

Commonwealth of Virginia

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06-01

NEWS RELEASE

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FOR IMMEDIATE RELEASE
January 3, 2006

SCC SETS WORKERS' COMPENSATION PREMIUM LEVEL ADJUSTMENTS

RICHMOND – The State Corporation Commission (SCC) has approved revisions to the premium levels charged for workers' compensation insurance in Virginia.

Workers' compensation insurance provides medical care and wage replacement benefits to injured workers. Almost all Virginia employers are required to provide the coverage to their employees.

The National Council on Compensation Insurance (NCCI) sought the revisions. The changes approved by the SCC will increase overall premium levels in the voluntary markets for the industrial and federal ("F") classes. Overall premium levels will decrease for all other classes in both the voluntary and assigned risk markets. The changes will become effective April 1, 2006, for new and renewal workers' compensation policies, as follows:

<u>Class</u>	<u>Voluntary Market Loss Costs</u>		<u>Assigned Risk Rates</u>	
	Proposed	SCC Approved	Proposed	SCC Approved
Industrial	+8.7	+9.9%	+1.5	-2.9%
"F" (Federal)	+9.0	+9.0%	-0.4	-0.4%
Coal Mines (Surface)	-7.9	-7.0%	-13.4	-20.0%
Coal Mines (Underground)	-4.6	-7.0%	-10.7	-20.0%

NCCI, a Florida-based rate service organization, represents insurance companies licensed to write workers' compensation insurance in Virginia.

Case number INS-2005-00159

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06-02

NEWS RELEASE

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FOR IMMEDIATE RELEASE

January 4, 2006

**SCC REMINDS INVESTORS TO STUDY BEFORE INVESTING
IN 529 COLLEGE SAVINGS PLANS**

RICHMOND – Investors are increasingly turning to Section 529 college savings plans when mapping out their long-term financial goals. These plans offer tax advantages and are a popular investment tool when saving for college.

When it comes to 529 plans, investors have many choices, and no two plans are the same. With this in mind, Virginia securities regulators urge investors to make sure they have all the facts they need to choose the most appropriate plan.

“Educate yourself before you invest in education,” said Ron Thomas, director of the State Corporation Commission’s (SCC) Division of Securities and Retail Franchising. “Do your homework. Make sure you understand the differences among the many college savings plans that are available and choose the plan that’s right for you,” he said.

Every state, including Virginia, offers at least one 529 college savings plan. Information about choices available through the Virginia College Savings Plan can be found at <http://www.virginia529.com/>. Plan Director Diana F. Cantor concurs with the importance of making informed decisions. “While I believe Virginia investors should be in one of our three Section 529 college savings options because of their flexibility, low cost and state tax advantages, they should examine all the options available and determine which plan best suits their individual needs,” she said.

College savings plans are designed to encourage saving for future higher education costs by allowing contributions to grow tax-free. At least through 2010, the money investors withdraw from the plans is free from federal taxes as long as it is used to pay for qualified higher education expenses. Qualified withdrawals from any state Section 529 plan are also exempt from Virginia state taxation. Virginia offers a state tax deduction of up to \$2,000 per account per year, with an unlimited carry forward for account owners of Virginia Section 529 plans. Account owners who are age 70 or above can deduct the full amount of their contribution.

The plans can be purchased directly from the plan administrator, but industry estimates show

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that as many as three out of four investors purchase their plan with the help of an investment professional, such as a financial adviser or broker. Before doing business with any investment professional, Thomas urges Virginians to check with the SCC's Securities Division to determine whether the individual is properly licensed and if there have been any complaints or disciplinary actions involving the individual and his or her firm.

"Before selecting any plan recommended by a financial professional, it is always wise to do your own research to double-check his or her advice," Thomas said. "Regardless of how the plan is purchased, investors should have a basic understanding of the plan's benefits, costs, and tax implications." To help investors select the most appropriate college savings plan, the North American Securities Administrators Association (NASAA) suggests four key questions investors should ask their financial professional:

1. What are the plan's tax implications? Tax treatment of college savings plan contributions, earnings, and withdrawals varies from one state to another. A number of states allow residents who participate in their own state's plans to claim a partial or full state income tax deduction on contributions. In addition, many states provide residents with a state tax break on money taken out of 529 plans to pay qualified college expenses. Make sure you understand your state's tax treatment of contributions to, and earnings distributions from, both in-state and out-of-state 529 plans.

2. What are the plan's expenses? All college savings plans have associated costs, which can affect your investment return. Plans sold by financial professionals often cost more than plans purchased directly from the state. These extra costs generally stem from sales loads or other fees associated with share classes, and annual distribution fees, including fees used to compensate the financial professional. You are entitled to a complete list of the costs associated with the plans – be sure to ask for it.

3. How are you compensated for these plans? Ask whether the adviser or broker receives a commission from any of the plans he or she is recommending. Be sure to ask about the plans offered by your home state to ensure that the plan you ultimately select best suits your needs.

4. Does an out-of-state plan's performance or costs outweigh tax benefits of a home state plan? No two plans are exactly alike, and in some cases, it might make sense to consider an out-of-state plan. For example, if your in-state plan offers a tax deduction, but is saddled with high fees and poor performance, an out-of-state plan with lower fees and stronger performance may be the better choice.

NASAA, in conjunction with the College Savings Plan Network and the Investment Company Institute, offers a free brochure, "A Guide to Understanding College Savings Plans." The guide is available on the NASAA website at http://www.nasaa.org/investor_education/3136.cfm.

For more information about an investment professional or firm, call the SCC's Division of Securities and Retail Franchising in Richmond at (804) 371-9051 or toll-free (in Virginia) at 1-800-552-7945 or visit its website at <http://www.scc.virginia.gov/division/srf/index.htm>.

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06-03

NEWS RELEASE

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FOR IMMEDIATE RELEASE
January 20, 2006

SCC APPROVES FUEL RATE INCREASE FOR APPALACHIAN POWER

RICHMOND – The State Corporation Commission (SCC) has confirmed an 8.1 percent fuel rate increase for Appalachian Power Company.

Appalachian customers have been paying higher interim rates since January 1, 2006. That is when the requested increase was allowed to go into effect on an interim basis pending an SCC decision.

The SCC's final order issued on January 18, 2006, allows Appalachian to collect an additional \$57.7 million in annual operating revenue by raising its fuel factor to 1.785 cents per kilowatt hour (¢/kWh) from 1.42 ¢/kWh. The average residential customer using 1,000 kWh in a month will see an increase of \$3.65, or 6.2 percent on a monthly bill.

The company said the increase was necessary to meet the rise in the projected costs of fuel to generate electricity in 2006.

Appalachian also has pending before the SCC a request to increase base rates, the portion of the monthly bill that accounts for the company's operating costs. The company has requested an increase of \$21.1 million to recover environmental and reliability costs through a surcharge on customers' bills. The hearing on that request is scheduled for February 7, 2006 in Richmond.

Appalachian, a unit of American Electric Power, serves approximately 500,000 residential, commercial and industrial customers in 31 counties in southwest Virginia.

Case Number **PUE-2005-00090**

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06-04

NEWS RELEASE

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FOR IMMEDIATE RELEASE
January 30, 2006

**AMERIQUEST NEVER SOUGHT MORTGAGE LENDING OKAY IN VIRGINIA;
THUS NO NEED TO BE PART OF NATIONWIDE SETTLEMENT**

RICHMOND – Virginia was the only state that was not part of the nationwide settlement with Ameriquest Mortgage Company for alleged mortgage lending problems because the company never received a mortgage lending license from the Commonwealth.

California-based Ameriquest settled with 49 states last week and agreed to pay as much as \$325 million which includes refunds to approximately 240,000 borrowers who may have been misled, pressured, and overcharged. The company denies the allegations.

In 2003, KSF Mortgage, LLC, doing business as AMC Mortgage Company, applied for a mortgage lending license in Virginia from the State Corporation Commission's Bureau of Financial Institutions. The application was withdrawn in 2004.

Commissioner of Financial Institutions E. Joseph Face, Jr., says, "Our independent review process and our excellent relationships with other state regulators raised some concerns that could not be satisfied by the applicant." He added, "We are always ready to work with applicants, but not at the expense of the consumer protections built into the mortgage licensing process."

Virginia's Mortgage Lender and Broker Act gives the Bureau broad discretionary authority to investigate an application for a license. The review includes a finding that the applicant has the financial responsibility, character, reputation, experience, and general fitness to operate efficiently and fairly, in the public interest, and in accordance with law.

Commissioner Face commends his licensing section for its due diligence of all applications. Currently in Virginia, there are 2,082 licensed mortgage lenders and brokers in Virginia.

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06-05

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FOR IMMEDIATE RELEASE
February 1, 2006

**SCC SEEKS SAFEGUARDS BEFORE APPROVING A TRANSFER OF
TWO SPRINT NEXTEL LOCAL EXCHANGE TELEPHONE COMPANIES IN VIRGINIA**

RICHMOND – The State Corporation Commission (SCC) is seeking several safeguards before giving approval to a proposed transfer of control involving two Sprint Nextel local exchange telephone companies operating in Virginia. The companies have 14 days to respond to the requested commitments.

The transfer of Centel-Virginia in the Charlottesville area and United-Virginia in the Bristol area to LTD Holding Company is part of a larger nationwide merger that created Sprint Nextel Corporation. Virginia law requires SCC approval whenever there is a transfer of control of local exchange telephone companies that are regulated by the Commission. Centel and United are currently wholly-owned subsidiaries of Sprint Nextel and serve more than 300,000 Virginia customers.

Under Virginia law, the SCC must find that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the requested transfer of control to LTD Holding Company, a newly formed subsidiary of Sprint Nextel. The Commission says it can only make that conclusion if the companies agree to be bound by specific commitments that address certain additional protections and reporting requirements.

One of the most serious involves the financial risks of the proposed transaction and the debt to be undertaken by the holding company which could impact the financial stability of the Virginia local operating companies. For the Commission to be convinced that adequate service to the public at just and reasonable rates will not be impaired or jeopardized, the Commission is asking that Centel and United not assume responsibility for the debt of the holding company without receiving prior Commission approval.

The Commission order sets forth a total of 10 commitments to which the companies must agree. Most involve conditions to which the companies have already made assurances or have indicated a willingness to agree.

According to the Commission, these commitments “are necessary in order for us to conclude that the Transfers Act criteria are met.” The SCC has until March 25, 2006 to issue a final order.

Case number PUC-2005-00118

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06-06

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FOR IMMEDIATE RELEASE
February 1, 2006

CHRISTIE NAMED SCC CHAIRMAN;
JAGDMANN TAKES OATH OF OFFICE

RICHMOND – **Mark C. Christie** has been elected to serve as chairman of the State Corporation Commission (SCC) for a one-year term effective February 1. As chairman, Christie serves as the “chief operating officer” of the independent agency.

This is Christie’s first time as chairman, having been elected to the SCC in 2004. He succeeds Clinton Miller in the traditional rotation of the chairmanship among the SCC’s three commissioners.

Miller retired from the Commission effective January 31, after 10 years of service. His successor, **Judith Williams Jagdmann**, was sworn in today as the SCC’s 33rd commissioner. Jagdmann was elected to a six-year term by the Virginia General Assembly on January 24.

Before joining the SCC, Jagdmann served as Attorney General for the Commonwealth of Virginia. From 1998-2005, she served as the deputy attorney general for the civil litigation division. Prior to her service in that office, Jagdmann spent 13 years on the legal staff of the SCC involved primarily with securities and utility matters.

Theodore V. Morrison, Jr., is the third member of the Commission. He has served since 1989.

Established in 1902, the SCC’s jurisdiction now includes supervision of many businesses which 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 documents that create corporations, limited liability companies, business trusts and limited partnerships, and financing statements filed under the Uniform Commercial Code.

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06-07

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FOR IMMEDIATE RELEASE
February 2, 2006

SCC OFFERS NATIONAL CONSUMER PROTECTION WEEK REMINDERS

RICHMOND – Your elderly grandparents lose their hard-earned savings through a fraudulent investment opportunity. Your neighbor learns too late that the bogus insurance plan he purchased is worth less than the paper on which it was written. Your co-worker falls victim to identity theft after providing sensitive personal information in response to a phishing* e-mail masquerading as a legitimate bank site.

The costs of consumer fraud – both tangible and intangible – are staggering, and the number of victims continues to grow dramatically. According to a survey by the Federal Trade Commission, nearly 25 million Americans experience consumer fraud each year. The fraud takes many forms, and anyone can be a victim.

To help Virginians learn how to better protect themselves against fraud, the State Corporation Commission (SCC) has teamed up with the Federal Trade Commission and other federal, state and local governments and national advocacy organizations for the eighth annual National Consumer Protection Week, February 5-11. This year's theme, "Consumer Protection: It's the Name of the Game," highlights the importance of consumer education in the fight against fraud.

Educated consumers are the best defense against fraud. Whether you are comparing home loans, investing money for retirement, shopping for health insurance, or exploring business opportunities, it pays to know how to spot a scam.

The SCC offers valuable information and assistance to help Virginians become more knowledgeable consumers. The SCC oversees Virginia-chartered or licensed banking, insurance and securities firms doing business in Virginia. It also regulates Virginia's investor-owned electric, gas, water and sewer, and telephone companies; assesses public service corporations for state and local taxation; and charters domestic and foreign corporations doing business in Virginia.

"Investigate before you invest. When your money's at stake, you want to hit a grand slam, not a grand scam," said Ron Thomas, director of the SCC's Division of Securities and Retail Franchising. "Educated consumers are better equipped to make wise investment choices."

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Virginia Insurance Commissioner Alfred W. Gross agrees. "Educate yourself *before* making any important financial decision. Make sure you are dealing with legitimate individuals or firms. Shop around, compare prices and terms, and don't be afraid to ask hard questions," he said.

"Protecting your money and your personal information are vital to securing your financial future. The more you know, the less likely you will be to fall victim to con artists, fraudulent offers, and improper lending practices," said E. J. Face, Jr., Virginia Commissioner of Financial Institutions. He stressed the need for Virginians to protect their personal information by keeping track of their credit, safeguarding their wallets, putting strong passwords on their bank and credit card accounts, and using only secure websites for financial transactions.

Whether you are doing business in person, by phone, by mail, or over the Internet, there are things Virginians can do to protect themselves. The SCC offers the following tips:

- Do your homework. Educate yourself about rates, fees, and other terms before making a financial decision. Ask questions and don't allow yourself to be rushed.
- Guard your personal information. Never provide personal information in response to unsolicited e-mails, phone calls, letters, or faxes.
- Don't fall for "pie-in-the-sky" offers. If an offer sounds too good to be true, it probably is.
- Deal with companies and individuals that you know and trust. Contact the SCC ahead of time to see if an insurance agent, insurance company, investment advisor, stock broker, bank, mortgage lender, or payday lender is authorized to do business in Virginia.
- Get any offer or agreement in writing and keep a copy for your records.
- Check your credit report regularly. The information in your credit report can make a difference when you apply for credit, insurance, or a loan.

For more information, consumers may call the SCC in Richmond at (804) 371-9051 (Division of Securities and Retail Franchising), (804) 371-9741 (Bureau of Insurance), or (804) 371-9657 (Bureau of Financial Institutions), or toll-free in Virginia at 1-800-552-7945. Information is also available on the SCC website at <http://www.scc.virginia.gov/>.

Consumers may also contact their Attorney General's office, local consumer protection office, Better Business Bureau or the Federal Trade Commission's toll-free helpline at 1-877-FTC-HELP (382-4357) or visit the National Consumer Protection Week website at <http://www.consumer.gov/ncpw/>.

* Phishing is a high-tech scam that uses spam to deceive consumers into disclosing their credit card numbers, bank account information, Social Security numbers, passwords, and other sensitive personal information.

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06-08

NEWS RELEASE

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FOR IMMEDIATE RELEASE

February 10, 2006

SCC OFFERS INSURANCE TIPS FOR WINTER WEATHER

RICHMOND – Homes and vehicles are often no match for the hazards created by winter weather. Cold temperatures, snowstorms, ice and wind can cause headaches for homeowners, renters and drivers alike by severely damaging property and increasing the chance of insurance claims. The recent return of cold weather to Virginia means an increase in the potential for residential fires as consumers turn on their electric space heaters and light up their wood stoves and fireplaces.

“Now that winter weather has returned, we encourage Virginia consumers to take a good look at their property insurance coverage and make sure it meets their needs,” said Alfred W. Gross, Commissioner of Insurance for the State Corporation Commission (SCC).

The SCC’s Bureau of Insurance reminds Virginians to review the coverage provisions of their property insurance policies regularly and pay particular attention to any deductibles, limitations or exclusions to coverage. “Make sure you have enough coverage,” Gross said. “If not, you may end up paying money out of your own pocket to fully cover the cost of repairs to your property.”

Most standard homeowners policies cover damage to homes caused by wind, wind-driven rain, trees or other falling objects, or collapse of a structure due to weight of ice or snow. Frozen pipes as the result of extreme cold weather may not be covered if the damage is due to negligence.

Flood damage, removal of fallen trees (if the trees do not land on and damage your home), food spoilage due to a power outage, and water damage from backed-up drains or sewers are not covered under most standard homeowner’s policies. Some insurers offer additional protection (or endorsements) that consumers may purchase for certain coverages not provided under a standard homeowners policy, so check with your agent or company to determine your needs.

Gross stressed the importance of renters insurance for those who do not own their own homes. “Most consumers who purchase homes are required by their mortgage company to have homeowners insurance, but many individuals who rent their homes have no coverage at all. Renters often do not realize the value of their personal property, which can easily cost tens of thousands of dollars to replace at current prices,” he said. Insurance coverage for renters is readily available at a

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reasonable cost, he said. A typical tenant policy provides coverage for household contents, personal possessions, additional living expenses, and liability coverage.

Know what to do if you have to file an insurance claim. The Bureau of Insurance offers the following tips if damage occurs to your home:

- Call your insurance company or agent with your policy number and other relevant information as soon as possible. Ask what documents, forms, and data you will need.
- Take photographs or videos of the damage.
- Make the repairs necessary to prevent further damage to your property such as covering broken windows and leaking roofs. Save all receipts, including those from the temporary repairs covered by your insurance policy. Do not have permanent repairs made until your insurance company has inspected the property and you have agreed upon the cost of repairs.
- If your home is damaged to the extent that you cannot live in it, ask your insurance company if you have coverage for additional living expenses incurred for accommodations while repairs are being made. Save all receipts to document those costs.

Freezing temperatures, snow and ice can also make driving conditions treacherous, thus increasing the likelihood of an automobile accident. In the event an accident occurs, call the police immediately. Then, the Bureau recommends obtaining the names, addresses, telephone numbers, and license numbers of everyone involved in the accident and all witnesses. Record the time, date, location, road conditions, make and year of the vehicles involved, insurance information, apparent damage and injuries, and your version of what happened.

As soon as possible after the accident, call your insurance agent or insurance company with your policy number and other relevant information. Ask your insurance company if you have coverage for a rental vehicle if your car is not drivable. Save all receipts and bills, including those for car rental, towing, or storage of your damaged car. Take notes each time you talk to your insurance company, agent, or anyone involved in the situation.

The SCC's Bureau of Insurance is available to assist consumers with their insurance-related questions and concerns. For homeowners, renters and auto insurance questions, contact the Bureau of Insurance Property and Casualty Division in Richmond at (804) 371-9185 or toll-free (in Virginia) at 1-877-310-6560. The Bureau offers a number of publications on various insurance-related topics including homeowners and auto insurance, and has recently updated its renters insurance consumer guide. These guides are available by calling the Bureau of Insurance or visiting its website at <http://www.scc.virginia.gov/division/boi/>.

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FOR IMMEDIATE RELEASE
February 15, 2006

**SCC'S BUREAU OF INSURANCE ADVISES VIRGINIANS ON
WAYS TO SAVE MONEY ON AUTO INSURANCE**

RICHMOND — Are you driving fewer miles this year because of the higher cost of gasoline? Has your commute to work or school changed recently or have you joined a carpool or begun riding the bus? If so, you may be able to save some money on your automobile insurance. Many insurance companies consider the length of your daily commute to work or school or how many miles you drive throughout the year when determining the rate you will pay for auto insurance.

“We encourage Virginia consumers to contact their insurance agent or company if their driving habits have changed. If you are carpooling to work because of higher gas prices, or using mass transit more often to get to work, you may be entitled to a lower auto insurance premium,” said Alfred W. Gross, commissioner of insurance for the Virginia State Corporation Commission (SCC).

The SCC's Bureau of Insurance encourages Virginians to talk to different insurance agents and companies to compare prices and coverage. “Only by shopping around can consumers ensure that they are getting insurance coverage for their vehicles at a competitive price,” Gross said.

The Bureau recommends reviewing your automobile coverage regularly and notifying your insurance agent or company if you experience any changes that might reduce your premium. In addition to possible discounts based on miles driven, insurers may offer discounts for such things as a safe driving record, multiple vehicles, the existence of anti-theft devices, airbags, or automatic seatbelts in your vehicles, and successful completion of a driver education or defensive driving course. You can also reduce your auto insurance premium by increasing your deductibles — the amount you pay when you have a claim.

According to the latest information provided by the National Association of Insurance Commissioners, Virginia has among the lowest auto insurance premiums in the country, ranking 41st out of the 50 states in terms of the average premium. “Virginia has a very competitive market with more than 200 insurers writing policies. Not every company charges the same rate, so shop around for identical products and services,” Gross said.

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The Bureau of Insurance offers an Automobile Insurance Consumer's Guide and a brochure with sample auto insurance premiums. The auto insurance guide is designed to help consumers understand their insurance coverage, how to shop for it, and what to do if a problem arises. The premium tables reflect current samplings of automobile insurance premiums for 50 of the top writers of automobile insurance in Virginia. The tables are categorized by geographic region and show premiums for 20-year-old unmarried males and females and for 45-year-old married adults.

The Bureau also offers consumer guides dealing with homeowner and renters insurance. These and other consumer guides are available by calling the Bureau of Insurance Property and Casualty Consumer Services Section at (804) 371-9185 or toll-free at 1-877-310-6560 or by visiting the Bureau's website at <http://www.scc.virginia.gov/division/boi/>.

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FOR IMMEDIATE RELEASE
February 16, 2006

SCC WARNS VIRGINIANS ABOUT HIGH RISK AND FRAUDULENT INVESTMENTS

RICHMOND – Making informed investing decisions can help consumers achieve their financial goals whether it's paying for a child's college education, building a retirement nest egg, or buying a second home. On the flip side, investments made without sufficient information and planning can dash those dreams and sometimes lead to financial ruin.

Today, millions of Americans rely to some extent on investment income to secure their financial future, and they face a mind-boggling array of choices. Some investment opportunities may be ill-suited for a particular person's goals. Others are downright fraudulent. Investors lose billions of dollars to investment scams each year, and Virginians are no exception.

The State Corporation Commission (SCC) urges Virginians to avoid falling victim to investment fraud by educating themselves about an offer **before** they invest. "When evaluating any investment opportunity, keep in mind that risk and reward go hand in hand," said Ronald Thomas, director of the SCC's Division of Securities and Retail Franchising. "For many investors, there's a fine line between making your money grow and watching your money go. Ask yourself if claims for an investment are realistic. If someone promises you high returns with little or no risk, be very skeptical, ask lots of questions, and get the offer in writing," he said.

"Scams come in many disguises, but they all share a common goal of cheating victims out of their hard-earned money," Thomas said. "Knowledge is your best defense against investment fraud. Learn as much as you can about an investment offer before you invest. If you are still unsure about the investment or the person offering it, contact the SCC's Securities Division," he said.

Thomas urges consumers to be particularly wary of the following:

Personal Information Scams. Perpetrators of these scams convince victims to divulge personal financial information in an effort to separate the victim from his or her money. Con artists may portray themselves as "senior specialists" or adopt a pretext of preparing a "living will" or a "living trust" for the victim. Or, they may offer to help senior citizens qualify for prescription benefits by preparing forms. In the guise of filling out forms, the perpetrator may

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ask unnecessary questions about personal financial assets. To the con artist, this information provides a comprehensive laundry list of what is available for the taking.

Oil and Gas Investment Fraud. These schemes promise quick profits in oil and gas ventures and often require a minimum investment of thousands of dollars. Increasingly, these deals are being promoted via the Internet with claims of attractive tax advantages. Official-looking sales materials touting the likelihood that the “managers” of the drilling enterprise will hit pay dirt are sent regularly to prospective investors. Overall, these deals are highly risky, but the lure of high profits often proves irresistible to investors.

Prime Bank Schemes. These scams, which are often promoted over the Internet, promise investors access to secret, high-yield investments made through trades among the world’s top or “prime” banks. In reality, neither prime banks, nor the instruments they claim to trade, exist. Once the seller has your money, it’s gone “off shore” forever.

Variable Annuities. Variable annuities are investments that typically place mutual funds inside of an insurance wrapper for tax-deferred potential investment growth. While these products are legitimate investments, they are only suitable for a small percentage of the investing public. They involve high surrender charges, and agents often earn big sales commissions for moving investors into these products. Their steep early withdrawal penalties make them unsuitable for short-term investors, and they are not appropriate for many seniors.

“Make sure an investment opportunity meets your personal investment objectives. Ask lots of questions and get written information that fully explains an investment before you hand over your money,” Thomas said.

He cautioned Virginia investors to beware of Internet fraud, unscrupulous brokers, unlicensed securities sellers, abusive sales practices, promissory notes, self-directed pension plans, and equity-indexed certificates of deposit which are not federally insured and do not guarantee principal and interest. He also warned against con artists who use their victim’s religious or ethnic identity to gain their trust and steal their savings and hucksters who prey on previous investment fraud victims by offering to help them recover money lost to worthless investments for an advance fee.

“Financial education can be a powerful weapon in the fight against investment fraud,” Thomas said. Before making any investment, he urges consumers to make sure the seller and investment are properly licensed and registered in their state. In Virginia, consumers may contact the SCC’s Division of Securities and Retail Franchising. “One phone call can save a lot of money and heartache,” he said. For more information, call the SCC’s Division of Securities and Retail Franchising in Richmond at (804) 371-9051 or toll-free (in Virginia) at 1-800-552-7945. You may also visit the division’s website at www.scc.virginia.gov/division/srf or visit the North American Securities Administrators Association website at www.nasaa.org.

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06-11

NEWS RELEASE

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FOR IMMEDIATE RELEASE

February 21, 2006

**SCC APPROVES TRANSFER OF TWO SPRINT NEXTEL
LOCAL EXCHANGE TELEPHONE COMPANIES IN VIRGINIA**

RICHMOND – The State Corporation Commission (SCC) has approved a transfer of control involving two Sprint Nextel local exchange telephone companies operating in Virginia. The approval was contingent upon company acceptance of several commitments the SCC deemed to be important consumer safeguards.

Centel-Virginia in the Charlottesville area and United-Virginia in the Bristol area are being transferred to a holding company recently named Embarq. Embarq was formed as part of a larger nationwide merger that created Sprint Nextel Corporation.

Virginia law requires SCC approval whenever there is a transfer of control of local exchange telephone companies that are regulated by the Commission. Centel and United are currently wholly-owned subsidiaries of Sprint Nextel and serve more than 300,000 Virginia customers.

The SCC needed to determine that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the requested transfer of control to Embarq, a subsidiary of Sprint Nextel. In a prior order, the Commission said it could only make that conclusion if the companies agreed to be bound by specific commitments that address certain additional protections and reporting requirements.

The Commission's final order sets forth a total of 10 commitments. The companies agreed to all of them.

One of particular note involves the financial risks of the proposed transaction and the debt to be undertaken by the holding company which could impact the financial stability of the Virginia local operating companies. The Commission has required that Centel and United not assume responsibility for the debt of the holding company without receiving prior Commission approval.

Case number PUC-2005-00118

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06-12

NEWS RELEASE

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FOR IMMEDIATE RELEASE
March 2, 2006

**SCC SETS HEARING REGARDING KENTUCKY UTILITIES
REQUEST TO INCREASE FUEL FACTOR**

RICHMOND – The State Corporation Commission (SCC) has scheduled a public hearing on March 30, 2006 to consider a fuel rate request by Kentucky Utilities, doing business in Virginia as Old Dominion Power Company.

The fuel factor is the portion of the monthly electric bill that pays for the fuel used to generate electricity. The current fuel factor is 2.013 cents per kilowatt-hour (¢/kWh).

The proposed new fuel factor will be 2.862¢/kWh. A typical residential customer using 1,000 kilowatt hours of electricity per month would see their monthly bill increase by \$8.49.

In determining the company's fuel factor, the SCC analyzes actual and predicted energy costs, the performance of the company's generating units, power purchases from other generators, and the company's wholesale power sales. Adjustments are based on fuel expense projections for the coming year and correct any errors in the previous year's projections.

A public hearing on the request is scheduled for 10 a.m. on Wednesday, March 30, 2006. It will be held in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, in downtown Richmond. Any person wishing to comment at the hearing should arrive early and notify the SCC bailiff.

Old Dominion, a unit of Kentucky Utilities, provides electric service to approximately 30,000 customers in southwest Virginia including all or portions of Wise, Lee, Russell, Scott, and Dickinson counties.

Case Number PUE-2006-00015

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06-13

NEWS RELEASE

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FOR IMMEDIATE RELEASE
March 24, 2006

**SCC DIRECTS DOMINION VIRGINIA POWER TO FILE
FUEL RATE REQUEST 12 MONTHS BEFORE EFFECTIVE DATE**

RICHMOND – The State Corporation Commission (SCC) has directed Dominion Virginia Power (DVP) to submit a filing to replace the company's fuel rate a year in advance of its effective date. The filing is due on or before July 1, 2006.

Following a significant fuel rate increase implemented by DVP on January 1, 2004, the Virginia General Assembly imposed a freeze upon that rate through June 30, 2007. The 2004 amendments to Virginia's Electric Utility Restructuring Act do permit the company to seek a new fuel rate to take effect July 1, 2007. The new rate approved by the SCC would be frozen through December 31, 2010.

As such, DVP's filing is expected to include a 42-month estimate of its costs for the fuel used to generate electricity by the company's own generating units and any purchases of power the company makes from the competitive wholesale energy supply market. Forecasting such costs over a three and one-half year period of time may include complex methodologies that will be subject to considerable scrutiny by interested participants in the case.

The fuel rate adjustment could be significant if current prices for fuel and wholesale supplies of electricity are any indication. The early filing by DVP would also serve to educate customers about the potential impact on monthly bills.

Case number PUE-2006-00036

Commonwealth of Virginia

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06-14

NEWS RELEASE

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FOR IMMEDIATE RELEASE

March 29, 2006

**SCC HEARING CONTINUED ON PROPOSAL TO BUILD
HIGH-VOLTAGE TRANSMISSION LINE IN LOUDOUN COUNTY**

RICHMOND – State Corporation Commission Hearing Examiner Howard P. Anderson, Jr. has ordered a short continuance of a hearing in Richmond to consider a proposal by Dominion Virginia Power to build a 230-kilovolt transmission line in western Loudoun County.

The delay is to allow additional notice to a group of property owners along a modified route for the transmission line offered for consideration in the proceeding on March 20, 2006. A revised procedural schedule for the hearing will be announced shortly.

Case Number PUE-2005-00018

Commonwealth of Virginia

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06-15

NEWS RELEASE

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FOR IMMEDIATE RELEASE

March 30, 2006

SCC APPROVES FUEL FACTOR INCREASE FOR KENTUCKY UTILITIES

RICHMOND – The State Corporation Commission (SCC) has approved a fuel factor increase for Kentucky Utilities Company, doing business in Virginia as Old Dominion Power Company. The new fuel rate takes effect with customer bills sent on or after April 1, 2006.

The SCC's final order allows Kentucky Utilities to raise its fuel factor from 2.013 cents per kilowatt-hour (¢/kWh) to 2.676¢/kWh.

The fuel factor is the portion of the monthly electric bill that pays for the fuel used to generate electricity. A typical residential customer using 1,000 kilowatt hours of electricity per month would see their monthly bill increase by \$6.63.

The company said the fuel rate adjustment is necessary because of an under-recovery of past fuel costs to generate electricity and to meet projected costs of fuel through March 2007.

Old Dominion, a unit of Kentucky Utilities, provides electric service to approximately 30,000 customers in southwest Virginia including all or portions of Wise, Lee, Russell, Scott, and Dickenson counties.

Case Number PUE-2006-00015

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06-16

NEWS RELEASE

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FOR IMMEDIATE RELEASE

April 4, 2006

**SCC SETS NEW SCHEDULE FOR PUBLIC HEARING ON A PROPOSAL
TO BUILD HIGH-VOLTAGE TRANSMISSION LINE IN LOUDOUN COUNTY**

RICHMOND – The State Corporation Commission (SCC) has set June 19, 2006 as the new date for a public hearing in Richmond to consider a proposal by Dominion Virginia Power (DVP) to construct a 230-kilovolt transmission line in western Loudoun County.

The evidentiary portion of the case was delayed by an SCC hearing examiner on March 29 to allow additional notice to a group of property owners along a modified route for the transmission line offered for consideration in the proceeding.

The hearing will begin at 10 a.m. on June 19 in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond. Any person wishing to comment at the hearing should arrive early and sign in with the SCC bailiff. The audio portion of the hearing will be web cast via the Internet.

In addition to the hearing, the SCC is giving interested persons another opportunity to submit comments on the application in writing or electronically by May 23, 2006.

Written correspondence must be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, VA 23218-2118, and refer to the case number PUE-2005-00018. Correspondence sent to any other mailing address will not be included as part of the proceeding.

Interested persons desiring to submit comments electronically may do so by following the instructions available at the SCC's website: <http://www.scc.virginia.gov/caseinfo.htm>. Click on the PUBLIC NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2005-00018. Electronic comments sent to any other SCC e-mail address will not be included as part of the proceeding.

The Commission also established a deadline for official notices for new parties who intend to fully participate in the case through legal representation. That date is May 23.

MORE

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Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

DVP's application and related documents may be viewed during regular business hours at the SCC's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond. Interested persons may access a copy of the application through the SCC's Docket Search portal at <http://www.scc.virginia.gov/caseinfo.htm>.

Copies of the application and related documents also may be viewed during regular business hours at the following locations:

Dominion Virginia Power
Riverside Building, 5th Floor
120 Tredegar Street
Richmond, VA

Dominion Virginia Power
Leesburg District Office
620 Sycolin Road, S.E.
Leesburg, VA

Loudoun County Government Center
County Administration, 5th Floor
1 Harrison Street, S.E.
Leesburg, VA

Town of Leesburg
Zoning Department
25 West Market Street
Leesburg, VA

Case number **PUE-2005-00018**

Commonwealth of Virginia

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06-17

NEWS RELEASE

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FOR IMMEDIATE RELEASE
April 4, 2006

**SCC SETS SCHEDULE TO CONSIDER 50% RATE INCREASE FOR
DELMARVA POWER & LIGHT; HEARING SET FOR MAY**

RICHMOND – The State Corporation Commission (SCC) has scheduled a public hearing for May 16, 2006, to receive comments on a requested 50 percent increase in rates for Delmarva Power & Light. The company serves approximately 22,000 customers on Virginia's Eastern Shore.

On March 10, 2006, the company filed an application to increase rates by 42 percent for its residential customers; 48 percent for its small commercial business customers; and 52 percent for its large industrial customers.

With a requested effective date of June 1, 2006, the company seeks to pass along to its Virginia retail customers its costs resulting from a new, purchased-power supply contract that was the result of a competitive bid process. The winning bidder was the company's generation affiliate - Conectiv Energy Supply, Inc.

The proposed rate increase is from 6.125 cents per kilowatt-hour (¢/kWh) to 10.494¢/kWh. If approved, the new rate would result in an annual revenue increase of \$20 million, or 49.5 percent. The Commission must also approve the new power supply contract between the affiliated companies.

Wholesale power costs are considerably higher for two reasons - 1) the higher cost of fuel used to generate electricity and 2) the price for power in the region is determined by a market structure that prices electricity hourly based on the cost of the most expensive unit operating at that time (typically natural gas or oil-fired units). Expectations of prices in this market drive long-term contracts that are signed by local distribution companies.

A public hearing on the request is scheduled for 10 a.m. on Tuesday, May 16, 2006. It will be held in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, in downtown Richmond. Any person wishing to comment at the hearing should arrive early and notify the SCC bailiff. The SCC will webcast the audio portion of the hearing.

(more)

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Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

Written correspondence from interested persons must be received on or before April 25, 2006. All submissions must be mailed to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, VA 23218-2118, and refer to the case numbers PUE-2006-00032 & PUE-2006-00033. Correspondence sent to any other mailing address will not be included as part of the proceeding.

Interested persons desiring to submit comments electronically may do so by following the instructions available at the SCC's website: <http://www.scc.virginia.gov/caseinfo.htm>. Click on the PUBLIC NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2006-00033. Electronic comments sent to any other SCC e-mail address will not be included as part of the proceeding.

Case Numbers PUE-2006-00032 & PUE-2006-00033

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06-18

NEWS RELEASE

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FOR IMMEDIATE RELEASE

April 7, 2006

SCC APPROVES REDUCED ROANOKE GAS RATE INCREASE

RICHMOND – The State Corporation Commission (SCC) has approved a reduced rate increase request by Roanoke Gas Company on the portion of a customer's bill that covers operating expenses. The SCC's final order means customers will be receiving refunds, with interest.

Roanoke Gas customers have been paying higher natural gas rates since October 23, 2005. That is when the requested increase was allowed to go into effect on an interim basis pending an SCC decision.

The SCC's final order allows Roanoke Gas to collect an additional \$1.66 million in annual operating revenue for distribution services, an increase of 8.4 percent. For the average residential customer using 75 therms of natural gas a month, his or her bill will increase by \$1.66.

Roanoke Gas originally sought a revenue increase that totaled \$2 million. After a thorough review of the request, the company and SCC staff reached an agreement to lower the request by \$337,486.

The company was directed to recalculate all bills issued since October 23, 2005. In cases where the application of the new rates results in a reduced bill for a customer, the company will refund the difference with interest. For most customers, the refund will appear as a credit on an upcoming bill.

Roanoke Gas, a subsidiary of RGC Resources, Inc., serves more than 55,000 residential, commercial and industrial customers in the Roanoke and Bluefield areas.

Case Number PUE-2005-00075

Commonwealth of Virginia

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06-19

NEWS RELEASE

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FOR IMMEDIATE RELEASE
April 17, 2006

SCC DISMISSES VERIZON REQUEST FOR RATE INCREASE

RICHMOND - The State Corporation Commission (SCC) has dismissed a request by Verizon to increase certain local exchange telephone rates. The SCC determined that the proposed revenue-neutral rate restructuring application failed to comply with an alternative regulation plan for local services adopted by the Commission in 2005.

Verizon's proposal, filed on February 23, 2006, would have increased revenues from local exchange services by approximately \$15 million, according to Verizon. Among the proposed changes were modifications to prices for measured rate calls, directory listings, and directory assistance. The company explained that the proposed increases in local charges this year would partially offset last year's reduction in charges that long distance companies pay to Verizon to complete calls on its local network.

The Commission dismissed Verizon's filing because it says that under Verizon's alternative regulation plan revenue increases and decreases must be considered at the same time. In its order, the Commission said, "We reject Verizon's request to include prior revenue decreases in calculating net operating revenues."

The Commission wrote, "In every revenue-neutral case previously considered by the Commission, price increases and price decreases were proposed and considered together in the same proceeding."

In addition, the Commission found the company's application to be "facially deficient." According to the Commission, the application requests revenue increases, but provides neither estimates nor support as to the amount of increased revenue that Verizon asserts will accrue from each requested pricing change.

Case number PUC-2006-00031

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06-20

NEWS RELEASE

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FOR IMMEDIATE RELEASE

April 24, 2006

**SCC'S BUREAU OF INSURANCE URGES VIRGINIANS TO
GET SMART ABOUT THEIR INSURANCE COVERAGE**

RICHMOND – The State Corporation Commission's Bureau of Insurance has teamed up with the National Association of Insurance Commissioners (NAIC) and state insurance regulators nationwide as part of an ongoing public education effort designed to help Americans become better insurance consumers. The year-round program, entitled "Insure U: Get Smart About Insurance," is the most recent consumer education initiative of the NAIC. Its purpose is two-fold: to provide consumers with information about insurance options to fit their needs at various stages of their lives, and to educate them about how they can avoid being scammed by fake insurance companies.

Many consumers spend a large chunk of their household budget to ensure that they are protected financially in the event of a crisis, yet many still do not know enough about their own insurance policies. "For many consumers, determining the kind of insurance coverage they need to protect themselves and their families can be a daunting task. Knowledge is your best policy when it comes to getting the most out of your insurance coverage," said Virginia Insurance Commissioner Alfred W. Gross. The Insure U program is designed to help consumers of all ages and life stages make smarter insurance decisions.

The Insure U campaign features an online education website and public service announcements warning consumers about fake insurance companies. Its curriculum, available at www.insureUonline.org, includes basic information about the four major types of insurance – auto, home, life and health. It also addresses special considerations for four life stages - young singles, young families, established families and empty nesters/seniors. Consumers can test their insurance know-how by taking an online quiz. After successfully completing the quiz, they can download an Insure U diploma.

Recent consumer research conducted by the NAIC identified a lack of understanding about insurance at every life stage. Among the key findings of that research are the following:

(more)

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- 20 percent of young singles say they would let their auto insurance policies lapse to save money and 18 percent would decline employer health insurance to save money.
- Fewer than half of young families have life insurance purchased on their own for either spouse.
- More than half of respondents in established families did not know how to extend their health insurance coverage using COBRA (Consolidated Omnibus Budget Reconciliation Act).
- Only 12 percent of empty nesters/seniors think they are very likely to need long-term care, and they significantly underestimate the cost of such care.
- Only 45 percent of consumers overall get suspicious about a policy that costs significantly less than other policies with comparable coverage.

“The comprehensive Insure U program reinforces an ongoing commitment by state insurance regulators and the NAIC to help consumers make smarter insurance decisions and avoid insurance scams,” Gross said. He encourages Virginians to make sure they are purchasing legitimate insurance products from licensed insurance companies.

Whether you are trying to determine how much insurance coverage you need; feel you have been treated unfairly by an insurance company; or just want to learn more about how different kinds of insurance work, the SCC’s Bureau of Insurance is here to help, Gross said. He encourages Virginians with questions or concerns about their insurance coverage to contact the Bureau toll-free at 1-877-310-6560 or in Richmond at (804) 371-9741 or visit its website at www.scc.virginia.gov/division/boi. The Bureau also offers free consumer outreach programs on a number of insurance topics. Speakers will talk to your group or organization on the insurance topic of your choice, and will answer general questions about insurance.

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06-21

NEWS RELEASE

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FOR IMMEDIATE RELEASE
April 25, 2006

**SCC ADOPTS REVISED MORTGAGE LENDER/BROKER RULES
THAT EMPHASIZE CONSUMER PROTECTIONS; MARKETING PRACTICES**

RICHMOND – The rules by which licensed mortgage lenders and brokers in Virginia must operate will now include identifying information about licensees in advertisements and additional disclosures about “pre-approved” loan offers. The State Corporation Commission (SCC) is giving companies until September 1, 2006, to modify their practices to conform to the revised regulations.

In 2004, the Commission requested the SCC’s Bureau of Financial Institutions to propose specific rules to address the use of the term “pre-approved” or similar terms in advertising and marketing materials used by mortgage lenders and brokers. In addition, the Commission suggested the need for additional reporting requirements whenever a mortgage company licensed in Virginia surrenders its license in another state.

The Bureau submitted its proposals in early 2005 and various interested parties, including all licensed mortgage lenders and brokers, were provided two opportunities to offer comments and suggest alternative language.

The revised regulations prohibit a licensed mortgage lender or broker from informing a consumer about being “pre-approved” for a mortgage loan unless the licensee provides the consumer with a separate written disclosure that:

- explains what pre-approved means
- informs the consumer that the loan application has not yet been approved
- states that a written commitment to make a mortgage loan has not yet been issued
- advises the consumer what needs to occur before the loan application can be approved

The rules also prohibit various marketing practices and require licensed mortgage companies to disclose additional information to consumers whenever certain statements are made by licensees in their advertisements. The disclosures must be understandable, prominently located, and readily noticeable to a potential borrower.

(more)

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In addition, licensees are required to notify the Bureau in writing under specific circumstances. This includes when another governmental authority takes formal action against the licensee relating to its mortgage business or other action where the total amount of restitution or other payment exceeds \$20,000.

The regulations also prevent licensees from retaining any portion of any fees charged to consumers for goods or services provided by third parties. And, the regulations prohibit mortgage brokers from issuing a "lock-in agreement" to a consumer unless the terms of the mortgage loan have actually been "locked-in" with a mortgage lender.

Currently, more than 2,100 companies or individuals hold a license from the Commission as a mortgage lender, mortgage broker, or mortgage lender/broker.

Generally, the new regulations are designed to provide Virginia consumers with valuable information, prohibit misleading or deceptive advertising practices, and require licensees to notify the Bureau when certain events occur in other states.

Case number BFI-2005-00012

Commonwealth of Virginia

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06-22

NEWS RELEASE

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FOR IMMEDIATE RELEASE

May 16, 2006

**SCC SETS SECOND HEARING ON DELMARVA 50% RATE INCREASE REQUEST;
RATES HELD LEVEL UNTIL MATTER DECIDED**

RICHMOND – The State Corporation Commission (SCC) has continued its hearing on a requested fuel factor increase that would result in a 50 percent increase in total rates for Delmarva Power & Light. The now scheduled June 6 hearing gives interested parties additional time to participate in this proceeding.

The delay also affords the company an opportunity to provide proper notice to government officials of the two Eastern Shore counties of Virginia where it serves 22,000 customers. The company admits it failed to do so in accordance with the Commission's April 3 scheduling order for this case.

Delmarva seeks approval to increase its fuel factor from 3.0699 cents per kilowatt-hour (¢/kWh) to 7.5042 ¢/kWh in order to pass along to its Virginia retail customers its costs resulting from a new, purchased-power supply contract that was the result of a bid process. The winning (and sole) bidder was the company's affiliate - Conectiv Energy Supply, Inc.

The company originally sought the increase to become effective June 1. Current rates will remain in effect until further order of the Commission.

If the company's rate request is approved, the new fuel factor would result in an annual increase of approximately \$20 million. By customer class, the average increase would range from 43 percent for residential customers to as much as 65.3 percent for certain large commercial/industrial customers.

The continued June 6 hearing will begin at 10 a.m. in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, in downtown Richmond. Any person wishing to comment at the hearing should arrive early and notify the SCC bailiff. The SCC will webcast the audio portion of the hearing.

(more)

Written correspondence from interested persons regarding this proceeding must be received on or before June 1, 2006. All submissions must be mailed to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, VA 23218-2118, and refer to the case number PUE-2006-00033. Correspondence sent to any other mailing address will not be included as part of the proceeding.

Interested persons desiring to submit comments electronically may do so by following the instructions available at the SCC's website: <http://www.scc.virginia.gov/caseinfo.htm>. Click on the PUBLIC NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2006-00033. Electronic comments sent to any other SCC e-mail address will not be included as part of the proceeding.

Case Number PUE-2006-00033

Commonwealth of Virginia

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

May 17, 2006

**STILL NO EFFECTIVE ELECTRIC SUPPLY COMPETITION IN VIRGINIA;
SCC FINDS NO NEED TO CHANGE OR ELIMINATE DEFAULT SERVICE**

RICHMOND – With no effective competition for retail electric service in the Commonwealth, the State Corporation Commission (SCC) recommends that default service should not be eliminated or modified at the current time. The finding will be reported to the General Assembly later this year.

Default service is electricity supply service provided at regulated rates to customers who do not otherwise choose to receive electricity from a competitive supplier. The SCC designates the energy supplier that provides default service, and since 2003 has determined that local utility companies continue to provide default service to retail customers within their respective service territories.

Over three million retail electric customers in Virginia are eligible to choose a competitive provider of electricity supply service. As of May 16, 2006, only 1,374 customers are receiving service from a competitive supplier.

There are 12 licensed competitive service providers in Virginia, six of which are registered with local utilities. The SCC is unaware of any current competitive offers that are being actively marketed to customers.

The Virginia Electric Utility Restructuring Act directs the SCC to determine annually whether there is a sufficient degree of competition for retail electric service such that the elimination of default service for particular customers, particular classes of customers, or particular areas of the Commonwealth will not be contrary to the public interest.

The SCC began its investigation earlier this year. All comments received advised against the elimination of or changes to default service at this time. In its final order, the SCC said, "We find that, in fact, there is no effective competition for retail electric service in the Commonwealth."

Case Number PUE-2006-00001

ADVISORY: E-mail distribution of SCC news releases is now available.
Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

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06-24

NEWS RELEASE

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FOR IMMEDIATE RELEASE
May 22, 2006

**SCC'S BUREAU OF INSURANCE URGES VIRGINIANS TO
PLAN AHEAD FOR HURRICANE SEASON**

RICHMOND – Hurricane season is just around the corner. In conjunction with National Hurricane Preparedness Week May 21-27, the State Corporation Commission's Bureau of Insurance encourages Virginians to consider their insurance options **before** the winds and rains arrive. Once a hurricane develops in the Atlantic, it will be difficult to find an insurance company willing to write related coverage until the storm threat passes.

Hurricane season runs from June 1 through November 30 each year. No matter where you live in Virginia, hurricanes and their resulting flooding can threaten lives and property. Virginians have been reminded repeatedly in recent years just how devastating these storms can be in terms of deaths, injuries and damage to homes, businesses and other property.

"Protect yourself, not only physically, but financially. Plan ahead and know what to do if a disaster strikes. Make sure you have the proper insurance coverage before the first hurricane begins to brew," said Virginia Insurance Commissioner Alfred W. Gross. "Review your existing insurance policy carefully so you know what it does and does not cover. Contact your insurance agent or company or the Bureau of Insurance if you have any questions."

The Bureau encourages policyholders to check with their insurance company or agent to find out if their homeowner's policy contains a special deductible for wind or hurricane losses. Some insurance companies automatically include a wind or hurricane deductible, while others offer this deductible at the policyholder's option. Remember that the deductible is the amount that you are responsible for paying before the insurance company pays its portion of the claim.

Wind or hurricane deductibles may be written as a flat amount, such as \$1,000. Or, they may be applied to the loss as a percentage of the insurance coverage on the dwelling. For example: assume a hurricane causes damage amounting to \$3,000 and the dwelling is insured for \$100,000. If the policy has a two-percent hurricane deductible, the insured would pay \$2,000 and the insurance company would pay \$1,000. It is important to understand how wind and hurricane deductibles work. The amounts of these deductibles are on the rise in some areas, and may vary depending upon where you live, so the Bureau suggests that you shop around and

(more)

compare prices and terms.

Policyholders may also want to consider the following:

- Does your insurance pay replacement costs, or actual cash value for a covered loss?
- Are contents of your home covered in the event of a hurricane?
- Are vehicles covered in the event of a hurricane or other windstorm?
- Does your homeowners' policy provide any coverage for costs to remove debris?

Keep in mind that most hurricane damage comes from flooding, not high winds. Homeowners insurance policies issued in Virginia generally do not provide coverage for damage to your home and belongings due to floods. However, the federal government does sell insurance for direct flood and flood-related damage to residents of eligible communities through its National Flood Insurance Program (NFIP). Keep in mind that there is a waiting period for flood insurance policies to take effect. For more information on this program, contact your insurance agent or the NFIP at 1-888-225-5356 or visit www.floodsmart.gov. Be sure to find out whether your flood policy provides coverage for your contents.

Advance preparation is the key. Ask your insurance agent or company how you can reduce the severity of a loss, should a hurricane strike. If you must evacuate, know the name of your insurance company and take your policy with you. It will contain your policy number and the phone number of your insurance company in case you have questions or need to file a claim.

Prepare a complete inventory of your personal property ahead of time including serial numbers, photographs and videotapes. Keep this inventory in a safe place, and take it with you if you evacuate. If your property is damaged by a hurricane, make any necessary emergency repairs and take reasonable steps to protect your property from further damage. Make a list of all damage to the house and its contents, and include photographs, notes and repair-related receipts.

The Bureau of Insurance offers free consumer guides for homeowners and commercial property owners with information about what to do when a disaster strikes. These guides provide answers to the most commonly asked questions about settling disaster-related insurance problems. These and many other consumer insurance guides are available on the Bureau's website at www.scc.virginia.gov/division/boi.

The Bureau also has specially trained staff who can assist consumers with their insurance-related questions and concerns. For more information, contact the Bureau of Insurance Property and Casualty Division toll-free at 1-877-310-6560 or in Richmond at (804) 371-9185. Consumers who are hearing or speech impaired may call through the SCC's Telecommunications Device for the Deaf and hard of hearing (TDD) at (804) 371-9206.

The SCC is located in the Tyler Building at 1300 East Main Street in downtown Richmond. The Bureau's mailing address is P. O. Box 1157, Richmond, Virginia 23218.

Commonwealth of Virginia



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06-25

NEWS RELEASE

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FOR IMMEDIATE RELEASE

May 23, 2006

SCC SETS HEARING FOR COLUMBIA GAS OF VIRGINIA RATE FILING

RICHMOND – The State Corporation Commission (SCC) has scheduled a public hearing for November 29, 2006, to receive comments and evidence on a filing by Columbia Gas of Virginia (CGVA) that could affect the rate Columbia charges customers for distribution service.

Columbia filed an application with the SCC on November 2, 2005, for approval of a performance based rate regulation (PBR) methodology that would freeze the non-gas portion of rates for five years. The company states that it is willing to forgo a rate increase in order to operate with the PBR rate plan. The optional PBR plan for natural gas companies was authorized by the General Assembly in 1996.

In conjunction with Columbia's application for approval of a PBR plan, the SCC initiated an investigation on November 9, 2005, into the justness and reasonableness of the company's current rates, fees, charges, and terms and conditions of service. Company filings for the general rate investigation incorporate revisions to Columbia's rate schedules and modifies its terms and conditions.

The Commission established a procedural schedule on May 19, 2006, to receive public comments and hold a hearing on the PBR plan and the general rate investigation filing. A public hearing is scheduled for 10 a.m. on Wednesday, November 29, 2006, before an SCC hearing examiner. It will be held in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, in downtown Richmond. Any person wishing to comment at the hearing should arrive early and notify the SCC bailiff.

Written comments on the application must be submitted by September 15, 2006. All correspondence should be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and refer to case numbers PUE-2005-00098 and PUE-2005-00100.

(MORE)

ADVISORY: E-mail distribution of SCC news releases is now available.
Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

Interested persons desiring to submit comments electronically may do so by following the instructions available at the SCC's website: <http://www.scc.virginia.gov/caseinfo.htm>. Click on the PUBLIC NOTICES link and then the SUBMIT COMMENTS button for the above referenced case numbers.

Columbia's application and related documents may be viewed during regular business hours at the SCC's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond. Interested persons may also access a copy of the application through the SCC's Docket Search portal at <http://www.scc.virginia.gov/caseinfo.htm>.

Columbia provides retail natural gas sales and distribution services to 212,000 customers in northern, central and southeastern Virginia.

Case numbers **PUE-2005-00098** and **PUE-2005-00100**

Commonwealth of Virginia

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

May 31, 2006

**SCC'S BUREAU OF INSURANCE REMINDS VIRGINIANS TO REVIEW THEIR
INSURANCE COVERAGE BEFORE SEVERE WEATHER STRIKES**

RICHMOND – Hurricane and wind deductibles are being applied to an increasing number of homeowners' insurance policies in Virginia. The amounts of these deductibles are on the rise, and may vary depending upon how close a property is to the coast.

With the start of the Atlantic hurricane season, the State Corporation Commission's (SCC) Bureau of Insurance encourages Virginians to check with their insurance company or agent to find out if their homeowners' insurance policy contains a special deductible for wind or hurricane losses. Some insurance companies automatically include a wind or hurricane deductible, while others make this deductible available at the option of the policyholder. The trigger for these deductibles - or the point at which they apply - varies by company.

Remember that the deductible is the amount that you are responsible for paying before the insurance company pays its portion of the claim. Wind and hurricane deductibles are applied separately from any other deductible on the homeowners policy. They usually require homeowners to pay a much bigger share of the costs to repair hurricane-related damage than they would pay to repair damage from other perils such as fires or theft.

Wind or hurricane deductibles may be written as a flat amount, such as \$1,000. Or, they may be applied to the loss as a percentage of the insurance coverage on the dwelling. In Virginia, these deductibles typically range from one to five percent of the policy limit on the dwelling, but higher percentage deductibles may also be available. For example: assume a hurricane causes damage amounting to \$3,000 and the dwelling is insured for \$100,000. If the policy has a two percent hurricane deductible, the policyholder would pay \$2,000 and the insurance company would pay \$1,000. Keep in mind that Virginia law requires insurance companies to notify policyholders who have coverage for owner-occupied dwellings of any changes in their deductibles at the time of policy renewal.

Many homeowners may not have the insurance coverage they need in the event of a hurricane or other windstorm. "Make sure you have adequate insurance coverage **before** the threat of

(more)

ADVISORY: E-mail distribution of SCC news releases is now available.
Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

severe weather,” said Virginia Insurance Commissioner Alfred W. Gross. “The Bureau of Insurance is your source for insurance information relating to hurricanes and other disasters.”

The Bureau of Insurance reminds Virginians that hurricane damage often comes from flooding, not high winds. Homeowners insurance policies issued in Virginia generally do not provide coverage for damage to your home and belongings due to floods, surface water or surges. However, flood insurance is available through the National Flood Insurance Program, so be sure to contact your insurance agent or company about purchasing this coverage. This federally backed program provides coverage for direct flood and flood-related damage to homeowners, renters, and business owners in communities that adopt and enforce floodplain management ordinances to reduce future flood losses. In most cases, there is a 30-day waiting period before a new flood insurance policy becomes effective.

In addition to homeowner’s coverage, the Bureau encourages consumers to find out if your automobiles and other vehicles are covered in the event of a hurricane or other windstorm. If your vehicles are covered by comprehensive insurance, they are protected against flood damage.

The key is to be prepared. Plan ahead and know what to do if a disaster strikes your home or business property. The Bureau offers free consumer guides for homes and businesses that answer many questions about settling disaster-related property insurance claims. These and many other consumer insurance guides are available on the Bureau’s website at www.scc.virginia.gov/division/boi.

The Bureau has specially trained staff that can assist consumers with their insurance-related questions and concerns. For more information, contact the Consumer Services Section of the Bureau’s Property and Casualty Division toll-free at 1-877-310-6560 or in Richmond at (804) 371-9185. Consumers who are hearing or speech impaired may call through the SCC’s Telecommunications Device for the Deaf and hard of hearing (TDD) at (804) 371-9206.

The Bureau also can assist homeowners in Virginia’s coastal areas who cannot find property insurance coverage. Through the SCC’s Coastal Hotline Program, residential beach property owners can call toll-free (in Virginia) at 1-800-552-7945 to obtain a list of insurance companies that may be willing to consider them for coverage.

The SCC is located in the Tyler Building at 1300 East Main Street in downtown Richmond. Correspondence may be mailed to the Bureau at P. O. Box 1157, Richmond, Virginia 23218.

Commonwealth of Virginia

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06-27

NEWS RELEASE

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FOR IMMEDIATE RELEASE

June 1, 2006

**SCC SETS SCHEDULE TO CONSIDER APPALACHIAN POWER RATE REQUEST;
PROPOSED RATES SUSPENDED THROUGH OCTOBER 1**

RICHMOND – The State Corporation Commission (SCC) has set a hearing in November to consider a request by Appalachian Power for an increase in electric rates of approximately 25 percent. The proposed increase will not take effect until October 2 when, by law, it can be implemented on an interim basis, subject to refund with interest.

Appalachian Power's application, filed May 4, demonstrates a need for an additional \$225.8 million in annual operating revenue. The request to increase base rates would be partially offset by a \$27.3 million credit to the company's fuel rate. According to the company, the impact of the net increase of \$198.5 million means the monthly bill of a residential customer using 1,000 kilowatt-hours of electricity would rise by \$13.66.

Currently pending before the SCC is a previously filed rate adjustment request from the company. In that case (PUE-2005-00056), the company seeks an increase of \$21.1 million to recover specific environmental and reliability costs. A ruling by the Commission in that case might affect the company's rates during or after the suspension period.

The SCC hearing on the latest rate request will begin on Tuesday, November 7, at 10 a.m. in the Commission's 2nd floor courtroom located in the Tyler Building, 1300 East Main Street, in downtown Richmond. Any person wishing to comment at the hearing should arrive early and notify the SCC bailiff. The SCC intends to webcast the audio portion of the hearing.

Written correspondence from interested persons regarding this proceeding must be received on or before August 7, 2006. All such submissions must be mailed to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, VA 23218-2118, and refer to the case number PUE-2006-00065.

Interested persons desiring to submit comments electronically may do so by following the instructions available at the SCC's website: <http://www.scc.virginia.gov/caseinfo.htm>. Click on the PUBLIC NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2006-00065. The deadline for doing so is August 7.

Case Number PUE-2006-00065

ADVISORY: E-mail distribution of SCC news releases is now available.
Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

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06-28

NEWS RELEASE

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FOR IMMEDIATE RELEASE
June 13, 2006

SCC'S BUREAU OF INSURANCE ADVISES CONSUMERS
REGARDING HOME SERVICE CONTRACTS

RICHMOND – Effective July 1, 2006, the State Corporation Commission's (SCC) Bureau of Insurance will have the authority to license entities as home service contract providers.

A new law adopted by the 2006 General Assembly (House Bill 383) established a regulatory framework for providers of home service contracts which includes licensure. These providers will be able to issue home service contracts that are similar to home protection insurance contracts, which are currently regulated by the SCC.

Both types of contracts are designed to offer consumers some financial protection against certain unforeseen home and appliance repairs and maintenance expenses that may not be covered under standard homeowners insurance policies. These may include failure of a home appliance or major system (such as electrical, plumbing, heating or air conditioning) due to normal wear and tear or mechanical breakdown. In the case of home protection insurance contracts, coverage may also include structural components of a residential dwelling such as roof, foundation, basement, walls, ceiling, or floors.

The SCC's Bureau of Insurance advises consumers that there are important differences between home protection insurance contracts currently regulated by the Bureau, and home service contracts that become regulated on July 1. Although some features appear to be similar, home service contracts are **not** insurance.

The following table reflects some of the major differences between the two types of contracts:

(more)

Home Protection Insurance Contracts	Home Service Contracts
<ul style="list-style-type: none"> • Are insurance contracts. 	<ul style="list-style-type: none"> • Are <u>NOT</u> insurance contracts. Do not have deductibles. May have a provider fee instead.
<ul style="list-style-type: none"> • Coverage may include: <u>structural</u> components, parts, appliances, and systems. Structural components include: roof, foundation, basement, walls, ceiling, or floors. 	<ul style="list-style-type: none"> • Coverage may include: components, parts, appliances, and systems. Structural components are <u>NOT</u> included.
<ul style="list-style-type: none"> • An insurance agent license is required for persons selling home protection insurance contracts, except for licensed real estate agents, home builders, or home builders' agents. 	<ul style="list-style-type: none"> • An insurance agent license is <u>NOT</u> required for persons selling home service contracts.
<ul style="list-style-type: none"> • Contract forms and rates are required to be filed with and approved by the Bureau of Insurance. 	<ul style="list-style-type: none"> • Contract forms and rates are <u>NOT</u> required to be filed with and approved by the Bureau of Insurance.

The SCC's Bureau of Insurance encourages Virginians to talk to different providers to compare prices and coverage before purchasing a home service contract. For a list of licensed providers (after July 1, 2006) or licensed home protection companies (these companies issue home protection insurance contracts), please call the Bureau of Insurance Financial Regulation Division at (804) 371-9637 or toll-free at 1-877-310-6560, or view the lists on the Bureau's website at <http://www.scc.virginia.gov/division/boi/webpages/boicompanyinfo.htm>.

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06-29

NEWS RELEASE

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FOR IMMEDIATE RELEASE

June 19, 2006

SCC SIGNIFICANTLY REDUCES DELMARVA POWER & LIGHT RATE REQUEST

RICHMOND – The State Corporation Commission (SCC) has granted Delmarva Power & Light a rate increase that is 43 percent less than what the company sought. The company requested an increase of \$20 million. The SCC approved \$11.5 million.

The SCC-approved rate applies the ratepayer protections that exist under Virginia law as the Commonwealth continues its transition to an electricity supply market intended to be competitive.

On July 1, 2006, the company's fuel factor will increase from 3.0699 cents per kilowatt-hour (¢ per kWh) to 5.6185 ¢ per kWh. The increase means the monthly bill of a residential customer using 1,000 kWh will increase by \$25.49, roughly 25 percent. The company has 23,500 customers on Virginia's Eastern Shore.

The allowed increase is based on a fuel index procedure that was put in place when Delmarva chose to sell its generating plants in 2000, as was allowed, but not required, by Virginia's Electric Utility Restructuring Act. The fuel index procedure was intended to protect Delmarva's customers from paying higher rates in the future than they would pay if Delmarva had not chosen to divest its generating plants.

In reference to Delmarva's 2000 decision to sell its generating plants, the Commission wrote, "It would be unreasonable ... to force ratepayers to rescue the company from the results of its own economic business decisions... decisions that Delmarva freely made and which were not forced upon the company by the Commission." The Commission added, "We are keenly aware that this rate increase will work a hardship on Delmarva's customers; however, we must apply the law, pursuant to which we find that Delmarva is entitled to the increased revenues approved herein."

Delmarva's requested 49.5 percent rate increase was based on the results of an auction that Delmarva conducted to receive bids for power it no longer generates for itself. Regarding this auction, the Commission commented, "The fact that there was only one bidder – and that bidder was an affiliate of [Delmarva] – raises questions as to whether the resulting price was, in fact, 'competitive.'"

Case Number PUE-2006-00033

Commonwealth of Virginia

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06-30

NEWS RELEASE

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FOR IMMEDIATE RELEASE

July 10, 2006

SCC'S BUREAU OF INSURANCE OFFERS FREE LIFE INSURANCE GUIDE

RICHMOND - Life insurance is an important consideration for many people when mapping out their financial future. It can provide a valuable financial safety net to your family members or other dependents in the event of your death.

The main purpose of life insurance is to protect the surviving members of your family or any other dependent against the loss of your income or services should you die. It can help pay the mortgage and other household and medical expenses, finance your children's education, and ensure that your dependents aren't burdened with debt. It may also be used to pay funeral and burial costs, create an inheritance for your heirs, or make substantial charitable contributions. Some life insurance policies accumulate cash value during the policyholder's lifetime that can be withdrawn or borrowed against if they are not paid out as a death benefit.

Choosing a life insurance product is an important decision, but it can also be a complicated one. Individuals should evaluate their particular circumstances and financial goals to determine whether they need life insurance and, if so, how much and what type to purchase. It is also important to understand the many life insurance options available, as well as alternatives to life insurance such as savings accounts or other investments that could take care of expenses after your death.

The State Corporation Commission's (SCC) Bureau of Insurance offers a free *Life Insurance Consumer's Guide* to help Virginians better understand life insurance coverage, how to shop for it, and what to do if a problem arises. The guide explains the various types of life insurance policies and related terminology and provides information to assist consumers in determining their life insurance needs. It also includes a list of shopping tips, a complaint form, and frequently asked questions.

Consumers may request copies of the free *Life Insurance Consumer's Guide* by calling the Bureau of Insurance Life and Health Division toll-free at 1-877-310-6560 or in Richmond at (804) 371-9092. Consumers who are hearing or speech impaired may call through the SCC's

(more)

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Telecommunications Device for the Deaf and hard of hearing (TDD) at (804) 371-9206. The guides are also available by writing to the State Corporation Commission, Bureau of Insurance, P.O. Box 1157, Richmond, Virginia 23218.

In addition to the life insurance guide, the Bureau of Insurance makes available free consumer guides for commercial insurance, health insurance, long-term care insurance, and Medicare supplement insurance. Many of these guides, as well as other valuable consumer information, are available on the Bureau's website at www.scc.virginia.gov/division/boi.

The Bureau has specially trained staff to help consumers with questions or problems regarding insurance. It also offers free consumer outreach programs on a number of insurance topics. Speakers will talk to your group or organization on the insurance topic you choose, and will try to help answer any general questions you have about insurance. For more information, please refer to the above referenced phone numbers or contact the Bureau's Life and Health Insurance Outreach Coordinator, Olivia B. Claud, at (804) 371-9389 or e-mail LHOutreach@scc.virginia.gov.

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NEWS RELEASE

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FOR IMMEDIATE RELEASE
July 13, 2006

**SCC SETS HEARING ON A PROPOSAL TO BUILD A WIND FARM
IN HIGHLAND COUNTY**

RICHMOND – The State Corporation Commission (SCC) has set October 30, 2006, as the date for a public hearing in Richmond to consider a proposal by Highland New Wind Development, LLC (HNWD) to construct a wind-powered electric generation facility in Highland County.

The evidentiary portion of the case follows public hearings held in Highland County on March 13 and 14.

The Richmond hearing will begin at 10 a.m. on October 30 in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street. Any person wishing to comment at the hearing should arrive early and sign in with the SCC bailiff. The audio portion of the hearing will be web cast via the Internet.

HNWD's application and related documents may be viewed during regular business hours at the SCC's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond. Interested persons may access a copy of the application through the SCC's Docket Search portal at <http://www.scc.virginia.gov/caseinfo.htm>.

Case number **PUE-2005-00101**

Commonwealth of Virginia

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

July 14, 2006

**SCC SETS SCHEDULE TO CONSIDER IMPORTANT PRE-ISSUES
REGARDING PROPOSED COAL-FIRED POWER PLANT IN SW VIRGINIA**

RICHMOND – The State Corporation Commission (SCC) has scheduled a hearing this fall to consider important pre-issues to which Dominion Virginia Power seeks answers before moving forward with plans to construct a coal-fired power plant in Southwest Virginia.

The SCC is not being asked at this time to approve construction. Instead, the company requests the Commission to decide important prerequisite issues that it says “will greatly facilitate the decision-making process” when and if the company should later seek approval to build a plant.

Earlier this year, the company announced that the preliminary site selected for the generation facility is just outside of St. Paul, in Wise County. The 500-600 megawatt power plant would primarily burn coal from the various mines in the coalfield region of the Commonwealth.

In 2004, the Virginia General Assembly amended the state’s Electric Restructuring Act to encourage the construction of such a facility to promote economic development and to ensure a reliable and economic supply of electricity.

Dominion Virginia Power states that it “recognizes the importance of the coal plant to the Commonwealth, but it needs certain critical assurances...in order to proceed with the project.”

An SCC hearing examiner will convene the public hearing at 10 a.m. on Tuesday, October 17, 2006, in the Commission’s 2nd floor courtroom of the Tyler Building, 1300 East Main Street, in downtown Richmond. Any person wishing to comment at the hearing should arrive early and sign-in with the Commission bailiff. The Commission will web cast the audio of the hearing via the SCC website at: <http://www.scc.virginia.gov/caseinfo.htm>.

The Commission will accept written comments from the public on or before September 18, 2006. Comments may be submitted electronically via the SCC website above or sent to the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, VA 23218. All correspondence should refer to case number PUE-2006-00075.

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

July 25, 2006

**SCC AUTHORIZES 1ST "PERFORMANCE-BASED RATE PLAN" FOR
A NATURAL GAS COMPANY; DIRECTS CONSTRUCTION OF NEW PIPELINE**

RICHMOND – The non-gas portion of rates charged to customers of Virginia Natural Gas (VNG) will be frozen for five years under a performance-based rate (PBR) plan approved by the State Corporation Commission (SCC). VNG is the first natural gas company to seek such a plan since Virginia law was changed in 1996 to allow such a regulation method.

As part of its approval, the SCC directed VNG to construct a new gas pipeline across Hampton Roads which will ensure a more reliable and less expensive supply of gas to customers in the future.

VNG filed its application for the PBR plan on July 1, 2005. To comply with a previous SCC order, VNG also submitted as part of the application a traditional rate filing that supported an increase in rates to generate an additional \$19.2 million in annual revenue. The company was willing to forgo any rate increase in order to operate with the PBR rate plan.

During the course of the SCC proceeding, the Commission determined that VNG rates could actually be reduced by \$9.83 million. Should VNG reject the terms of the SCC order regarding the PBR plan, the company would be required to reduce rates. Virginia law allows a company to withdraw a PBR plan that is modified by the Commission.

The Commission-approved PBR plan freezes rates at current levels for five years beginning August 1, 2006. During this five-year period, the company is directed 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. The estimated cost of this pipeline is \$48-\$60 million.

(more)

In its final order, the Commission said, “We agree and conclude that the performance based ratemaking methodology approved herein will not result in excessive rates when compared to the benefits [of the pipeline] thereunder and VNG’S cost of service.”

The SCC added that, “We expect VNG’s service and reliability to remain at, or to exceed, present levels during the five-year [rate freeze] period.”

VNG has 30 days to notify the SCC of its acceptance of the PBR plan as modified by the Commission. The company serves approximately 258,000 customers in southeast and central Virginia.

Case numbers PUE-2005-00058 and PUE 2005-00062

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06-34

NEWS RELEASE

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FOR IMMEDIATE RELEASE

August 1, 2006

VIRGINIA TO RECEIVE MORE THAN \$500,000 IN WACHOVIA SETTLEMENT

RICHMOND – Wachovia Capital Markets LLC will pay \$537,772 to the Commonwealth of Virginia to settle alleged violations of state investor protection laws. Of that amount, \$65,449 will be used for investor education, said Ron Thomas, director of the State Corporation Commission's Division of Securities and Retail Franchising.

The settlement, announced in July by state securities regulators, results from allegations of potential conflicts of interest between Wachovia Capital Markets' research analysts and investment bankers. It follows a 28-month investigation of the firm led by state securities regulators from Nebraska, Virginia, and North Carolina, with significant assistance from Utah and Alabama, and contributions from Georgia, Maine, Connecticut, and New Jersey.

The settlement effectively resolves the multistate investigation of Wachovia Capital Markets, which operates Wachovia Corporation's institutional brokerage and capital markets businesses. State investigators determined that Wachovia Capital Markets failed to supervise its employees in connection with potential conflicts of interest between equity research and investment banking as evidenced by research analysts' participation in certain presentations with potential investment banking clients. In addition, research analysts' evaluations sought information regarding their interaction with investment banking and regarding the investment banking activity in their sector. Moreover, on occasion, Wachovia Capital Markets considered whether companies were potential clients in determining to provide research coverage on those companies.

Wachovia did not keep certain electronic communications as required by state securities laws. Wachovia Capital Markets' e-mail system and procedures were inadequate to ensure all electronic mail communications were retained and readily accessible. As a result, 20 percent of the e-mail folders requested in November 2002 could not be produced and 42 percent of the e-mail folders requested in January 2003 were not produced promptly. Wachovia Capital Markets also failed to maintain a system that allowed it to locate and retrieve back-up tapes for its e-mail system.

(more)

The multistate settlement is related to the April 2003 Global Settlement that 12 other investment banks have reached with state, federal and industry regulators. Under the terms of the settlement, Wachovia Capital Markets will pay a total of \$25 million, including \$20 million in penalties for failing to supervise its employees in connection with potential conflicts of interest between equity research and investment banking.

Thomas said the investigation of Wachovia Capital Markets is part of a comprehensive regulatory effort to reform the relationship between investment banking and research and to appropriately manage conflicts of interest. "Today's agreement is a major step in our ongoing efforts to help maintain investor confidence by ensuring that all investors are provided with objective research and treated with fairness and honesty," Thomas said.

Case Number SEC- 2003-00042

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06-35

NEWS RELEASE

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FOR IMMEDIATE RELEASE
August 3, 2006

SCC SETS HEARING ON WORKERS' COMPENSATION PREMIUM LEVEL ADJUSTMENTS

RICHMOND – The State Corporation Commission (SCC) has scheduled a November hearing to consider a request filed by the National Council on Compensation Insurance, Inc. (NCCI) to adjust the premium levels charged for workers' compensation insurance.

Workers' compensation insurance provides medical care and wage replacement benefits to injured workers. Almost all Virginia employers are required to carry the coverage.

NCCI has proposed an increase in the overall premium level for surface coal mines in the voluntary market and assigned risk plan. Overall premium levels would decrease for all other classes in both the voluntary and assigned risk markets. The proposed changes, which would become effective on April 1, 2007, for new and renewal workers' compensation policies, are as follows:

<u>Class</u>	<u>Voluntary Market Loss Costs</u>	<u>Assigned Risk Rates</u>
Industrial	-7.9%	-8.2%
"F" (Federal)	-13.4%	-19.2%
Coal Mines (Surface)	+9.9%	+7.3%
Coal Mines (Underground)	-13.4%	-17.2%

NCCI, a Florida-based ratemaking organization, represents insurance companies licensed to write workers' compensation insurance in Virginia.

The SCC hearing on the proposed changes is scheduled for 10 a.m. on Thursday, November 2, 2006, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, in downtown Richmond. Anyone wishing to speak at the hearing as a public witness should arrive by 9:45 a.m. and sign in with the Commission bailiff.

Case number INS-2006-00197

ADVISORY: E-mail distribution of SCC news releases is now available.
Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

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06-36

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FOR IMMEDIATE RELEASE
August 3, 2006

**SCC SETS HEARING TO CONSIDER PENALTIES AGAINST A
SALUDA INDIVIDUAL AND HIS FIRM – XcelPlus INTERNATIONAL**

RICHMOND – A Saluda resident may be in violation of a State Corporation Commission (SCC) order to pay investors who accepted a rescission offer earlier this year. The offer was a condition of a settlement with the SCC for alleged violations of the Virginia Securities Act.

Billy Ray Smith and XcelPlus International, Inc., must appear before an SCC hearing examiner on September 6, 2006, to explain why each should not pay penalties and be held in contempt for violation of the Commission's settlement order.

The order, issued March 2, 2006, alleged that Smith and XcelPlus provided investors with false information which, among other things, claimed that XcelPlus was making a "506 of Regulation D offering." The informational material also did not disclose the bankruptcy of XcelPlus' Vice President, Arlene Smith. It also failed to provide investment risk information.

The XcelPlus stock that Billy Ray Smith sold to Virginia residents was not registered nor was it exempt from registration. Plus, Smith was not registered to offer and sell XcelPlus stock in Virginia.

The terms of the settlement order called for a rescission offer to all XcelPlus investors. If an investor accepted the offer, XcelPlus was to repay their investment within 15 days. According to the SCC's Division of Securities and Retail Franchising, investors accepting the offer were not repaid but instead were given unsolicited stock shares in a new company, Xcelplus Global Holdings, Inc.

The division is encouraging any XcelPlus stock holder who accepted the rescission offer and has not received a refund of their investment to contact the division at 1-800-552-7945.

Case numbers SEC-2005-00060 & SEC-2005-00061

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06-37

NEWS RELEASE

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FOR IMMEDIATE RELEASE

August 4, 2006

SCC SEEKS PUBLIC COMMENTS ON A PROPOSAL TO BUILD ELECTRIC TRANSMISSION LINE IN FAUQUIER AND PRINCE WILLIAM COUNTIES

RICHMOND – The State Corporation Commission (SCC) is asking for public comments on a proposal by Dominion Virginia Power to construct a new overhead 230-kilovolt transmission line in Fauquier and Prince William counties.

The planned transmission line would extend approximately 16 miles between the Bristers switching station presently under construction in eastern Fauquier County to the Gainsville substation in western Prince William County. It would be constructed within Dominion Virginia Power's existing right-of-way and parallel to the Morrisville-Loudoun 500-kilovolt transmission line.

Dominion Virginia Power's application and accompanying materials may be viewed during regular business hours at the SCC's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond. Interested persons may also access unofficial copies of the application through the SCC's Docket Search portal at <http://www.scc.virginia.gov/caseinfo.htm>.

The application may be viewed during regular business hours at the Fauquier County Department of Community Development, 10 Hotel Street, 3rd Floor, Warrenton, Virginia; Prince William County Department of Planning, 1 County Complex, 1st Floor, Prince William, Virginia; and at Dominion Virginia Power, Riverside Building, 5th Floor, 120 Tredegar Street, Richmond, Virginia (Attention: Liz Harper).

Written comments or requests for a hearing on the application must be submitted by September 13, 2006. All correspondence should be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and refer to case number PUE-2006-00048. Interested persons desiring to submit comments electronically may do so at the SCC's website: <http://www.scc.virginia.gov/caseinfo.htm>. Click on the PUBLIC NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2006-00048

Case Number **PUE-2006-00048**

ADVISORY: E-mail distribution of SCC news releases is now available.
Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

August 7, 2006

SCC ACCEPTS AMERICAN-AMICABLE LIFE SETTLEMENT

4,200 Virginia military life insurance policies affected

RICHMOND – The State Corporation Commission (SCC) has accepted a multistate regulatory settlement involving Texas-based American-Amicable Life Insurance Company and its affiliates for alleged improper sales practices in the sale of life insurance products to members of the United States military.

Under the agreement, a total of 92,000 consumers, including 70,000 military personnel, will receive cash or other benefits totaling \$70 million. The agreement covers more than 4,200 consumers who purchased their policies in Virginia. In addition, the companies will be banned from military bases for five years and will be prohibited from using any military personnel membership listings for sales or solicitation purposes, as well as other restrictions on sales and contact with military personnel.

The settlement is the result of multistate and federal investigations led by the Texas and Georgia insurance departments, the U.S. Securities and Exchange Commission and the U.S. Department of Justice. Virginia, which had the eighth highest number of policyholders affected, was among the lead insurance regulators involved in the investigation which affects policyholders in 47 states, the District of Columbia, and 13 other countries and U.S. territories.

The 20-month joint investigation examined the sales practices of American-Amicable Life Insurance Company of Texas; Pioneer American Insurance Company; and Pioneer Security Life Insurance Company, all based in Waco, Texas. The settlement addresses the allegations that the American-Amicable companies violated insurance and consumer protection statutes in the sale and marketing of certain life insurance products to U.S. military personnel. The state and federal regulators allege that the marketing practices targeted young recruits and misled them into believing they were buying an investment product when they were actually buying an expensive term life product that was coupled with a side fund and styled the “Wealth Builder” or “Horizon Life.”

A number of the soldiers already had up to \$250,000 in low cost term life insurance provided and partially subsidized by the federal government through the Servicemembers’ Group Life

(more)

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Insurance Program. In settling the matter, the companies denied violating any state insurance or consumer protection laws. To date, 42 states, the District of Columbia and Guam have signed on to the agreement.

“I am pleased that we have reached this agreement, and that eligible policies will be adjusted as a result. With thousands of policies at stake, it was important for Virginia to take a major role in this investigation,” said Virginia Insurance Commissioner Alfred W. Gross. “Virginia has strong prohibitions against misleading and deceptive insurance sales practices.”

Concurrently with the multistate settlement, Patrick L. Meehan, the United States Attorney for the Eastern District of Pennsylvania, and the U.S. Securities and Exchange Commission announced separate settlements that provide relief common to that afforded in the multistate agreement.

Under the settlement, the companies will be required to:

- Make cash payments totaling \$10 million to former and current military service members who were issued a “Horizon Life” policy from January 1, 2000, through July 28, 2006. Approximately 57,000 servicemembers, including more than 2,900 who purchased life insurance products in Virginia, are eligible to receive these payments.
- Increase the cash surrender value (CSV) for all inforce “Horizon Life” and “Wealth Builder” policies regardless of when the policy was issued or military status. Approximately 53,000 current policyholders, including more than 2,150 who purchased life insurance products in Virginia, will receive these cash value increases.

Settlement notices and checks will be mailed to the eligible policyholders no later than October 28, 2006. The settlement agreement can be found on the SCC’s Bureau of Insurance website at www.scc.virginia.gov/division/boi. Consumers who have questions regarding the settlement can call the companies’ Consumer Service Center at 1-800-736-7311.

Case number INS-2006-00175

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06-39

NEWS RELEASE

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FOR IMMEDIATE RELEASE
August 8, 2006

**SCC ADVISES INSURANCE AGENTS OF TEMPORARY ACCESS TO
SOCIAL SECURITY NUMBERS VIA BUREAU OF INSURANCE WEB SITE**

RICHMOND - The State Corporation Commission's Bureau of Insurance is advising all insurance agents in Virginia that their social security number (SSN) may have been accessible on the Bureau's website for a six-week period of time. The SSN was not shown on any web page, but a savvy computer user could have found it using the source code tool of a web browser.

The inadvertent access to an agent's SSN was caused during an upgrade to the Bureau's website feature that allows the public to look up agency and agent information. This on-line feature is specifically designed to allow consumers to check whether an agency or individual is licensed in Virginia. It also shows the insurance companies to which an agent has been appointed to offer and sell their products.

The Bureau recently converted to a new national numbering system to track agents. However, the new system was being tested against the old system which used social security numbers.

Although the likelihood of finding the SSN was remote, access would have been possible from June 13 through July 31, 2006. The Bureau immediately corrected the programming error the same day it was discovered.

During the six-week period, the level of agent inquiries was not unusual and involved less than 15 percent of the more than 202,000 agents on the system. Normal inquiries would not have provided access to the SSN unless the source code tool was used.

The Bureau is advising agents as a precaution. Agents may wish to take steps to protect their personal privacy which include obtaining a copy of their credit report or checking for any unusual activity on their bank or other financial accounts.

Agents with questions about this matter may call the Bureau at (804) 726-2630.

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060-40

NEWS RELEASE

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FOR IMMEDIATE RELEASE

August 10, 2006

SCC SEEKS COMMENTS ON PLAN TO REVISE DULLES GREENWAY TOLLS

RICHMOND – The State Corporation Commission (SCC) is asking for public comments on a proposal by the owners of the Dulles Greenway to revise the toll structure for the roadway. The Dulles Greenway is a privately owned 14-mile toll road that connects Washington Dulles International Airport with Leesburg in Loudoun County.

The owners, Toll Road Investors Partnership II, L.P., propose a price schedule that contains incremental increases in the maximum toll for two-axle vehicles over five years. The maximum base toll for cars would rise from \$3, as now authorized to be effective July 1, 2007, to \$4 as of January 1, 2012.

Toll Road Investors also seek permission to implement congestion management price premiums that would permit the maximum base toll to be increased by about 20 percent for weekday peak period traffic traveling in the peak direction.

Toll Road Investors' application and accompanying materials may be viewed during regular business hours at the SCC's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond. Interested persons may also access unofficial copies of the application through the SCC's Docket Search portal at <http://www.scc.virginia.gov/caseinfo.htm>.

Written comments or requests for a hearing on the application must be submitted by September 28, 2006. All correspondence should be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and refer to case number PUE-2006-00081.

Interested persons desiring to submit comments electronically may do so at the SCC's website: <http://www.scc.virginia.gov/caseinfo.htm>. Click on the PUBLIC NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2006-00081. Electronic comments sent to any other SCC e-mail address will not be included as part of the proceeding.

Case Number **PUE-2006-00081**

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NEWS RELEASE

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FOR IMMEDIATE RELEASE
August 30, 2006

**SCC'S BUREAU OF INSURANCE REMINDS VIRGINIANS TO
PLAN AHEAD FOR HURRICANES**

RICHMOND – One year after Hurricane Katrina's devastation, Virginia, like much of the East Coast, is watching and waiting anxiously as Tropical Storm Ernesto churns its way toward Florida. Should Ernesto gain strength, it could become the first hurricane this season to threaten the eastern United States, including Virginia.

Ernesto is the fifth of 12 to 15 named storms predicted by the National Oceanic and Atmospheric Administration (NOAA) during the 2006 North Atlantic hurricane season. Of these, NOAA predicts that seven to nine will become hurricanes, with three or four becoming major hurricanes of Category 3 strength or higher before the season ends November 30.

In light of Ernesto's threat, and with peak hurricane season upon us, the Virginia State Corporation Commission's (SCC) Bureau of Insurance advises Virginians to take steps now to protect their property from loss. Many insurance companies may have already suspended writing coverage in some states until after the threat of Ernesto passes, but Virginians may still be able to find an insurance company willing to write related coverage for their car, home or business.

The Bureau urges Virginians to plan ahead and know what to do before a hurricane or other disaster strikes your home or business property. Review your insurance policy to make sure you have enough coverage in the event of a disaster. Know what your policy does and does not cover. The Bureau also encourages policyholders to consider the following:

- Does your homeowner's policy contain a special deductible for wind or hurricane losses? These deductibles are applied separately from any other deductible on a homeowner's policy. Some companies require these deductibles, while others offer them at the policyholder's option. They may be written as a flat amount, such as \$1,000, or they may be applied to the loss as a percentage of the insurance coverage on the dwelling. For example, assume a hurricane causes \$6,000 damage to your house and your dwelling is insured for \$200,000. If your policy has a two percent hurricane deductible, your deductible will be \$4,000, and the insurance company will pay \$2,000.

(more)

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- Is your home covered in the event of a flood, surface water or surges? Homeowners insurance policies issued in Virginia generally do not provide coverage for damage to your home and belongings due to floods. However, flood insurance is available through the National Flood Insurance Program, so contact your insurance agent or company about purchasing this coverage. In most cases, there is a 30-day waiting period for this coverage to take effect.
- Are vehicles covered in the event of a hurricane or windstorm? If you have comprehensive coverage on your automobile policy, your vehicles would be covered.
- Does your homeowner's policy provide any coverage for such things as sewer backup? Most homeowner's policies do not provide coverage for sewer backup, but additional coverage may be purchased.

Ask your insurance company or agent how you can minimize property damage and, if such damage occurs, how to expedite the processing of claims with your insurance company. Prepare a complete inventory of your personal property ahead of time including photographs, videotapes and serial numbers. Keep this inventory, as well as your insurance policy and all of your important documents, in a safe place. If you must evacuate, know the name of your insurance company and take your policy with you. It will contain your policy number and the phone number of your insurance company should you have questions or need to file a claim.

If your property is damaged, call your insurance agent or company as soon as possible. Record all damage to your property and include photographs, notes, and repair-related receipts. Make necessary emergency repairs to prevent further damage to your property.

The Bureau of Insurance is Virginians' source for insurance information relating to hurricanes and other disasters. It offers free consumer guides for homeowners, auto and commercial insurance, as well as disaster guides for homeowners and businesses. The disaster guides deal specifically with insurance-related disaster recovery issues and provide answers to the most commonly asked questions about settling disaster-related insurance problems. These and many other consumer insurance guides are available on the Bureau's website at www.state.va.us/scc/division/boi.

The Bureau also has specially trained staff who can help consumers with disaster-related insurance questions or problems. For more information, contact the Bureau of Insurance Property and Casualty Division at (804) 371-9185 or toll-free at 1-877-310-6560. Consumers who are hearing or speech impaired may call through the SCC's Telecommunications Device for the Deaf and hard of hearing (TDD) at (804) 371-9206.

The SCC is located in the Tyler Building at 1300 East Main Street in downtown Richmond. Normal business hours are from 8:15 a.m. to 5 p.m. Correspondence may be mailed to the Bureau of Insurance at P. O. Box 1157, Richmond, VA 23218.

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

September 5, 2006

**RETAIL COMPETITION FOR ELECTRIC SUPPLY SERVICE IN VIRGINIA
REMAINS NON-EXISTENT; SCC TROUBLED BY MARKET TRENDS**

RICHMOND – Retail competition for electric supply service remains virtually non-existent according to a State Corporation Commission (SCC) report to the Governor and the General Assembly. This lack of activity continues despite the fact that the SCC, the utilities, and the various stakeholders have done everything necessary to facilitate customer choice in Virginia.

In its sixth annual summary on the status of retail electric competition in the Commonwealth, the SCC reports that the fundamental problem is that today's prevailing wholesale prices are much higher than those envisioned at the onset of utility restructuring.

Since the Virginia Electric Utility Restructuring Act was enacted into law in 1999, electric customers have been insulated, to some degree, from changes in electric charges that would otherwise apply in the absence of the base rate caps which are an integral component of Virginia's restructuring program.

However, the Act's ability to protect Virginia's homes and businesses from increases in the market-based price of electricity is limited. More Virginia retail customers could see precipitous increases in their electric bills as utilities apply for permitted increases prior to the expiration of capped rates on January 1, 2011.

Rate caps are already expiring in other states that have restructured and the retail price for electricity in those states is being determined by market forces. According to a regional market analysis by Dr. Kenneth Rose, the evidence is beginning to now suggest that prices for customers in restructured states may actually be increasing faster than for customers in states that did not restructure. And, most non-restructured states remain at prices below the current national average.

(more)

At present, 3.2 million electricity customers in Virginia have the right to choose an alternative supplier of electricity. There are six competitive service providers licensed and registered with at least one local utility in Virginia. None is offering electricity at a price that would allow a customer to switch from their current utility and save money.

Approximately 1,300 customers are served by a competitive service provider that offers a more environmentally friendly source of electricity. However, it is priced higher than capped rates.

This lack of competitive activity is not unique to the Commonwealth. The SCC says that in other states offering retail choice, vigorous retail competition has yet to develop, especially for smaller customers.

Consequently, a competitive market has not yet developed in Virginia that can be depended upon to govern prices. And, poorly functioning markets may aggravate the situation, increasing prices to Virginia's homes and businesses even further.

As required by the Act, Virginia's largest electric utilities are now members of a regional transmission entity – PJM. However, the SCC has been unable to warrant independently that PJM's wholesale electricity markets are effectively competitive.

Based on PJM's current practices and policies, the SCC says it cannot represent to the General Assembly or the Governor that PJM's wholesale market is transparent, competitive, or in the public interest of Virginia ratepayers.

The Act requires the SCC to file a report by September 1 of each year during the state's move to a competitive energy supply market. The report is available on the SCC website at: <http://www.scc.virginia.gov/division/restruct/history.htm>

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06-43

NEWS RELEASE

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FOR IMMEDIATE RELEASE

September 6, 2006

SPECIAL ADVISORY COMMISSION TO MEET OCTOBER 17

RICHMOND – The Special Advisory Commission on Mandated Health Insurance Benefits will hold its first meeting of 2006 at 2 p.m. on Tuesday, October 17 in House Room D of the General Assembly Building.

The Advisory Commission will hold public hearings on proposals that would require coverage for treatment of malignant brain tumors at the National Cancer Institute Centers of Excellence, habilitative services for children, and treatment by intensity modulated therapy for tumors.

Changes in required health insurance benefits proposed during the General Assembly session are regularly referred to the Advisory Commission which reviews the proposals, conducts hearings, and makes recommendations on those coverage issues before it.

Anyone wishing to comment is encouraged to submit information in writing in the format prescribed by the Advisory Commission's guidelines. To obtain a copy of the guidelines, contact the State Corporation Commission's Bureau of Insurance at (804) 371-9388, or toll-free at 1-800-552-7945.

The Bureau of Insurance and other designated state agencies provide staff assistance to the Advisory Commission. The Advisory Commission includes six members of the General Assembly and 10 members appointed by the Governor. The Commissioner of Health and the Commissioner of Insurance serve as ex-officio members.

Commonwealth of Virginia

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06-44

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FOR IMMEDIATE RELEASE
September 7, 2006

**SCC RECEIVES SETTLEMENT OFFER REGARDING
VERIZON DIRECTORY ERRORS**

RICHMOND - The staff of the State Corporation Commission (SCC) and Verizon are offering a settlement of issues arising from a two-year investigation of directory errors experienced by customers of Virginia's largest local telephone company. The terms being offered should address and help correct past and any future problems as well as improve the quality of Verizon directories.

If accepted by the Commission, Verizon will set aside \$2 million to compensate customers affected by past directory errors and omissions. The company could also face up to \$4 million in future payments if listings in directories distributed throughout its Virginia service territories do not improve over the next three years.

The SCC's Division of Communications has been conducting an ongoing investigation to resolve and reverse the trend of errors and omissions contained in Verizon directories first identified in early 2004. The investigation was elevated in January 2005 by order of the Commission because corrective actions promised by Verizon did not result in sufficient improvements in the quality of directory listings.

Verizon has indicated to the SCC staff that it has invested \$8 million to resolve problems causing past errors and to prevent future occurrences. The company's commitment, the corrective action plan proposed in the settlement offer, and continued monitoring by SCC staff should lead to better quality and accuracy.

The established target is a 99 percent accuracy rate. Currently, Verizon publishes 39 directories in Virginia containing approximately 2.7 million residential listings and over 500,000 business, professional, and government listings. These directories also include listings for other telephone companies providing service in Virginia.

(more)

In addition to facing payments for future errors, Verizon agrees to amend its tariffs to allow for automatic customer credits of local exchange service charges. A business listing error or omission would result in a 12-month credit. A six-month credit would be available for a residential listing mistake.

All customers will be given an opportunity to contact Verizon directly to preview their directory listings prior to publication. Verizon would also be required to establish a separate toll-free directory hotline and e-mail address for directory listing related complaints and inquiries.

The Commission will soon issue a scheduling order seeking comments on the proposed settlement.

Case number PUC-2005-00007

Commonwealth of Virginia

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06-45

NEWS RELEASE

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FOR IMMEDIATE RELEASE

September 15, 2006

SCHEDULE DELAYED; DISMISSAL OF CASE RECOMMENDED
REGARDING POSSIBLE COAL-FIRED POWER PLANT IN SW VIRGINIA

RICHMOND – A State Corporation Commission (SCC) hearing examiner has recommended that the Commission grant a motion to dismiss a case in which Dominion Virginia Power (DVP) seeks certain preliminary determinations of financial issues connected with the possible construction of a coal-fired power plant in Southwest Virginia.

The hearing examiner's ruling suspends upcoming case deadlines pending a final decision by the Commission on the pending motion. The motion to dismiss was filed by the Virginia Committee for Fair Utility Rates. The committee represents several large industrial customers of the electric utility.

DVP is not asking the SCC to approve construction at this time. Instead, the company requests the Commission to decide important prerequisite issues that it says "will greatly facilitate the decision-making process" when and if the company should later seek approval to build a plant.

Earlier this year, the company announced that the preliminary site selected for the generation facility is just outside of St. Paul, Virginia, in Wise County. If built, the 500-600 megawatt plant would primarily burn coal from the various mines in the coalfield region of the Commonwealth.

In 2004, the Virginia General Assembly amended the state's Electric Utility Restructuring Act to encourage the construction of such a facility to promote economic development and to ensure a reliable and economic supply of electricity.

Chief Hearing Examiner Deborah V. Ellenberg concluded that the Act "does not contemplate or provide for a process for the Commission to decide isolated preliminary issues to assist the company with its decision-making process." Instead, the Act requires a petition for approval to construct that includes sufficient information to fully consider all issues relative to the plant. She added, "No such petition is before the Commission in this case."

Case number PUE-2006-00075

ADVISORY: E-mail distribution of SCC news releases is now available.
Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

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06-46

NEWS RELEASE

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FOR IMMEDIATE RELEASE
September 20, 2006

**SCC TO TAKE COMMENT ON RULING THAT DOMINION VIRGINIA POWER
MUST FILE AN APPLICATION FOR SOUTHWEST VIRGINIA POWER PLANT**

RICHMOND - The State Corporation Commission (SCC) will allow comment from case participants on a procedural ruling by an SCC hearing examiner that Dominion Virginia Power ("Dominion") must file an application to build a coal-fired power plant in Southwest Virginia before the SCC can rule on issues related to that application.

The SCC also is convening a public hearing on October 17, 2006 – which had been previously scheduled and noticed to the public – for the sole purpose of receiving any oral testimony from public witnesses. The hearing is set for 10 a.m. in the SCC's courtroom. Audio of the hearing will be webcast via the SCC website.

Chief Hearing Examiner Deborah V. Ellenberg made a procedural ruling on September 15, 2006, that Dominion must file an application to build a coal-fired power plant in Southwest Virginia before the SCC legally can consider issues related to the application. The ruling by the hearing examiner does not prevent Dominion from filing an application to build the power plant in Southwest Virginia.

Dominion's current petition does not request approval to build the power plant. Dominion did file a request for a preliminary determination of certain financial issues related to a possible new power plant in Southwest Virginia, but had not filed an application to build the plant, which is standard practice for the construction of new power plants.

The Virginia Committee for Fair Utility Rates, a group representing large industrial consumers, moved to dismiss Dominion's request for preliminary determination of certain financial issues. The hearing examiner ruled that such motion should be granted.

The SCC's order also extends to October 3, 2006, the date by which persons wishing to participate as parties in this case must file a notice of participation. Parties to the case may file comments on the hearing examiner's procedural ruling on or before October 11, 2006.

Case number PUE-2006-00075

ADVISORY: E-mail distribution of SCC news releases is now available.
Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

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06-47

NEWS RELEASE

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FOR IMMEDIATE RELEASE
September 26, 2006

**SCC SETS HEARINGS ON A PROPOSAL TO BUILD
ELECTRIC TRANSMISSION LINE IN STAFFORD COUNTY**

RICHMOND – The State Corporation Commission (SCC) has scheduled hearings in January 2007 to consider a proposal by Dominion Virginia Power (DVP) to construct a new overhead 230-Kilovolt (kV) transmission line in Stafford County.

Two public hearings are scheduled in Stafford County for Thursday, January 25, 2007, one beginning at 1:30 p.m. and the other at 7 p.m. The hearings will be held in the Board of Supervisors Chambers in the Stafford County Administration Center, 1300 Courthouse Road, Stafford. Any person wishing to comment at either of these hearings should arrive early and sign in with the SCC bailiff.

The case will continue in Richmond on Monday, March 19, 2007, at 10 a.m. in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street.

The public may view the company's application and related documents during regular business hours at the SCC's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond. Interested persons may also access a copy of the application through the SCC's Docket Search portal at <http://www.scc.virginia.gov/caseinfo.htm>.

The application also may be viewed during regular business hours at the Stafford County Department of Planning and Community Development and the Stafford County Administrative Offices, 1300 Courthouse Road, Stafford; and at Dominion Virginia Power, Riverside Building, 5th Floor, 120 Tredegar Street, Richmond (Attention: Gail Lamm).

Written comments on the application must be submitted by January 25, 2007. All correspondence should be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and refer to case number PUE-2006-00091.

(MORE)

ADVISORY: E-mail distribution of SCC news releases is now available.
Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

Interested persons desiring to submit comments electronically may do so at the SCC's website: <http://www.scc.virginia.gov/caseinfo.htm>. Click on the PUBLIC NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2006-00091. Electronic comments sent to any other SCC e-mail address will not be included as part of the proceeding.

The planned transmission line would extend five miles from a point on DVP's existing Possum Point-Fredericksburg 230-kV line approximately a half-mile north of the company's existing Stafford substation to a new Garrisonville switching substation. The new transmission line and switching substation would be constructed within DVP's existing right-of-way.

Case Number **PUE-2006-00091**

Commonwealth of Virginia

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06-48

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FOR IMMEDIATE RELEASE

October 2, 2006

**SCC REMINDS VIRGINIANS TO INVESTIGATE BEFORE
INVESTING IN FRANCHISES**

RICHMOND – Many people dream of owning their own business. While the satisfaction and rewards of being your own boss can sometimes be great, so can the risks.

The idea of owning a franchise might sound appealing but as with any other investment, purchasing one does not guarantee success. The State Corporation Commission urges consumers who are thinking about buying a franchise to use caution and investigate any opportunity thoroughly before investing their hard-earned money.

“When considering a franchise, slow down and check with us,” said Ron Thomas, director of the SCC’s Division of Securities and Retail Franchising. “Verify that the franchise is registered in Virginia; check its track record with regulators; and make sure that this investment opportunity is right for you.”

Virginia’s Franchise Act requires all franchisors to register with the SCC before they offer a franchise in Virginia. You can find out if a franchise is registered in Virginia by visiting the SCC website at <http://www.scc.virginia.gov/division/srf/webpages/registeringinfo.htm>. You can also learn more about the franchise from the Uniform Offering Circular (UFOC) that franchisors are required to file with the SCC’s Division of Securities and Retail Franchising and must provide to potential franchisees.

When exploring any franchise opportunity, ask questions about any complaints or disciplinary actions against the franchisor. Franchising is a fast-growing business area with a corresponding increase in SCC regulatory activity. The number of SCC cases involving franchisors has increased dramatically during the past two years to 22 cases compared to six cases for the previous two-year period. Of the 22 franchisors entering settlement orders with the SCC, 19 allegedly failed to register their franchises with the SCC’s Division of Securities and Retail Franchising before selling them in Virginia, and three allegedly provided false information to prospective franchisees. In two cases, principals of two franchisors allegedly used aliases when selling franchises in Virginia.

(more)

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Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

These recent cases highlight the need to check out a potential franchisor before you consider paying the franchise fee and signing on the dotted line. There are many other factors to keep in mind when considering a franchise including cost; restrictions by the franchisor governing how franchisees conduct business; terminations or renewal of your franchise; demand for the franchisor's products or services; competition; training and support services provided by the franchisor; and your own budget, abilities and goals.

The SCC's Division of Securities and Retail Franchising offers a brochure with a checklist of questions you should ask when considering investing in a franchise. To obtain a copy of the brochure, entitled, "Shall I Invest in a Franchise?" call toll-free in Virginia at 1-800-552-7945 or in Richmond at (804) 371-9187 or e-mail your request to SEC_General@scc.virginia.gov.

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

October 4, 2006

SCC SEEKS COMMENT ON VERIZON DIRECTORY ERROR SETTLEMENT; PROPOSED CUSTOMER CLAIMS PROCEDURE

RICHMOND – The State Corporation Commission (SCC) is seeking comments on a proposed settlement of issues arising from a two-year investigation of Verizon directory errors. Comments on the settlement and a proposed customer claims procedure will be accepted through December 1, 2006.

The goal of the settlement is to address and correct any past and future problems as well as improve the quality of Verizon directories. Verizon has indicated to the SCC staff that it has invested \$8 million to resolve problems causing past errors and to prevent future occurrences.

If accepted by the Commission, Verizon will set aside \$2 million to compensate customers who experienced service affecting directory errors and omissions that occurred in 2004, 2005, and 2006. A service affecting directory error includes:

- a complete omission of a listing
- publication of a non-listed or non-published number
- reversal of a customer's first/last name
- any misspelling of a name, incorrect number, or other printing error so as to make it unlikely that someone could locate the correct number.

Yellow page classified advertising is not regulated by the Commission and errors or omissions affecting such commercial contracts are not eligible for compensation under the plan.

Customers who potentially qualify for compensation would submit a claim with the SCC's Division of Communications. The division would review each claim and determine the amount to be paid by Verizon to the customer.

(more)

ADVISORY: E-mail distribution of SCC news releases is now available.
Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

As proposed, all business customers who qualify for payment will receive an equal amount per directory in which the error occurred. All residential customers will also receive an equal amount, which will be less than that received by business customers. Maximum limits have been proposed, but the actual payment amount will be determined by the number of eligible claims.

Claims cannot be submitted until a final order of the SCC. At that time, there would be a 90-day opportunity to file a claim.

Under the settlement, Verizon could also face up to \$4 million in future payments if listings in directories distributed throughout its Virginia service territories do not improve over the next three years. The established target is a 99 percent accuracy rate.

In addition to facing payments for future errors, Verizon agrees to amend its tariffs to allow for automatic customer credits of local exchange service charges. A business listing error or omission would result in a 12-month credit. A six-month credit would be available for a residential listing mistake.

All customers will be given an opportunity to contact Verizon directly to preview their directory listings prior to publication. Verizon would also be required to establish a separate toll-free directory hotline and e-mail address for directory listing related complaints and inquiries.

Currently, Verizon publishes 39 directories in Virginia containing approximately 2.7 million residential listings and over 500,000 business, professional, and government listings. These directories also include listings for other telephone companies providing service in Virginia.

Any one wishing to comment on the corrective action plan and claims process may do so by writing the Commission. All correspondence should refer to case number PUC-2005-00007 and be sent to the Clerk of the Commission, PO Box 2118, Richmond, VA 23218.

Comments may also be filed electronically by using the public comment feature on the SCC website at: <http://www.scc.virginia.gov/caseinfo.htm>. The deadline for submission of comments is December 1, 2006.

The settlement offer and proposed procedure for handling claims is also available for viewing on the SCC website via the Docket Search feature at the same website location.

Case number PUC-2005-00007

Commonwealth of Virginia

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06-50

NEWS RELEASE

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FOR IMMEDIATE RELEASE

October 4, 2006

SCC TO HOLD FINANCIAL STRAIGHT TALK PROGRAM IN NORTHERN VIRGINIA ON OCTOBER 14

RICHMOND — Millions of Americans rely on the stock market to achieve financial security. As responsibility for our financial future shifts increasingly to the individual, it is more important than ever for consumers to have the tools necessary to make wise investing decisions.

Knowledge is the key to successfully navigating the dizzying array of investment opportunities and steering clear of financial fraud. Whether you are saving for retirement, a new home, your child's education, or more short-term goals, it pays to understand the various types of investments and how to make them work for you. Knowing how to recognize and avoid investment fraud and where to turn for help are also essential to successfully building a financial nest egg.

Now is your opportunity to talk to the experts during a *Financial Straight Talk* program on Saturday, October 14. The State Corporation Commission's (SCC) Division of Securities and Retail Franchising is sponsoring this free event, which will be held from 8:30 a.m. to 12:30 p.m. at the Hilton Arlington, 950 North Stafford Street in Arlington.

Pam Krueger and Jack Gallagher, co-hosts of the *Money Track* public television series, will be the keynote speakers for this event. They will discuss the topic "Investor Education: Why Do I Need It and How Do I Get It" and will share useful tools and tips regarding sound investing. The program will also include presentations by representatives from the Investor Protection Trust, Kiplinger, and the SCC's Division of Securities and Retail Franchising.

The event will feature seminars dealing with such topics as keys to investing success; stocks, bonds and mutual funds; and recognizing and avoiding investment scams. This is the fourth such program the SCC has held throughout Virginia during the past two years.

(more)

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Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

“We can no longer rely on the simple comfort of passbook-savings of our childhoods. We must arm ourselves with a financial roadmap and understand how to make sound retirement decisions in 401(k) programs and recognize costly investing pitfalls,” said Ron Thomas, director

of the SCC’s Securities Division. “It is important for individuals to understand how to balance their financial goals with their tolerance for risk and choose investments accordingly. The more you know, the better when it comes to saving for retirement or your child’s education, choosing an investment advisor, understanding the many different types of investment products, and avoiding financial fraud. But what questions should you ask before putting your hard-earned money into an investment? Come to our *Financial Straight Talk* program to find out,” he said.

Admission to this event is free, but reservations are required. For additional information or to register, call the SCC’s Securities Division at (804) 371-9051 or send an e-mail to investoreducation@scc.virginia.gov. Information is also available on the SCC website at <http://www.scc.virginia.gov/division/srf>.

Financial Straight Talk is funded by a grant from the Investor Protection Trust (IPT). The IPT is a nonprofit organization devoted to investor education. Since 1993 the IPT has worked with the states to provide the independent objective investor education needed by all Americans to make informed investment decisions. www.investorprotection.org

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06-51

NEWS RELEASE

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FOR IMMEDIATE RELEASE
October 5, 2006

**SCC CHANGES LOCATION OF ONE HEARING ON A PROPOSAL TO BUILD
ELECTRIC TRANSMISSION LINE IN STAFFORD COUNTY**

RICHMOND – The State Corporation Commission has changed the location of one of the two public hearings scheduled for Thursday, January 25, 2007, to receive comments on a proposal by Dominion Virginia Power to construct a new overhead 230-kilovolt transmission line in Stafford County.

The hearing scheduled to begin at 7 p.m. on January 25 has been moved to the auditorium of the Colonial Forge High School, 550 Courthouse Road, Stafford. The hearing was relocated to accommodate a larger number of people expected to appear at the evening session.

The afternoon session will be held as previously scheduled at 1:30 p.m. in the Board of Supervisors Chambers, Stafford County Administration Center, 1300 Courthouse Road, Stafford.

Case Number **PUE-2006-00091**

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FOR IMMEDIATE RELEASE

October 6, 2006

**SCC ALLOWS INTERIM RATE INCREASE FOR ROANOKE GAS;
SETS HEARING FOR MARCH 2007**

RICHMOND – Roanoke Gas Company will impose an interim rate increase on the portion of a customer's bill that covers operating expenses beginning October 23, 2006. The State Corporation Commission (SCC) has scheduled a public hearing for March 29, 2007, on the rate request that will increase the company's annual revenues by \$1.74 million.

By law, interim rates, based on the company's request, are temporary and subject to refund with interest pending the SCC's final decision. Roanoke Gas filed its request on September 14.

In its application, Roanoke Gas states that several components of operating costs are rising faster than customer growth, and the company has lost revenue due to several industrial customers closing or converting to coal, prompting the latest request.

The total revenue requirement that the SCC may approve is limited to the amount requested by Roanoke Gas. However, individual rates and charges approved by the Commission following its investigation may differ from those proposed by the company.

A public hearing is scheduled for 10 a.m. on Thursday, March 29, 2007, before an SCC hearing examiner. It will be held in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, in downtown Richmond. Any person wishing to comment at the hearing should arrive early and notify the SCC bailiff.

Written comments on the proposal must be submitted by December 19, 2006. All correspondence should be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, VA 23218, and refer to case number PUE-2006-00099.

(MORE)

Interested persons desiring to submit comments electronically may do so at the SCC website: <http://www.scc.virginia.gov/caseinfo.htm>. Click on the PUBLIC NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2006-00099. Electronic comments sent to any other SCC e-mail address will not be included as part of the proceeding.

Roanoke Gas, a subsidiary of RGC Resources, Inc., serves 59,000 residential, commercial, and industrial customers in the Roanoke and Bluefield areas.

Case Number PUE-2006-00099

Commonwealth of Virginia

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FOR IMMEDIATE RELEASE

October 16, 2006

STATE CORPORATION COMMISSION OFFERS FREE AUTO AND HOMEOWNERS PREMIUM COMPARISON INFORMATION

RICHMOND – As part of its ongoing effort to help Virginians become more knowledgeable insurance consumers, the State Corporation Commission's (SCC's) Bureau of Insurance has updated its free auto and homeowners insurance consumer guides and corresponding premium comparison pamphlets.

The guides are designed to help consumers understand their insurance coverage, how to shop for it, and what to do if a problem arises. They include basic information about auto and homeowners insurance, useful shopping tips, and steps for consumers to take when they must file a claim or if they have a problem with their insurance coverage.

The homeowners guide includes information about mobile home policies, ranch and farm policies, flood insurance, mortgage guaranty insurance, and title insurance. It also offers common-sense tips on protecting your property. The auto guide discusses the impact of accidents and traffic violations on your insurance premiums, and what to do if you are involved in an accident.

The separate pricing pamphlets, which supplement the auto and homeowners insurance consumer guides, reflect current samplings of automobile and homeowners insurance premiums categorized by geographic region. The pricing pamphlets include tables showing premiums for 50 of the top writers of automobile and homeowners insurance in Virginia.

In both the auto and homeowners pricing pamphlets, the premium comparisons are shown for Richmond, Alexandria, Virginia Beach, Norfolk, Roanoke, and Charlotte County. The premiums charged in Charlotte County represent most of the other non-metropolitan areas of Virginia. Because of the wide variation in premiums, the Bureau of Insurance advises consumers to shop around for insurance.

(more)

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Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

The homeowners' insurance tables compare coverage for frame and masonry homes. The auto insurance tables show premiums for 20-year-old unmarried males and females and for 45-year-old married adults.

In addition to the homeowners and auto guides, and pricing pamphlets, the Bureau of Insurance offers a free pamphlet specifically geared to young drivers. The *Teenager's Guide to Auto Insurance* provides valuable information and tips for teens about insurance issues.

The Bureau also offers free guides regarding commercial insurance, renters insurance (also available in Spanish), credit scoring, disaster preparedness, life insurance, health insurance, long-term care insurance, and a guide specifically designed to answer the insurance questions of senior citizens. The Bureau also has specially trained staff to help consumers with questions or problems regarding insurance.

Consumers may request copies of the free auto and homeowners guides and premium comparison pamphlets by calling the Bureau of Insurance Property and Casualty Consumer Services Section at (804) 371-9185 or toll-free at 1-877-310-6560. Consumers who are hearing or speech impaired may call through the SCC's Telecommunications Device for the Deaf and hard of hearing (TDD) at (804) 371-9206. The guides and pamphlets are also available on the Bureau's web site at www.scc.virginia.gov/division/boi or by writing to the State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, Virginia 23218.

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06-54

NEWS RELEASE

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FOR IMMEDIATE RELEASE

October 27, 2006

SCC SETS HEARING FOR WASHINGTON GAS LIGHT RATE FILING

RICHMOND – The State Corporation Commission (SCC) has scheduled a public hearing for April 23, 2007, to receive comments and evidence on a filing by Washington Gas Light Company (WGL) that could affect the rate WGL charges customers for distribution service.

WGL filed an application with the SCC on September 15, 2006, for a general rate increase, revisions to the terms and conditions of service, and an approval of a performance based rate regulation (PBR) methodology. The proposed rates would increase WGL's annual operating revenues by \$23 million or 3.63 percent. WGL residential customers in northern Virginia would see an annual increase of 3.6 percent, while customers of the company's former Shenandoah Gas Division would see an annual increase of 3.8 percent.

The PBR plan proposed by WGL would freeze the non-gas portion of rates for three years based on the rates established in this proceeding. Service quality standards would be in place to measure the company's progress in maintaining a safe and reliable gas distribution system while controlling operating costs. The optional PBR plan for natural gas companies was authorized by the General Assembly in 1996.

A public hearing on the application is scheduled for 10 a.m. on Monday, April 23, 2007, before an SCC hearing examiner. It will be held in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, in downtown Richmond. Any person wishing to comment at the hearing should arrive early and notify the SCC bailiff.

Written comments on the application must be submitted by February 28, 2007. All correspondence should be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and refer to case number PUE-2006-00059.

(MORE)

Interested persons desiring to submit comments electronically may do so by following the instructions available at the SCC's website: <http://www.scc.virginia.gov/caseinfo.htm>. Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for the above referenced case number.

WGL's application and related documents may be viewed during regular business hours at the SCC's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond. Interested persons may also access a copy of the application through the SCC's Docket Search portal at <http://www.scc.virginia.gov/caseinfo.htm>.

WGL provides retail natural gas sales and distribution services to approximately 459,000 customers in northern Virginia and the Shenandoah Valley.

Case number **PUE-2006-00059**

Commonwealth of Virginia

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

November 1, 2006

**SCC FINDS SW VIRGINIA COAL-FIRED POWER PLANT IN THE
PUBLIC INTEREST; GIVES ASSURANCES ON CONSTRUCTION COSTS**

RICHMOND – The State Corporation Commission (SCC) has found that the construction of a coal-fired electric generating plant in Southwest Virginia that uses Virginia coal is “in the public interest.” The Commission said such a finding was required by law.

Earlier this year, Dominion Virginia Power announced that the preliminary site selected for the generation facility is just outside of St. Paul, Virginia, in Wise County. The 500-600 megawatt power plant would primarily burn coal from the various mines in the coalfield region of the Commonwealth.

In its final order, the Commission rejected arguments asking the SCC to apply a separate public interest test in evaluating an application to build such a plant. The Commission also stated that Virginia law assures Dominion that it will be allowed to recover the costs of constructing such a facility. The SCC ruled that Dominion could begin accruing such costs now in accordance with the same accounting standards that Dominion uses in its other jurisdictions.

Dominion must submit an application to construct the coal-fired plant within 12 months of the Commission’s order to continue accruing construction costs for future recovery. The company may seek an extension of time from the Commission, if necessary.

The Commission said it awaits Dominion’s application so that “we can move this process forward towards fulfilling the statute’s goal of building a coal-fired generation facility that utilizes Virginia coal and is located in the coalfield region of the Commonwealth.”

The Commission denied Dominion’s request that the Commission approve specific guaranteed rates of return before Dominion has submitted an application to construct the plant. The Commission stated that Virginia law clearly requires that any company intending to build

(more)

the power plant must include in its application proposed changes in the default-service electric rates it charges its business and residential customers throughout its Virginia service territory.

The Commission agreed with the company that the General Assembly could have prescribed a specific rate of return. It did not do so. Instead, Virginia law directs the Commission to give the company building the plant a "fair rate of return" as determined by the Commission. The Commission, however, cannot determine such a fair rate of return without a complete application that contains all necessary information.

The Commission noted that Dominion "has clearly and steadfastly explained that it is not now asking the Commission to determine whether to approve" the plant.

Also, the Commission found that when the company files a petition for approval to construct the plant, the Commission may grant exemptions from bidding rules requiring the company to issue certain requests for proposals.

Because Dominion has not submitted the necessary application to construct the power plant, the Commission dismissed Dominion's current petition seeking a specific rate of return and other initial determinations "without prejudice," thus allowing Dominion to file its application to construct the plant with the necessary information.

Case number PUE-2006-00075

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06-56

NEWS RELEASE

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FOR IMMEDIATE RELEASE

November 3, 2006

**SCC SETS HEARINGS TO CONSIDER PLAN TO REVISE
DULLES GREENWAY TOLLS; EXTENDS PUBLIC COMMENT PERIOD**

RICHMOND – The State Corporation Commission (SCC) has scheduled public hearings in January 2007 to consider a proposal by the owners of the Dulles Greenway to revise the toll structure for the roadway.

Two public hearings are scheduled in Loudoun County for Tuesday, January 30, 2007, one beginning at 2 p.m. and the other at 6:30 p.m. The hearings will be held in the Board of Supervisors Meeting Room, Loudoun County Government Center, 1 Harrison Street, S.E., Leesburg, Virginia. Any person wishing to comment at either of these hearings should arrive early and sign in with the SCC bailiff.

The case will continue in Richmond on Tuesday, March 13, 2007, at 10 a.m. in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street.

The SCC also is extending the public comment period on the proposal until January 30, 2007. All written correspondence should be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, VA 23218, and refer to case number PUE-2006-00081.

Interested persons desiring to submit comments electronically may do so at the SCC's website: <http://www.scc.virginia.gov/caseinfo.htm>. Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2006-00081. Electronic comments sent to any other SCC e-mail address will not be included as part of the proceeding.

The Dulles Greenway is a privately owned 14-mile toll road that connects Washington Dulles International Airport with Leesburg in Loudoun County. The owners, Toll Road Investors Partnership II, L.P., propose a price schedule that contains incremental increases in the maximum toll for two-axle vehicles over five years. The maximum base toll for cars would rise from \$3, as now authorized to be effective July 1, 2007, to \$4 as of January 1, 2012.

(MORE)

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Toll Road Investors also seek permission to implement congestion management price premiums that would permit the maximum base toll to be increased by about 20 percent for weekday peak period traffic traveling in the peak direction.

Case Number PUE-2006-00081

NEWS RELEASE

06-57

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FOR IMMEDIATE RELEASE

November 7, 2006

SPECIAL ADVISORY COMMISSION TO MEET NOVEMBER 20

RICHMOND – The Special Advisory Commission on Mandated Health Insurance Benefits (Advisory Commission) will meet at 2 p.m. on Monday, November 20 in House Room D of the General Assembly Building.

The Advisory Commission, currently chaired by Delegate R. Lee Ware Jr., includes six members of the General Assembly and 10 members appointed by the Governor. The Commissioner of Health and the Commissioner of Insurance serve as ex-officio members.

The Advisory Commission will vote on proposals that would require coverage for treatment of malignant brain tumors at National Cancer Institute Centers of Excellence, habilitative services for children, and treatment by intensity modulated radiation therapy for tumors.

Changes in required health insurance benefits proposed during the General Assembly session are regularly referred to the Advisory Commission that reviews the proposals, conducts hearings, and makes recommendations on those coverage issues before it.

Anyone wishing to comment is encouraged to submit information in writing in the format prescribed by the Advisory Commission's guidelines. To obtain a copy of the guidelines, contact the State Corporation Commission's Bureau of Insurance at (804) 371-9388, or toll-free at 1-800-552-7945.

The Bureau of Insurance and other designated state agencies provide staff assistance to the Advisory Commission.

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06-58

NEWS RELEASE

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FOR IMMEDIATE RELEASE

November 20, 2006

**SCC APPROVES SURCHARGE ON APPALACHIAN POWER BILLS;
LIMITED RATE CAP ADJUSTMENT ALLOWED BY LAW**

RICHMOND -- The State Corporation Commission (SCC) is allowing Appalachian Power Company (ApCo) to adjust its capped electric rates to recover \$21.3 million of environmental and reliability costs. The money will be recovered through a surcharge appearing on monthly bills beginning December 1, 2006 and ending November 30, 2007.

Virginia's Electric Utility Restructuring Act permits a company such as ApCo to recover costs for compliance with state and federal environmental laws and regulations and for transmission and distribution system reliability. The recovery of actual costs being allowed by the Commission covers a period from July 1, 2004 through September 30, 2005.

In its final order, the Commission wrote that this provision of the Act "is an atypical, limited-issue ratemaking statute that requires the Commission to permit recovery of certain E&R costs without analyzing, for example, whether such costs are offset by other decreased costs or increased revenues."

The surcharge will be calculated by the company and filed with the SCC's Division of Energy Regulation prior to December 1. It will include a true up mechanism to ensure there is not an over-or under-recovery as a result of the surcharge.

The company has two other rate requests pending before the Commission. The first involves a net rate increase request of \$198.5 million. Interim rates reflecting this 25 percent increase took effective October 2. The second is a fuel rate increase of \$38.7 million, or four percent. If approved, the fuel rate adjustment would take effect January 1, 2007.

Appalachian Power provides electric service to approximately 500,000 customers in all or portions of 31 counties in southwestern Virginia.

Case number PUE-2005-00056

Commonwealth of Virginia

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06-59

NEWS RELEASE

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FOR IMMEDIATE RELEASE

November 27, 2006

**SCC ALLOWS INTERIM FUEL RATE INCREASE FOR APPALACHIAN POWER;
SETS HEARING FOR JANUARY 2007**

RICHMOND – Appalachian Power will impose a four percent interim fuel rate increase on January 1, 2007. The State Corporation Commission (SCC) has scheduled a public hearing for January 23, 2007, to receive comments on the request that will increase the company's annual revenue by \$38.7 million.

Appalachian filed an application to revise its fuel factor on November 9, 2006. By law, interim rates, based on the company's request, are temporary pending the SCC's final decision.

The company says the increase is necessary to meet the rise in the projected costs of fuel to generate electricity for the remainder of 2006 and through 2007. Appalachian is seeking to raise its current fuel factor from 1.785 cents per kilowatt hour (kWh) to 2.030¢/kWh. The average residential customer using 1,000 kWh in a month would see an increase of \$2.45, or 3.2 percent on a monthly bill.

A public hearing on the request is scheduled for 10 a.m. on Tuesday, January 23, 2007. It will be held in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, in downtown Richmond. Any person wishing to comment at the hearing should arrive early and notify the SCC bailiff.

The public may review copies of Appalachian's application and related documents in the SCC's Document Control Center, located on the first floor of the Tyler Building, Monday through Friday, between the hours of 8:15 a.m. and 5 p.m. Unofficial copies of documents related to the application may be downloaded from the SCC's website: <http://www.scc.virginia.gov/caseinfo.htm> and refer to case number PUE-2006-00100.

Appalachian also has pending before the SCC a request to increase base rates, the portion of the monthly bill that accounts for the company's operating costs. The company has requested an increase of \$198.5 million. Interim rates reflecting this 25 percent increase took effect October 2.

Case Number PUE-2006-00100

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FOR IMMEDIATE RELEASE
November 29, 2006

SCC SETS WORKERS' COMPENSATION PREMIUM LEVEL ADJUSTMENTS

RICHMOND – The State Corporation Commission (SCC) has approved revisions to the premium levels charged for workers' compensation insurance in Virginia.

Workers' compensation insurance provides medical care and wage replacement benefits to injured workers. Almost all Virginia employers are required to provide the coverage to their employees.

The National Council on Compensation Insurance (NCCI) sought the revisions. The changes approved by the SCC will increase the overall premium level for surface coal mines in the voluntary market and assigned risk plan. Overall premium levels will decrease for all other classes in both the voluntary and assigned risk markets. The changes will become effective April 1, 2007, for new and renewal workers' compensation policies, as follows:

<u>Class</u>	<u>Voluntary Market Loss Costs</u>		<u>Assigned Risk Rates</u>	
	Proposed	SCC Approved	Proposed	SCC Approved
Industrial	-7.9%	-7.9%	-8.2%	-8.2%
"F" (Federal)	-13.4%	-13.4%	-19.2%	-19.2%
Coal Mines (Surface)	+9.9%	+9.7%	+7.3%	+6.9%
Coal Mines (Underground)	-13.4%	-13.8%	-17.2%	-17.4%

NCCI, a Florida-based rate service organization, represents insurance companies licensed to write workers' compensation insurance in Virginia.

Case number INS-2006-00197

ADVISORY: E-mail distribution of SCC news releases is now available.
Please register online at <http://www.scc.virginia.gov/division/ird/index.htm>

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06-61

NEWS RELEASE

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FOR IMMEDIATE RELEASE
December 14, 2006

**SCC'S BUREAU OF INSURANCE ALERTS VIRGINIA'S COASTAL RESIDENTS
TO HIGHER HURRICANE DEDUCTIBLES**

RICHMOND – The SCC's Bureau of Insurance advises that several top writers of property insurance are imposing mandatory hurricane deductibles of five percent on new and renewal policies. Many of those same policies previously carried mandatory deductibles of two or three percent.

“A five percent hurricane deductible on a dwelling means that a homeowner whose house is insured for \$500,000 would be required to pay the first \$25,000 if a hurricane causes damage to the dwelling,” said SCC Commissioner of Insurance Alfred W. Gross. “It is important that consumers recognize the magnitude of such a change in the terms of the policy.”

Virginia insurance law does not prohibit insurers from using hurricane or other wind-related deductibles. However, insurers are required to notify their policyholders of any unilateral change in these deductibles and to explain how they work. The Bureau is sending letters to insurers reminding them of this notification requirement, which was added to Virginia law in 2004.

Hurricane and other wind-related deductibles are applied separately from any other deductible on the homeowners policy. The amount and application of these deductibles may vary by insurance company, home value, location, and other factors.

Consumers may wish to contact their agent to see if coverage is available with a lower deductible from the surplus lines market. Surplus lines carriers are approved to do business in Virginia, but are not subject to the same regulatory requirements as licensed insurers, and there is no coverage under the state guaranty fund if a surplus lines carrier becomes insolvent.

Dwelling and commercial property coverage is also available through the Virginia Property Insurance Association (VPIA). It insures homeowners and businesses throughout the state who have not been able to find coverage elsewhere.

(more)

The Bureau of Insurance is Virginians' source for insurance information. It has specially trained staff who can assist consumers with their insurance-related questions and concerns. For more information, contact the Bureau of Insurance Property and Casualty Division toll-free at 1-877-310-6560 or in Richmond at (804) 371-9185. Consumers who are hearing or speech impaired may call through the SCC's Telecommunications Device for the Deaf and hard of hearing (TDD) at (804) 371-9206.

The Bureau also offers free consumer homeowners, auto, and commercial insurance guides, as well as disaster guides for homeowners and businesses. The disaster guides deal specifically with insurance-related disaster recovery issues and provide answers to the most commonly asked questions about settling disaster-related insurance problems. These and many other consumer insurance guides are available on the Bureau's website at www.scc.virginia.gov/division/boi.

The SCC is located in the Tyler Building at 1300 East Main Street in downtown Richmond. The Bureau's mailing address is P. O. Box 1157, Richmond, Virginia 23218.

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NEWS RELEASE

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FOR IMMEDIATE RELEASE
December 28, 2006

**SCC APPROVES PERFORMANCE-BASED RATE PLAN FOR
COLUMBIA GAS OF VIRGINIA; CUSTOMERS BENEFIT, TOO**

RICHMOND – The rates charged to customers of Columbia Gas of Virginia for delivery service will be frozen for four years under a performance-based rate (PBR) plan authorized by the State Corporation Commission (SCC). The new rate plan takes effect January 1, 2007. It includes a \$2 million credit back to residential and commercial customers in 2007 and again in 2008.

Columbia filed its application for the PBR plan on November 2, 2005. In combination with Columbia's submission, the SCC initiated an investigation into the justness and reasonableness of Columbia's current rates, fees, charges, and terms and conditions of service. These non-gas components represent approximately 35 percent of an average customer bill. The rest of the bill represents the cost of gas used by the customer.

During the course of the proceeding, a proposed settlement on the provisions of the PBR plan was offered by Columbia, the SCC staff, the Office of the Attorney General, Fairfax County, three interstate pipeline companies serving Virginia, two natural gas marketers, two industrial customers, and the Virginia Industrial Gas Users' Association.

The Commission approved the terms of that settlement. The major elements of Columbia's PBR plan include:

- No changes to the current non-gas charges for distribution service through December 31, 2010.
- Reductions to customer bills in 2007 and 2008 of \$2 million paid in the form of an annual non-gas rate credit. The credit will be reflected as an adjustment to customer bills, based on the amount of gas used by customers.

(more)

- A sharing of any annual earnings during the term of the PBR plan that exceeds a 10.5 percent return on equity so that customers receive 75 percent of such earnings and the company retains 25 percent.
- Acquiring additional capacity and to construct additional facilities to serve high growth areas including northern Virginia, Hampton Roads, and central Virginia.

In its final order, the Commission said, "Consistent with the statutory requirements for a performance based regulatory plan, we expect Columbia's service and reliability to remain at or to exceed present levels during the term of the Amended PBR Plan."

Columbia serves 230,000 customers in northern Virginia, Hampton Roads, central Virginia, the Shenandoah Valley, the Lynchburg region, and parts of western Virginia.

Case numbers **PUE-2005-00098** and **PUE-2005-00100**