric and Power Company d/b/a Dominion Virginia Power - For revision of certificates under the Utility Facilities Act

PUE-2008-00016 Appalachian Power Company - For authority to issue securities under Chapter 3 of Title 56 of the Code of Virginia

PUE-2008-00017 Michael Farris, Complainant v. Virginia Electric and Power Company d/b/a Dominion Virginia Power - For Complaint Alleging Failure to Provide Adequate Service

PUE-2008-00019 Old Dominion Electric Cooperative - For an exemption from the rules governing the use of bidding programs to purchase electricity from other power suppliers, in order to make a purchase outside the bidding program

PUE-2008-00020 Columbia Gas of Virginia, Inc. - For a limited exemption from the filing and prior approval requirements of Chapter 4 of Title 56 of the Code of Virginia or, in the alternative, for approval of an amendment to an EDI Trading Partner Agreement

PUE-2008-00021 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. and request for Interim Authority

PUE-2008-00022 Appalachian Natural Gas Distribution Company and ANGD LLC - For authority to issue securities under Chapters 3 and 4 of Title 56 of the Code of Virginia

PUE-2008-00023 Aqua Virginia, Inc. - For extension to File Annual Informational Filing (2007 Test Year)

PUE-2008-00024 Virginia Electric and Power Company and Dominion Nuclear North Anna, LLC - For approval of a Plan of Merger pursuant to Chapter 4 of Title 56 of the Code of Virginia

PUE-2008-00025 Kentucky Utilities Company d/b/a Old Dominion Power Company - For Extension of its Annual Informational Filing

PUE-2008-00026 Mecklenburg Electric Cooperative - For authority to incur additional short-term indebtedness under a line of credit

PUE-2008-00027 Virginia Electric & Power Company - To participate in pilot project, and for approval of underground transmission line construction, under § 2.A of HB 1319

PUE-2008-00028 Virginia Natural Gas, Inc. - For an Annual Informational Filing for 2007

PUE-2008-00029 Long Hollow Water Development Co. - For a declaratory order or approval of a transfer of utility assets pursuant to Chapter 5 of Title 56 of the Code of Virginia

PUE-2008-00030 Virginia-American Water Company - For Approval to Issue Debt Securities

PUE-2008-00031 Northern Neck Electric Cooperative and Virginia Electric and Power Company d/b/a Dominion Virginia Power - For revision of certificates under the Utility Facilities Act

PUE-2008-00032 Appalachian Natural Gas Distribution Company - For Extension of time to file AIF

PUE-2008-00033 The Potomac Edison Company d/b/a Allegheny Power - For an increase in its electric rates pursuant to VA Code §§ 56-249.6 and 56-582 and, alternatively, request to modify Memorandum of Understanding and Order in Case No. PUE-2000-00280

PUE-2008-00034 Kentucky Utilities Company d/b/a Old Dominion Power Company - For authority to issue securities under Title 56 of the Code of Virginia
PUE-2008-00035 Appalachian Power Company - To revise its cogeneration tariff pursuant to PURPA § 210
PUE-2008-00036 A & N Electric Cooperative - In the matter of A & N Electric Cooperative's letter request seeking immediate modification of its tariff
PUE-2008-00037 Washington Gas Light Company - For authority to renew an affiliate service agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUE-2008-00038 Columbia Gas of Virginia, Inc. - For approval of gas supply and other supply related agreements with affiliates pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUE-2008-00039 Virginia Electric and Power Company - To revise its fuel factor pursuant to VA Code § 56-249.6
PUE-2008-00040 Massanutten Public Service Corporation - For approval of amended services agreement
PUE-2008-00041 Virginia Electric and Power Company - To exempt from Chapter 4 filing and prior approval requirement of right-of-way encroachment agreements
PUE-2008-00042 Virginia Electric and Power Company - To participate in pilot project, and for approval of underground transmission line construction under § 2.A of HB 1319
PUE-2008-00043 Northern Neck Electric Cooperative - For authority to incur additional long-term debt
PUE-2008-00044 Virginia Electric and Power Company d/b/a Dominion Virginia Power - For approval of its Renewable Energy Tariff
PUE-2008-00045 Appalachian Power Company - For adjustments to capped electric rates pursuant to 56-582 B (vi) of the Code of Virginia
PUE-2008-00046 Appalachian Power Company - For an increase in electric rates
PUE-2008-00047 Washington Gas Light Company - For authority to issue securities
PUE-2008-00048 The Potomac Edison Company and Trans-Allegheny Interstate Line Company - For authority to enter into an Easement Agreement pursuant to the Affiliates Act
PUE-2008-00049 Atmos Energy Corporation - For authority to issue common stock
PUE-2008-00050 eServices, LLC d/b/a eServices Energy, LLC - For a license to conduct business as a competitive service provider for natural gas
PUE-2008-00051 Craig-Botetourt Electric Cooperative - For authority to incur additional long-term debt
PUE-2008-00052 Rappahannock Electric Cooperative - For authority to issue long-term debt
PUE-2008-00053 Appalachian Power Company - For a certificate to construct and operate a 138 kV double circuit transmission line and substation in Roanoke County, Virginia
PUE-2008-00054 Northern Neck Electric Cooperative and Virginia Electric and Power Company d/b/a Dominion Virginia Power - For revision of certificates under the Utility Facilities Act
PUE-2008-00055 Hopewell Cogeneration Limited Partnership - For a Certificate to Operate an Electric Generating Facility Pursuant to VA. Code § 56-580 D
PUE-2008-00057 Appalachian Power Company - For approval of its Renewable Power Rider
PUE-2008-00058 Appalachian Natural Gas Distribution Company - For Authority to Enter Into Affiliate Agreements Under Chapter 4, Title 56 of the Code of Virginia
PUE-2008-00059 Columbia Gas of Virginia, Inc. - For approval to revise its tariff to implement delivery standards and nomenclature consistent with upstream interstate pipelines
PUE-2008-00060 Virginia Natural Gas, Inc. - For approval to implement a natural gas conservation and ratemaking efficiency plan including a decoupling mechanism and to record accounting entries associated with such mechanism
PUE-2008-00061 In the matter of revising the rules of the State Corporation Commission governing Retail Access to Competitive Energy Services
PUE-2008-00062 Roanoke Gas Company - For authority to incur short-term debt
PUE-2008-00063 Virginia Electric and Power Company - For approval and certification of Beaumeade-NOIVO 230 kV Underground Transmission line and 230-34.5 kV NIVO Substation under VA Code § 56-46.1 and as a pilot project pursuant to HB 1319
PUE-2008-00065 Skyline Water Co., Inc - For changes in rates, charges, rules and regulations
PUE-2008-00066 In the matter of revising the rules of the State Corporation Commission governing applications to construct and operate electric generating facilities
PUE-2008-00067 Appalachian Power Company - To revise its fuel factor pursuant to VA Code § 56-249.6
PUE-2008-00068 Virginia Natural Gas., Inc, AGL Resources Inc., and AGL Services Company - For authority to issue up to $20 million in debt securities under Chapters 3 and 4 of Title 56 of the Code of Virginia
PUE-2008-00069 Virginia Natural Gas Inc, AGL Resources Inc. and AGL Services Company - For authority to issue up to $40 million in debt securities under Chapters 3 and 4 of Title 56 of the Code of Virginia
PUE-2008-00070 Botetourt County, Virginia v. Central Water Company, Inc. - For revocation of certificate pursuant to VA Code § 56-265.6
PUE-2008-00071 Alpha Water Corporation, Aqua Utility-Virginia, Inc., Aqua Lake Holiday Utilities, Inc., Land'or Utility Co., Inc., Caroline Utilities, Inc.. Aqua/SL, Inc., Mayfore Water Co., Inc., Ellerson Wells, Inc., Blue Ridge Utility Co., Mountainview Water Co., Inc., James River Service Corporation, Earlysville Forest Water Co., Rainbow Forest Water Corporation, Powhatan Water Works, Inc., Heritage Homes of Virginia, Inc., Sydnor Hydrodynamics, Inc., Sydnor Water Corporation, Indian River Water Co., Water Distributors, Inc., Reston/Lake Anne Air Conditioning Corp., Aqua Virginia, Inc. and Aqua Services, Inc. - For approval of amended services agreement
PUE-2008-00072 Virginia Electric and Power Company d/b/a Dominion Virginia Power - For a certificate for facilities in Fairfax County: EPG 230 kV Transmission Line and EPG Substation
PUE-2008-00073 Prince George Electric Cooperative - For authority to incur indebtedness
PUE-2008-00074 Columbia Gas of Virginia, Inc. - For approval of an experimental Weather Normalization Adjustment mechanism pursuant to VA Code § 56-234
PUE-2008-00075 Sandler at Coliseum, L.L.C., Petitioner v. Virginia Electric and Power Company d/b/a Dominion Power Company, Respondent - For failure to provide electrical service pursuant to VA Code § 56-234
PUE-2008-00076 Northern Neck Electric Cooperative - For a general increase in electric rates
PUE-2008-00077 Kentucky Utilities Company - For authority to issue securities under Chapter 3 of Title 56 of the Code of Virginia
PUE-2008-00078 Virginia Electric and Power Company - Notification to the Commission of election to abandon the Company's bidding program and application to revise its cogeneration tariff pursuant to PURPA § 210
PUE-2008-00079 Appalachian Power Company - For a certificate for facilities in Montgomery and Roanoke Counties: Matt Funk 138 kV Transmission Line Project
PUE-2008-00080 Commonwealth Chesapeake Company LLC - To remove reporting requirements
PUE-2008-00081 GPC Green Energy, LLC - For a license to conduct business as a competitive service provider for electricity
PUE-2008-00083 Northern Virginia Electric Cooperative - For a modification to its Tariff

PUE-2008-00084	Atmos Energy Corporation - For authority to issue common stock
PUE-2008-00085	GPC Green Energy, LLC - For approval to construct, own and operate an electric generation facility in Suffolk, Virginia pursuant to VA Code §§ 56-46.1 and 56-580 D
PUE-2008-00086	Appalachian Natural Gas Distribution, ANGD, LLC and Bluefield Gas Company - For authority to enter into a tax allocation agreement under Chapter 4 of Title 56 of the Code of Virginia
PUE-2008-00087	Washington Gas Light Company - For authority to issue long-term debt and to engage in affiliate transactions
PUE-2008-00088	Roanoke Gas Company - For an expedited increase in rates
PUE-2008-00089	Virginia Natural Gas, Inc. and AGL Services Company - For Modification of Reporting Requirements for Annual Report of Affiliate Transactions
PUE-2008-00091	Washington Gas Light Company - For withdrawal of authority to participate in affiliate transaction
PUE-2008-00092	Roanoke Gas Company - For authority to issue long-term debt
PUE-2008-00093	Waterfront Water Works, Inc., Ronald L. Willard and James H. Buck - For approval of a transfer of control and subsequent transfer of assets to Western Virginia Water Authority
PUE-2008-00094	Willard Construction of Roanoke Valley, Inc. - For approval of transfer of the Boardwalk water system assets to Western Virginia Water Authority
PUE-2008-00095	Massanutten Public Service Corporation - For extension of time to file its Annual Information Filing for the twelve months ended 6/30/08
PUE-2008-00096	Appalachian Power Company - For approval of electrical facilities under VA Code § 56-46.1 and for certification of such facilities under the Utility Facilities Act
PUE-2008-00098	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 and to engage in an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia
PUE-2008-00099	Concerning Electric Utility Integrated Resource Planning Pursuant to VA Code §§ 56-597 et seq.
PUE-2008-00100	Virginia Electric and Power Co. and Dominion Energy, Inc.-For exemption from the filing and prior approval requirements of Chapter 4 of Title 56 of the Code of Virginia or approval of reimbursements by Virginia Electric and Power Co. to Dominion Energy, Inc. for periodic use of prepaid credit currently on Dominion Energy, Inc.'s corporate accounting records
PUE-2008-00101	Southwestern Virginia Gas Company - Annual Informational Filing for the Test Period Ending June 30, 2008
PUE-2008-00102	Community Electric Cooperative - For authority to borrow additional long-term debt
PUE-2008-00103	Appalachian Power Company - For authority to incur long-term debt
PUE-2008-00104	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 with its affiliate
PUE-2008-00105	Washington Gas Light Company - For authority to enter into interest rate swap agreements
PUE-2008-00106	Waterways Property Owners Assoc., Inc. and Bedford County Public Service Authority – For approval of the transfer of a public utility from Waterways Property Owners Assoc., Inc., to the Bedford County Public Service Authority
PUE-2008-00107	Columbia Gas of Virginia, Inc. - For authority to issue long-term debt and to participate in an intrasystem money pool arrangement with an affiliate
PUE-2008-00108	Washington Gas Light Company - For Authority to Issue Additional Short-term Debt and Engage in Affiliate Transaction
PUE-2008-00110	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
PUE-2008-00111	Virginia Electric and Power Company - To exempt from Chapter 4 filing and prior approval requirement of ingress/egress
PUE-2008-00112	In the matter of considering §§ 532(a) and 1307(A) of the Energy Independence and Security Act of 2007
PUE-2008-00113	Columbia Gas of Virginia, Inc. - For approval of a consolidated FSS Service Agreement that supersedes previously effective FSS Service Agreements with Columbia Gas Transmission Corporation under Chapter 4 of Title 56 of the Code of Virginia
PUE-2008-00114	Massanutten Public Service Corporation - 2007 Annual Information Filing
PUE-2008-00001	Ex Parte: In the matter of revising the rules of the State Corporation Commission governing utility rate increase applications pursuant to Chapter 933 of the 2007 Acts of Assembly
PUE-2008-00115	Columbia Gas of Virginia Inc - For approval Affiliate agreements with Columbia Gas Transmission LLC

SEC: DIVISION OF SECURITIES AND RETAIL FRANCHISING

SEC-2005-00034	Sunrise Lake Memorial Garden, LLC - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2005-00058	Lawrence J. Hoffman - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2007-00010	enTerra Energy, LLC - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2007-00047	Citigroup Global Markets Inc. f/k/a Solomon Smith Barney - Alleged violation of Securities Rule 21 VAC 5-20-260 D (2)
SEC-2007-00053	Chris Jeffries - Alleged violation of VA Code §§ 13.1-502(2), et al.
SEC-2007-00054	C & D Management Company - Alleged violation of VA Code §§ 13.1-504 B, et al.
SEC-2007-00055	John Arthur Whitley - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2007-00056	H. Beck, Inc. - Alleged violation of Rule 21 VAC 5-20-260 D through 21 VAC 5-20-260 D 5
SEC-2007-00067	Byron Hale Delavan, Jr. - Alleged violation of VA Code § 13.1-507
SEC-2007-00072	Firm Grip Business Managment and Holding Company, LLC - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2007-00074	Nicole Gray - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2007-00078	Roy Dean Higgs - Alleged violation of VA Code §§ 13.1-502(2), 13.1-504 A and 13.1-507
SEC-2007-00079	Stephen James Kaufmann - Alleged violation of VA Code §§ 13.1-502(2), et al.
SEC-2007-00081	Robert Sherwood Boiler - Alleged violation of VA Code §§ 13.1-504 A and 13.1-507
SEC-2007-00082	Thomas Clark Keener - Alleged violation of VA Code §§ 13.1-502(2), et al.
SEC-2007-00083	Ameriprise Financial Services, Inc. - Alleged violation of VA Code §§ 13.1-503 A (2), et al.
SEC-2007-00084	Tropical Smoothie Franchise Development Corporation and Eric D. Jenrich - Alleged violation of VA Code § 13.1-563 (e)
SEC-2008-00006	G&G, LLC - Alleged violation of VA Code §§ 13.1-502(2), 13.1-504 A, 13.1-504 B and 13.1-507
SEC-2008-00007	D. Trent Gourley - Alleged violation of VA Code §§ 13.1-502(2), et al.
SEC-2008-00008	Paul Vincent Decker - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00009	Chancellorsville Financing, Inc. - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00010	Ecumenical Development Corporation, USA d/b/a Oikocredit USA - For an Order of Exemption pursuant to VA Code § 13.1-514.1 B
SEC-2008-00011	National House Care, Inc. - For qualification order

SEC-2008-00014 Steve Spill - Alleged violation of VA Code §§ 13.1-504 A and 13.1-507
SEC-2008-00015 Pennsylvania 3 Well Development, LLP - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00016 McKean County 3 Well, LLP - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00017 L-O-T Development Wells, LLP - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00018 Enterra Seven, LLP - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00019 KAT-5, LLP - Alleged violation of VA Code § 13.1-507
SEC-2008-00020 Great Oklahoma Oil Deal, LLP - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00021 KAT-5-2, LLP - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00022 David G. Rose - Alleged violation of VA Code §§ 13.1-518, et al.
SEC-2008-00023 Brian Rose - Alleged violation of VA Code §§ 13.1-504, et al.
SEC-2008-00024 JTH Tax, Inc. d/b/a Liberty Tax Service - Alleged violation of VA Code §§ 13.1-563 (b) and 13.1-564
SEC-2008-00025 Victory Conference Center, LLC - Alleged violation of VA Code §§ 13.1-504 and 507
SEC-2008-00026 In the matter of Adopting a Revision to the Rules Governing the Virginia Securities Act
SEC-2008-00027 In the matter of Adopting a Revision to the Rules Governing the Virginia Retail Franchising Act
SEC-2008-00028 Beyond Juice, Inc. - Alleged violation of VA Code §§ 13.1-560 and 13.1-563(b)
SEC-2008-00029 Ronald Wertz d/b/a Greystone Capital - Alleged violation of VA Code §§ 13.1-502, 13.1-504 and 13.1-507
SEC-2008-00030 Washington Square Securities, Inc. - Alleged violation of 21 VAC 5-20-260 B
SEC-2008-00031 John Hardy Ross - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00034 Morgan Stanley & Co., Incorporated - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00035 Heidi Joy Keener - Alleged violation of VA Code §§ 13.1-502(2), 13.1-504 and 13.1-507
SEC-2008-00037 Shapour Javadizadeh - Alleged violation of VA Code § 13.1-504 A (i) and 21 VAC 5-20-260 C
SEC-2008-00038 Michael J. Gilhooly - Alleged violation of VA Code § 13.1-504 A (i) and 21 VAC 5-20-260 C
SEC-2008-00039 Nusheen Javadizadeh - Alleged violation of VA Code § 13.1-504 A (i) and 21 VAC 5-20-260 C
SEC-2008-00040 RJJ Pasadena Securities, Inc. - Alleged violation of VA Code § 13.1-504 A (i) and 21 VAC 5-20-260 B
SEC-2008-00041 Jonathan Keese – For subpoena
SEC-2008-00042 Entity Professionals, LLC – For subpoena
SEC-2008-00043 Entity Private Held Mortgages, LLC - For subpoena
SEC-2008-00044 Entity Real Estate Holdings, LLC - For subpoena
SEC-2008-00045 Michael Miles - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00046 Saxby's Coffee, Inc. - Alleged violation of VA Code §§ 13.1-560 and 13.1-563(e)(ii)
SEC-2008-00047 Baptist General Conference Cornerstone Fund - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2008-00048 National Covenant Properties - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2008-00051 Decker Equities, LP - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00055 Luis A. Garcia, d/b/a GPS Nanny and d/b/a PCPhoneLink - Alleged violation of VA Code §§ 13.1-504 A, et al.
SEC-2008-00056 Morrie Friedman - Alleged violation of VA Code §§ 13.1-560 and 13.1-563(b)
SEC-2008-00057 Columbia Union Revolving Fund - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2008-00058 Mission Investment Fund of the Evangelical Lutheran Church in America - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2008-00060 Church Extension Services, Inc. - For Order of Exemption pursuant to VA Code § 13.1-514.1 B
SEC-2008-00061 Full Gospel Fellowship Church - For Order of Exemption pursuant to VA Code § 13.1-514.1 B
SEC-2008-00062 Rose Elston - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00063 Charles Elston - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00064 Firm Grip Financial Services, LLC - Alleged violation of VA Code §§ 13.1-507, et al.
SEC-2008-00066 Da-Vi Nails International, LLC and David Truong - Alleged violation of VA Code §§ 13.1-560, et al.
SEC-2008-00067 Virginia Barbeque Franchising Company and Richard A. Ivey - Alleged violation of VA Code §§ 13.1-560 and 13.1-563 (e)
SEC-2008-00068 Ralph Hendry - Alleged violation of VA Code §§ 13.1-502 (2), et al.
SEC-2008-00069 Foxfire, LLC - Alleged violation of VA Code § 13.1-504 B
SEC-2008-00070 King Lombardi Acquisitions, Inc. d/b/a VR Business Brokers, Peter C. King and JoAnn A. Lombardi - Alleged violation of VA Code §§ 13.1-560 and 13.1-563 (e)
SEC-2008-00071 Unity Investment, Inc. - Alleged violations of VA Code §§ 13.1-502(2), et al.
SEC-2008-00072 Berkeley Johnston - Alleged violation of VA Code § 13.1-504 A (i)
SEC-2008-00073 C.G.B. Marketing, Inc. and Carl G. Balestrieri - Alleged violation of VA Code §§ 13.1-504 A (ii) and 13.1-504 C (i)
SEC-2008-00075 Halloween Express, LLC - Alleged violation of VA Code §§ 13.1-560 and 13.1-563 (e)(ii)
SEC-2008-00076 CB Tax Franchise Systems LP - Alleged violation of VA Code §§ 13.1-560 and 13.1-563 (e)(ii)
SEC-2008-00077 Christian Wealth Management, LLC - For special supervision
SEC-2008-00078 Vintner's Cellar Franchising International, Inc. - Alleged violation of VA Code §§ 13.1-560, et al.
SEC-2008-00082 Alan T. Lane - For special supervision order
SEC-2008-00084 Lawrence Paul Driscoll - Alleged violation of VA Code §§ 13.1-506(5), et al.
SEC-2008-00087 JTH Tax, Inc. d/b/a Liberty Tax Service - Alleged violation of 21 VAC 5-110-40
SEC-2008-00088 Lutheran Church Extension Fund-Missouri Synod - For an Order of Exemption pursuant to VA Code § 13.1-514.1 B
SEC-2008-00091 WELS Church Extension Fund, Inc. - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2008-00092 Taking Kare of Business, Inc. - Alleged violation of VA Code § 13.1-507
SEC-2008-00093 Bonnie Lou Kaufmann - Alleged violation of VA Code § 13.1-507
SEC-2008-00094 Stephen James Kaufmann - Alleged violation of VA Code § 13.1-507
SEC-2008-00099 All About Honeymoons Franchise Corporation and Gregory Strobach - Alleged violation of VA Code §§ 13.1-560 and 13.1-563 (e)
SEC-2008-00100 I.D.A. Franchises, Inc. and Jeffrey C. Trice - Alleged violation of VA Code §§ 13.1-560 and 13.1-563 (b)
SEC-2008-00102 Wellington Securities, Inc. - Alleged violation of 21 VAC 5-20-230 A
SEC-2008-00104 RSF Social Investment Fund, Inc. - For registration of securities pursuant to VA Code § 13.1-510
SEC-2008-00106 Adult Entertainment Capital, Inc. f/k/a Zealous Trading Group, Inc. - Alleged violation of VA Code § 13.1-510 and 21 VAC 5-45-20
SEC-2008-00115 University of Notre Dame du Lac - For order of exemption pursuant to VA Code § 13.1- 514.1 B

URS: DIVISION OF UTILITY AND RAILROAD SAFETY

URS-2004-00226 Day Contracting - Alleged violation of VA Code § 56-265.17 A
URS-2004-00423 Summit USA Land Development Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2005-00067 R. D. Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2005-00127 LOBO Construction Company - Alleged violations of VA Code § 56-265.24 A
URS-2005-00170 Omni Excavators, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2005-00253 Summit USA Land Development Corporation - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2005-00469 Miller & Long Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2005-00574 JWS Communications, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2005-00582 S. Bowman & Associates, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2005-00673 JWS Communications, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2005-00685 Omni Excavators, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2005-00702 Summit USA Land Development Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2006-00052 Sharp Haulers & Backhoe Services, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2006-00077 Omni Excavators, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2006-00114 Tessa Construction & Tech Company, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2006-00125 Ultra Services Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2006-00194 Montalvo Masonry - Alleged violation of VA Code § 56-265.17 A
URS-2006-00257 Paul O'Meara Construction Corp. - Alleged violation of VA Code § 56.265.18
URS-2006-00269 D&F Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2006-00296 Glen H. Sullivan Excavating - Alleged violation of VA Code § 56-265.24 A
URS-2006-00305 Natelco Corporation d/b/a Natelco Electrical Contractors - Alleged violation of VA Code § 56-265.17 A
URS-2006-00466 Ideal Cable - Alleged violation of VA Code § 56-265.24 A
URS-2006-00474 Leesburg Southern Electric, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2006-00481 Columbia Gas of Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2006-00490 The Fishel Company - Alleged violation of VA Code § 56-265.24 A
URS-2006-00512 Coastline Utilities and Grading, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00029 Salem Paving Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2007-00033 Creighton Enterprises, Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2007-00034 Divine Construction Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2007-00048 APAC-Atlantic, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00067 Wayne's Construction - Alleged violation of VA Code § 56-265.17 A
URS-2007-00072 A & M Concrete Corp. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00084 Henderson Construction Co. Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00085 Hercules Fence Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00086 Triple E Utility Service, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2007-00123 Mastec North America, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00132 Al Cannon, Individually and t/a L J Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00145 Chesapeake Bay Cable, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00159 Campbell & Ferrara Nurseries, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00161 Hazelwood Plumbing, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00162 D. K. Murphy - Alleged violation of VA Code § 56-265.17 A
URS-2007-00177 Pennington-Grimes Contracting Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2007-00178 Perkinson Construction, L.L.C. - Alleged violation of VA Code § 56-265.17 C
URS-2007-00201 C. Lee White Concrete, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2007-00209 Murphy Concrete & Asphalt LLC - Alleged violation of VA Code § 56-265.17 A
URS-2007-00215 Sagres Construction Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2007-00236 Mega Power Electrical Services, Inc. - Alleged violation of VA Code §§ 56-265.17 and 56-265.24 D
URS-2007-00251 D&F Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00265 Jerry W. Bosserman - Alleged violation of VA Code § 56-265.17 A
URS-2007-00267 One Vision Utility Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2007-00279 Five Star Septic, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00282 Sharp Haulers & Backhoe Services, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2007-00298 Triad Demolition, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2007-00315 Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00319 Aqua Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2007-00321 JCB Construction Co., Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00334 Colemans Landscaping, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00336 G & M Plumbing Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00339 W - L Construction Co. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00340 Steve W. Hobgood t/a Accent Brickwork - Alleged violation of VA Code § 56-265.17 A
URS-2007-00344 Kinsinger Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00345 L & M Electric and Solar - Alleged violation of VA Code § 56-265.17 A
URS-2007-00355 One Vision Utility Services, LLC - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00359 C3 Communication Construction Corp. - Alleged violation of VA Code §§ 56-265.19 D, et al.
URS-2007-00363 Southwestern Lawn & Landscaping - Alleged violation of VA Code § 56-265.17 A
URS-2007-00365 Accumark, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2007-00367 Derricott E.L.P.T., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00372 JCB Construction Co., Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00373 Mastec North America, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00374 Minkoff Company, Inc. - Alleged violation of VA Code § 56-265.17 A

URS-2007-00380 Plantation Pipeline Company - Alleged violation of VA Code § 56-265.19 A
URS-2007-00386 Amorim Construction Corporation - Alleged violation of VA Code § 566-265.17 A
URS-2007-00393 J. T. Construction - Alleged violation of VA Code § 56-265.17 A
URS-2007-00406 Infrasource Underground Construction Services, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2007-00408 Utiliquest, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2007-00412 AJ Enterprise - Alleged violation of VA Code § 56-265.24 A
URS-2007-00414 Coastline Utilities and Grading, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2007-00416 Credle Concrete, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00423 Metrotec Associates, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00428 West Utilities, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00436 City Concrete Corp. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00437 Consolidated Electric Service, L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00439 D&F Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00440 Danella Construction Corporation of Virginia, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00441 Davey Tree & Lawn Care - Alleged violation of VA Code § 56-265.17 A
URS-2007-00448 Lineal Industries, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00449 Lobo Construction Company - Alleged violation of VA Code § 56-265.17 A
URS-2007-00457 Thomas Custom Builders, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00458 Vika, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00462 Mastec North America, Inc. - Alleged violation of VA Code §§ 56-265.17 A, et al.
URS-2007-00467 Virginia Natural Gas, Inc. - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00468 Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00471 Aarco Plumbing, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00472 Appalachian Power Company - Alleged violation of VA Code § 46-265.19 A
URS-2007-00476 Salem Paving Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2007-00478 C & A Associates, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00481 Champion Fence - Alleged violation of VA Code § 56-265.24 A
URS-2007-00482 Independence Construction Co. of VA. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00483 Infrasource Underground Construction Services, LLC - Alleged violation of VA Code §§ 56-265.17 C, et al.
URS-2007-00484 L and B Contracting - Alleged violation of VA Code § 56-265.17 A
URS-2007-00485 Mastec North America, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00487 James L. Forrest, Individually and t/a Skinners Plumbing, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00488 Southland Hammerworks, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00492 W. J. Rapp Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00493 Walters Land Surveying. Ltd. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00494 A-Annandale PHC, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00495 Richard L. Crowder Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00497 Vico Construction Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2007-00498 Virginia Vintage Builders, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00499 WB&E Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00500 Atmos Energy Corporation - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00501 D&F Construction, Inc. - Alleged violation of VA Code §§ 56-265.18, et al.
URS-2007-00502 De-Tech Holdings Company - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00503 Hall Mechanical & Associates, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00504 One Vision Utility Services, LLC - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00505 Precon Construction Company - Alleged violation of VA Code § 56-265.24 A
URS-2007-00506 Promark Utility Locators, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2007-00507 Virginia Electric & Power Company - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00508 Triple E Utility Service, Inc. - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00509 Ivy H. Smith Company, LLC - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00510 Virginia Natural Gas, Inc. - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00511 Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00513 Anderson Machine Design, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00514 Atlas Plumbing, LLC - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00515 Branscome Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00516 Brothers Paving & Concrete Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2007-00520 Flippo Construction Company, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00521 Foley Plumbing, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00522 Green Valley Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00525 JFL Home Improvement - Alleged violation of VA Code § 56-265.17 A
URS-2007-00527 Page Enterprises, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00529 Krauss Construction Company of Virginia, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00530 American Decorative Concrete LLC f/k/a American Concrete, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2007-00531 Beachum's Demolition & Clearing, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00532 Brookstone, Ltd. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00534 D&F Construction, Inc. - Alleged violation of VA Code § 56-265.24
URS-2007-00535 Engineering & Environment, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2007-00536 Executive Electrical Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00537 Finley Asphalt & Sealing, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00540 Panther Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2007-00541 Power Concepts, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00542 Richard L. Crowder Construction, Inc. - Alleged violation of VA Code § 56-265.24 A

URS-2007-00543 S. W. Rodgers Company, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00544 TWBCO, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2007-00546 Boring Contractors, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00547 Call Bros. of VA, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00548 HVAC, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00549 James E. Buel, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00550 Lost Creek Landscapes, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2007-00551 Oliver Plumbing & Electrical - Alleged violation of VA Code § 56-265.24 A
URS-2007-00552 S&N Communications, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00555 Counts & Dobyns, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00556 Mongold Excavating, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00557 Superior Maintenance and Management Company, Inc. - Alleged violation of Code § 56-265.17 A
URS-2007-00558 L. A. Pipeline Construction Company, Inc. - Alleged violation of VA Code § 56-265.17 B 2
URS-2007-00559 Alexander Backhoe Service - Alleged violation of VA Code § 56-265.17 A
URS-2007-00560 All Star Underground, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2007-00561 Atlas Plumbing, LLC - Alleged violation of VA Code § 56-265.17 C
URS-2007-00562 Collier Irrigation Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00564 Doodle's Backhoe Service, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2007-00565 Greystar Development & Construction LP - Alleged violation of VA Code § 56-265.17 A
URS-2007-00566 Kjellstrom and Lee, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00567 Nathan Robinson - Alleged violation of VA Code § 56-265.17 A
URS-2007-00568 Precision Pipe, Inc. - Alleged violation of VA Code § 56-265-24 A
URS-2007-00569 T. A. Sheets Mechanical General Contractor, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00570 Ivy H. Smith Company, LLC - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00572 Mastec North America, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00575 Utiliquest, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2007-00576 Virginia Natural Gas, Inc. - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00577 Wayjo, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00578 Abby Construction Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00580 Counts & Dobyns, Inc. - Alleged violation of VA Code § 56.265.24 A
URS-2007-00581 Freeman & Associates, Inc. - Alleged violation of VA Code § 56.265.17 A
URS-2007-00582 G. R. Mann & Co., Inc. - Alleged violation of VA Code § 56.265.17 A
URS-2007-00583 Independent Resources Service - Alleged violation of VA Code § 56-265.17 A
URS-2007-00584 Martin Electrical Services, Inc. - Alleged violation of VA Code § 56-265.17 C
URS-2007-00586 North Star Property, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2007-00590 Finley Asphalt & Sealing, Inc. - Alleged violation of VA Code § 56-265.17 C
URS-2007-00591 A & W Contractors, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00593 Asphalt Roads and Materials Company, Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2007-00594 Cinter Construction Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00595 Craig Construction Company - Alleged violation of VA Code § 56-265.17 A
URS-2007-00598 Sammy's Plumbing - Alleged violation of VA Code § 56-265.17 A
URS-2007-00599 T. A. Sheets Mechanical General Contractor, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00600 Virginia Electric and Power Company - Alleged violation of VA Code § 56-265.24 A
URS-2007-00601 Amorim Construction Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2007-00603 Contracting Enterprises, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00604 D&F Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2007-00605 Diamond Seal & Paving - Alleged violation of VA Code § 56-265.17 A
URS-2007-00606 Gallimore Paving & Sealing Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2007-00608 Kelvic Construction Company Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00609 Kennedy Construction - Alleged violation of VA Code § 56-265.17 A
URS-2007-00610 PB Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00612 Wise Guys Contracting, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2007-00613 Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2007-00614 Mastec North America, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00616 Promark Utility Locators, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2007-00617 Utiliquest, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2007-00618 Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2007-00619 Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2008-00001 Columbia Gas of Virginia, Inc. - Alleged violation of Federal Pipeline Safety Act
URS-2008-00002 Roanoke Gas Company - Alleged violation of Federal Pipeline Safety Act
URS-2008-00003 Virginia Natural Gas, Inc. - Alleged violation of Federal Pipeline Safety Act
URS-2008-00004 Herndon Plumbing & Heating, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00005 Limbach Company, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00006 Palm Pools Corp., of MD - Alleged violation of VA Code § 56-265.24 A
URS-2008-00007 Atlas Plumbing, LLC - Alleged violation of VA Code § 56.265.24 A
URS-2008-00008 Blueridge General, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00009 Branscome, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00010 Cedar General Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00012 JGM Enterprise, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00014 Liberty Irrigation Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00015 Plecker Construction Company - Alleged violation of VA Code § 56-265.24 A
URS-2008-00016 R. J. Biringer Construction Co., Inc. - Alleged violation of VA Code § 56-265.17 A

URS-2008-00017 S. W. Funk Industrial Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00018 Staunton Landscape, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00019 Terminix SEVA, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00020 WB&E Construction, Inc. - Alleged violation of VA Code § 56.265.17 A
URS-2008-00021 Affordable Fencing - Alleged violation of VA Code § 56-265.17 A
URS-2008-00022 Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2008-00023 Balfour Beatty-Moseley, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00024 CLK Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00025 Donovan Trucking & Excavating, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00026 K & B Fiber & Cable Construction, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00027 Loudoun Electric Company - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00029 A-1 Plumbing & Heating Company - Alleged violation of VA Code § 56-265.24 B
URS-2008-00030 Re Ry, LLC t/a Affordable Lawn Sprinklers - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00031 Bruce Cary Site Utilities - Alleged violation of VA Code § 56-265.17 A
URS-2008-00032 Coastline Utilities and Grading Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00033 Gloucester Lawn Maintenance, Inc. t/a Colonial Gardens - Alleged violation of VA Code § 56-265.24 A
URS-2008-00034 Corman Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00035 Denbigh Construction Co., Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00036 Dimestar Irrigation Systems, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00038 Ebb-Tide Construction & Development, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00039 Faulconer Construction Company, Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2008-00040 Geological Technologies, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00041 Goode Landscaping Services - Alleged violation of VA Code § 56-265.17 A
URS-2008-00043 Henkels & McCoy, Inc. - Alleged violation of VA Code § 56-265.17 C
URS-2008-00044 JCB Construction Co., Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00045 John Southers Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00046 Kevcor Contracting Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2008-00047 Lewis Construction & Development Company, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00048 Mr. Asphalt - Alleged violation of VA Code § 56-265.17 A
URS-2008-00049 Pennington-Grimes Contracting Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2008-00050 RBH Plumbing & Heating Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00051 Taormina Enterprises, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00053 Warrco, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00054 Mastec North America, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00055 Mendon Pipeline, Inc. - Alleged violation of VA Code §§ 56-265.17 A, et al.
URS-2008-00056 S&N Communications, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00057 Virginia Electric and Power Company - Alleged violation of VA Code § 56-265.17 D
URS-2008-00058 The Fishel Company - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00059 Ivy H. Smith Company, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00060 Promark Utility Locators, Inc. - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00061 Roanoke Gas Company - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00062 Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2008-00063 Columbia Gas of Virginia, Inc.- Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00064 De-Tech Holdings Company - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00065 A & M Concrete Corp. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00066 Chapel Valley Landscape Company - Alleged violation of VA Code § 56-265.17 A
URS-2008-00067 Contracting Unlimited Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00068 D. A. Foster Company - Alleged violation of VA Code § 56-265.17 B
URS-2008-00069 Fort Chiswell Construction Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2008-00070 G. L. Howard, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00072 Hanover Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00073 Horizon Contracting Company - Alleged violation of VA Code § 56-265.17 A
URS-2008-00074 J. L. Albrittain, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00075 Kira, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2008-00076 Keil Plumbing & Heating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00077 Leo Construction Company - Alleged violation of VA Code § 56-265.24 A
URS-2008-00078 Martin and Gass, Incorporated - Alleged violation of VA Code § 56-265.24 B
URS-2008-00079 New York Concrete Corp. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00080 Norair Engineering Corp. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00081 Pioneer Electric, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00082 Renaissance Outdoor Contracting Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2008-00083 River Construction Company of Virginia, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00084 Rollins Construction Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00085 Leesburg Southern Electric, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00086 The Ramos Construction Group, Ltd. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00087 Triple R Construction Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00089 R. E. Lee Electric Company, Incorporated - Alleged violation of VA Code § 56-265.24 A
URS-2008-00090 Virginia Natural Gas, Inc. - Alleged violations of VA Code § 56-275.19 A
URS-2008-00091 Utiliquest, LLC - Alleged violation of VA Code §§ 56.265.19 A, et al.
URS-2008-00094 T. A. Sheets Mechanical General Contractor, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00095 C. Lee White Concrete, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00099 S&N Communications, Inc. - Alleged violation of VA Code § 56-265.18

URS-2008-00100 Southland Concrete Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2008-00102 B & B Enterprises - Alleged violation of VA Code § 56-265.17 A
URS-2008-00104 General Landscaping & Hauling - Alleged violation of VA Code § 56-265.17 A
URS-2008-00105 Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2008-00106 WBC Builders - Alleged violation of VA Code § 56-265.17 A
URS-2008-00107 Consultants Unlimited, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00108 D & L Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00109 G. N. Contracting, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00111 Ratcliff Concrete & Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00112 Richard Cale - Alleged violation of VA Code § 56-265.17 A
URS-2008-00113 Special Plumbing & Mechanical, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00115 Clyde A Smith Plumbing & Heating - Alleged violation of VA Code § 56-265.17 A
URS-2008-00116 D&F Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00117 Ennis Electric Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00118 Job Care, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00119 KCI General Contractors - Alleged violation of VA Code § 56-265.17 A
URS-2008-00120 Mastec North America, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00121 Ridge Limited Company - Alleged violation of VA Code § 56-265.17 A
URS-2008-00122 Shepard Construction Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00123 Summit USA Land Development Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2008-00124 Superior Maintenance and Management Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00125 Sod Installers, Inc. t/a Total Landscape Management - Alleged violation of VA Code § 56-265.17 A
URS-2008-00126 Roanoke Gas Company - Alleged violation of VA Code § 56-265.19 A
URS-2008-00127 Wayjo, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00128 Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2008-00130 Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00131 The Fishel Company - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2007-00116 High Country Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00252 Holladay Construction Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00132 Promark Utility Locators, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2008-00133 Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2008-00134 Utiliquest, LLC - Alleged violations of VA Code § 56-265.19 A
URS-2008-00135 Utiliquest, LLC - Alleged violations of VA Code §§ 56-265.19 A, et al.
URS-2008-00138 Digs, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00139 Corman Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00140 Double J Communications, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00141 Dwight Snead Landscaping & Paving Co. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00142 G. H. Watts Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00143 Herman W. Allen, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00144 Mallory Electrical Contractors, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00145 Trafford Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2008-00146 American Excavating, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2008-00147 Baldwin Contracting & Development, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2008-00148 Carrhomes, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00149 Concrete Foundations, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00150 Innerview, Ltd. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00151 C J Asphalt Paving, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00152 Corell Electrical Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00153 Joel Copper - Alleged violation of VA Code § 56-265.17 A
URS-2008-00155 Basic Construction Company, L.L.C. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00157 Finley Asphalt & Sealing, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00158 March, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00159 Nansemond Clearing Contractors, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00160 S & N Communications, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00161 Advanced Plumbing Concepts, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00162 Atlas Structural Solutions, Inc. - Alleged violation of VA Code § 56-265.17 B 1
URS-2008-00163 Angler Construction Company, LLC - Alleged violation of VA Code § 56-265.17 D
URS-2008-00164 Columbia Gas of Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2008-00165 Combined Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00166 D. A. Foster Company - Alleged violation of VA Code § 56-265.17 D
URS-2008-00167 Full Circle Concepts LLC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00168 G & B Earthworks, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00169 Hoy Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00171 Sherwood Plumbing Company - Alleged violation of VA Code § 56-265.17 A
URS-2008-00174 Bernard Huff, Inc. - Alleged violation of VA Code § 56-265.17 B
URS-2008-00175 Cascade Contracting, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00176 Chesapeake Bay Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2008-00177 Hamilton Contractors, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00178 JCB Construction Co., Inc. - Alleged violation of VA Code § 56-265.17 B 2
URS-2008-00179 Nansemond River Contractors Corp. - Alleged violation of VA Code § 56-265.17 C 18
URS-2008-00180 Parham Construction Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00181 Precon Construction Company - Alleged violation of VA Code § 56-265.24 A

URS-2008-00182 Rock & Raines Construction Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00184 Ultra Services Inc. - Alleged violation of VA Code § 56-265.17 C
URS-2008-00185 W. R. Hall, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2008-00187 Blakemore Construction Corporation - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00188 Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2008-00189 Branscome, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00190 De-Tech Holdings Company - Alleged violation of VA Code § 56-265.19 A
URS-2008-00191 Excel Paving Corporation - Alleged violation of VA Code §§ 56-265.17 D, et al.
URS-2008-00192 G. L. Howard, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00193 One Vision Utility Services, LLC - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00194 Promark Utility Locators, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2008-00195 Tidewater Utility Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00196 Virginia Electric and Power Company - Alleged violation of VA Code § 56-265.24 A
URS-2008-00197 Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2008-00199 Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00512 Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2007-00574 Promark Utility Locators, Inc. - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00200 De-Tech Holdings Company - Alleged violation of VA Code § 56-265.19 A
URS-2008-00201 Green Knight Electric LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00203 Vico Construction Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2008-00204 Contracting Enterprises, Incorporated - Alleged violation of VA Code § 56-265.24 A
URS-2008-00205 Wood's Stump Removal - Alleged violation of VA Code § 56-265.17 A
URS-2008-00207 Southern Irrigation, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00208 Atlantic Coastal Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00209 Appalachian Natural Gas Distribution Company - Alleged violation of VA Code § 56-265.19 A
URS-2008-00210 Chang J. Pack - Alleged violation of VA Code § 56-265.17 A
URS-2008-00212 Martin and Gass, Incorporated - Alleged violation of VA Code § 56-265.24 A
URS-2008-00213 Economy Plumbing & Municipal Maintenance, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00216 Lowe Mechanical, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00218 MHI - Rugby Road, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00219 Atlas Plumbing, LLC - Alleged violation of VA Code § 56-265.17 D
URS-2008-00221 Cedar Point Club, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00223 The Craft Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2008-00224 Modern Enterprises, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00226 Russell Fence Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00227 Virginia Equipment and Development, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00228 J. B. Denny Company - Alleged violation of VA Code § 56-265.17 A
URS-2008-00229 William B. Hopke Co. Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00230 Madison Enterprises - Alleged violation of VA Code § 56-265.17 A
URS-2008-00231 Coast Line Cable Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00232 Mastec North America, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00233 East Coast Lawn & Landscaping, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00234 PCI Contractors, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2008-00235 SCA Technologies, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00236 Ivy H. Smith Company, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00237 Summit Construction Corp. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00239 T. A. Sheets Mechanical Mechanical General Contractor, Inc. - Alleged violation of VA Code § 56-265.18
URS-2008-00240 Maintenance Service, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00241 W. M. Jordan Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00242 V. E. Alston & Associates, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00244 Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2008-00246 Promark Utility Locators, Inc. - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00247 Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2008-00249 Spring Valley Concrete, Inc. - Alleged violation of VA Code § 56-275.17 A
URS-2008-00250 Sweat Brothers Tree Surgery - Alleged violation of VA Code § 56-265.17 A
URS-2008-00251 Ultra Services Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00252 Wilkins & Associates, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00253 Asphalt Roads and Materials Company, Incorporated - Alleged violation of VA Code §§ 56-265.17 C and 56-265.24 A
URS-2008-00256 Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2008-00071 Thorpe's Tree Service - Alleged violation of VA Code § 56-265.17 A
URS-2006-00289 McNew & Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2007-00337 J & D Construction - Alleged violation of VA Code § 56-265.17 A
URS-2008-00258 Debose & Sons Construction Company, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00259 Drain Wizard, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00260 Nautilus Homes, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00262 Precon Construction Company - Alleged violation of VA Code § 56-265.24 A
URS-2008-00263 Reeds Enterprise, L.L.C. - Alleged violation of VA Code § 56-265.18
URS-2008-00265 Smith and Keene Electric Service, Incorporated - Alleged violation of VA Code § 56-265.17 D
URS-2008-00267 Wayjo, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00268 Perfect Solutions LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00269 R. E. Lee Electric Company, Incorporated - Alleged violation of VA Code § 56-265.24 A
URS-2008-00270 Blankenship's Janitorial Services, Inc. - Alleged violation of VA Code § 56-265.17 A

URS-2008-00271 Classic City Mechanical, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00273 P and T Contracting - Alleged violation of VA Code § 56-265.17 A
URS-2008-00274 S. C. Rossi & Company, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2008-00275 Stanley-Excavating - Alleged violation of VA Code § 56-265.24 A
URS-2008-00276 TJW, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00277 Baldwin Contracting and Development, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2008-00278 Colony Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00279 Gundlach Plumbing & Heating Company, Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2008-00280 Mr. Asphalt - Alleged violation of VA Code § 56-265.17 A
URS-2008-00281 Richardson-Wayland Electrical Company, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00282 S & N Communications, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00283 Virginia Electric and Power Company - Alleged violation of VA Code § 56-265.19 A
URS-2008-00284 Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2008-00285 De-Tech Holdings Company - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00287 One Vision Utility Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2008-00288 Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00028 Priority One Contractors Corp. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00289 One Vision Utility Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2008-00290 One Vision Utility Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2008-00292 One Vision Utility Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2008-00293 A Plus Electrical Service, L. L. C. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00294 Atlantic Cable, LLC - Alleged violation of VA Code § 56-265.17 C
URS-2008-00295 Back Bay Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00296 ClearView Communications, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00297 A & W Contractors, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00298 Advanced Electrical Service Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00299 Dave's Quality Repairs - Alleged violation of VA Code § 56-265.17 A
URS-2008-00300 B & K Construction Co. of Tidewater, Inc. - Alleged violation of VA Code § 56-265.18
URS-2008-00301 Franklin Construction - Alleged violation of VA Code § 56-265.17 A
URS-2008-00302 Great Scott Landscapes, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00303 J. E. Jamerson & Sons, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00304 L. E. Ballance Electrical Service, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00305 Bookman Construction Co. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00307 Environmental SiteworX, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00308 G. N. Tunnell, Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2008-00309 Precon Construction Company - Alleged violation of VA Code § 56-265.17 B
URS-2008-00310 Talley & Armstrong, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00312 Geiger Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00314 JCB Construction Co., Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00316 L.J. Griffin Technical Services - Alleged violation of VA Code § 56-265.17 A
URS-2008-00318 Shepard Electric, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00319 Dwight Snead Landscaping & Paving Co. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00320 Hurricane Fence Company - Alleged violation of VA Code § 56-265.17 A
URS-2008-00321 Watson Electrical Construction Co. LLC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00323 Andrew Electric Co., Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00324 Cavalier Septic Service, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00325 J. P. Tucker Excavating, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00326 Austin Morrill - Alleged violation of VA Code § 56-265.17 A
URS-2008-00327 Jim Cooper Construction Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00328 Cutting Edge Landscaping, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00331 GW Communications, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00332 JC Roman Construction Company, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00333 Jones Utilities Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00334 Henkels & McCoy, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00335 Manton, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00336 A1A Home Improvement - Alleged violation of VA Code § 56-265.17 A
URS-2008-00337 OTG Custom Concrete - Alleged violation of VA Code § 56-265.17 A
URS-2008-00338 Arcadian Property Management, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00339 Rappahannock Construction Company, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00340 Richardson-Wayland Electrical Company LLC - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00342 Columbia Gas of Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2008-00343 Classic Drainage Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00344 De-Tech Holdings Company - Alleged violation of VA Code § 56-265.19 A
URS-2008-00345 Promark Utility Locators, Inc. - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00347 Virginia Electric and Power Company - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00349 Fort Myer Construction Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2008-00350 J L Electric - Alleged violation of VA Code § 56-265.17 A
URS-2008-00351 Jeffrey T. Miller, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00352 The Matthews Group, Inc. - Alleged violation of VA Code §§ 56-265.17 A, et al.
URS-2008-00353 Computer Cabling & Technology Services - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00354 Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00355 Jose Pimenta Construction - Alleged violation of VA Code § 56-265.17 A

URS-2008-00356 One Vision Utility Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2008-00357 One Vision Utility Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2008-00358 Michael & Son Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00361 Site Improvement Associates, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00362 Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2008-00363 D. A. Foster Company - Alleged violation of VA Code § 56-265.24 A
URS-2008-00364 Mastec North America, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00365 Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2008-00366 CNX Gas Company LLC - Alleged violation of VA Code § 56-265.31
URS-2008-00156 Henderson, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00368 A & W Contractors, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00370 Beco Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00371 Cascade Contracting, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2008-00372 Charles D. Johnson and Son, Incorporated - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 D
URS-2008-00374 Double J Communications, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00375 Gracehill Group Corp - Alleged violation of VA Code § 56-265.17 A
URS-2008-00376 Henderson, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00381 Precon Construction Company - Alleged violation of VA Code § 56-265.24 A
URS-2008-00382 Prince William Construction, L.L.C. - Alleged violation of VA Code § 56-265.17 C
URS-2008-00384 Raines Boring and Drilling, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00385 Robert L. Dowdy, Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2008-00386 Southern Air, Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2008-00388 Tidewater Utility Construction, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2008-00389 Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2008-00390 Allegheny Power - Alleged violation of VA Code § 56-265.24 A
URS-2008-00391 Beckstrom Electric, Co. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00392 Bug Busters, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00393 Burton & Robinson, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00395 Job Care, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2008-00396 Lisport Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00397 Morris Stone, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00398 Northern Pipeline Construction Co. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00399 Potomac Construction Company, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00400 TnT Satellite, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00401 Verizon Virginia Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00405 Pryor Hauling, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00407 Southern Construction Utilities, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00408 Stable Foundations, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00410 Linco Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00411 Bedford County Paving Co. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00412 White Construction Co. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00413 Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2008-00414 The Fishel Company - Alleged violation of VA Code § 56-265.24 A
URS-2008-00416 Virginia Electric and Power Company - Alleged violation of VA Code §§ 56-265.17 A, et al.
URS-2008-00417 Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2008-00418 One Vision Utility Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2008-00419 One Vision Utility Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2006-00288 Mastec North America, Inc. - Alleged violation of VA Code § 56-265.17 C
URS-2008-00420 Promark Utility Locators, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2008-00422 C S Construction - Alleged violation of VA Code § 56-265.17 A
URS-2008-00424 Hubbard Excavating & Hauling, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00425 L. N. Smith Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00427 Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2008-00428 Ivy H. Smith Company, LLC - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00429 A. G. Dillard, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00430 Moxie Company, LTD - Alleged violation of VA Code § 56-265.17 A
URS-2008-00431 A & W Contractors, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00432 Branscome, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00433 Buchanan & Rice Contractors, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00436 RER Underground LLC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00437 Capital Electrical Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00438 Central Contracting Company, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00439 De-Tech Holdings Company - Alleged violation of VA Code § 56-265.19 A
URS-2008-00441 G. L. Howard, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00442 Liquid, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00444 Ronco Plumbing, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00448 Basic Construction Company, L.L.C. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00450 E. G. Middleton, Incorporated - Alleged violation of VA Code § 56-265.24 A
URS-2008-00451 G. M. Renovations Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00453 K & N Home Improvements - Alleged violation of VA Code § 56-265.17 A
URS-2008-00454 Mastec North America, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00455 Pembroke Construction Company, Incorporated - Alleged violation of VA Code § 56-265.24 A

URS-2008-00459 Tidewater Utility Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00460 Total Masonry & Excavating - Alleged violation of VA Code § 56-265.17 A
URS-2008-00461 Vico Construction Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2008-00462 Virginia Electric & Power Company - Alleged violation of VA Code § 56-265.17 D
URS-2008-00463 Worley Turf & Irrigation, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00465 B & C Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00468 D N D Backhoe Service, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00469 D&F Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00471 Foresure Services, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00472 K & M Contracting of Ohio, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00473 Leonard Aluminum Utility Buildings, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00474 Lobo Construction Company - Alleged violation of VA Code § 56-265.17 A
URS-2008-00475 Maintenance Service, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00476 McCarthy Heating and Air Conditioning, Inc. - Alleged violation of VA Code § 56-265.17 B
URS-2008-00478 R. J. Crowley, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00479 R. W. Miller Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00481 Simoes Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00483 The Fishel Company - Alleged violation of VA Code § 56-265.24 A
URS-2008-00485 William B. Hopke Co., Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2008-00486 Wood Electric - Alleged violation of VA Code § 56-265.17 A
URS-2008-00487 Credle Concrete, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00488 Maughan Construction Co., Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00489 One Vision Utility Services, LLC - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00490 One Vision Utility Services, LLC - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00491 Promark Utility Locators, Inc. - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00493 Virginia Natural Gas, Inc. - Alleged violation of VA Code §§ 56-265.17 C, et al.
URS-2008-00494 WCC Cable, Inc. - Alleged violation of VA Code §§ 56-265.17 D, et al.
URS-2008-00495 Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00496 Branscome, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00502 G.R. Davis & Sons, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00503 Mastec North America, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00504 Master Plumbers, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00505 Shelton Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2008-00507 G. R. Mann & Co., Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00508 Harris Excavating Company - Alleged violation of VA Code § 56-265.17 A
URS-2008-00509 J. E. Liesfeld Contractor, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2008-00512 Phoenix Technical Group, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00513 Pools by Jodie - Alleged violation of VA Code § 56-265.24 A
URS-2008-00514 S&N Communications, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00517 Site Improvement Associates, Inc. - Alleged violation of VA Code § 56-265.18
URS-2008-00520 Stephens Contracting Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00521 Suburban Grading & Utilities, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00522 Wallace Construction Co. - Alleged violation of VA Code § 56-265.47 A
URS-2008-00526 Atlas Plumbing, LLC - Alleged violation of VA Code §§ 56-265.18, et al.
URS-2008-00528 Blue Ridge Residential, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00529 Columbia Gas of Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2008-00530 Dustin Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00532 Simply Natural Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00533 Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2008-00535 Howard B. Hankins, Inc. - Alleged violation of VA Code §§ 56-265.24 A, et al.
URS-2008-00536 Ivy H. Smith Company, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00538 One Vision Utility Services, LLC - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00539 Promark Utility Locators, Inc. - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00540 Tidewater Utility Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00542 Virginia Natural Gas, Inc. - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00543 Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00544 Mena's Construction - Alleged violation of VA Code § 56-265.17 A
URS-2008-00548 Meadows Farms, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00550 Aquaguard Waterproofing Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2008-00551 Atlas Plumbing, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00553 City Concrete Corp. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00556 D.A. Foster Company - Alleged violation of VA Code § 56-265.24 A
URS-2008-00557 Dave Foote Plumbing, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00558 Burgwin Plumbing & Gas Fitting, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2008-00564 Finley Asphalt & Sealing, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00565 High Country Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00568 River House Enterprises LC - Alleged violation of VA Code § 56-265.24 A
URS-2008-00570 S&N Communications, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00573 Allegheny Construction Company, Inc. - Alleged violation of VA Code § 56-265.17 C
URS-2008-00577 B & M Plumbing, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2008-00578 TMAC Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00579 Catron's Pump Sales & Service, Inc. - Alleged violation of VA Code § 56-265.17 A

URS-2008-00584	Green Village Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00587	Chesapeake Fence & Awning Co., Inc. - Alleged violation of VA Code § 56-265.18
URS-2008-00589	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2008-00590	Analytical Services Incorporated - Alleged violation of VA Code § 56-265.17 D
URS-2008-00591	Easy Plumbing - Alleged violation of VA Code § 56-265.17 A
URS-2008-00599	Professional Landscapes of Virginia, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2008-00600	Ross and Sons Utility Contractor, Inc. - Alleged violation of VA Code § 56-265.17 C
URS-2008-00603	Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2008-00608	Promark Utility Locators, Inc. - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00610	Roanoke Gas Company - Alleged violation of VA Code §§ 56-265.19 A, et al.
URS-2008-00614	Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2008-00615	Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2007-00312	Newport Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A