

Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-01

SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

January 12, 2011

FREE LOCAL DIRECTORY ASSISTANCE CALLS SET AT ONE PER MONTH

RICHMOND – The State Corporation Commission (SCC) has denied a request from the Virginia Telecommunications Industry Association (VTIA) to eliminate the requirement that local telephone companies in Virginia provide free directory assistance to their customers. The SCC instead reduced the mandatory number of free monthly directory assistance calls from two to one.

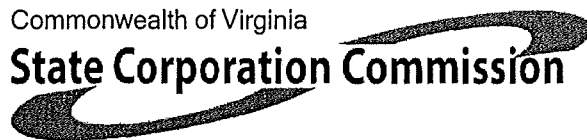
Free directory assistance calls are included with basic local dial tone telephone service. The VTIA was seeking to eliminate the provision.

The two call allowance has been in place since 2008. In its final order, the Commission said, “We recognize that technological and market advancements provide many customers with alternatives to white page listings. Some of the alternatives, however, may not be as readily accessible to telephone users to be considered an equivalent substitute for the directory assistance that has been part of their telephone service for many years.” The Commission added, “Moreover, those alternatives do not necessarily fulfill an essential function provided by the free ... allowance; that is, those alternatives will not necessarily contain the listings that are absent from the white page directory or from other sources.”

According to the Commission, “We find that a minimum of one free monthly local directory assistance call allowance is, and will remain, an essential part of dial tone telephone service provided by Virginia’s local exchange companies.”

Case number PUC-2009-00074

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Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

1102

SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, Katha.treanor@scc.virginia.gov

January 21, 2011

VIRGINIA TO RECEIVE \$333,000 IN AUCTION-RATE SECURITIES SETTLEMENT

RICHMOND – Goldman, Sachs & Co. is paying more than \$333,000 to the Commonwealth of Virginia to settle allegations that Virginia investors were misled about the liquidity of the auction-rate securities market.

The State Corporation Commission (SCC) has issued a consent order finalizing Virginia's participation in a global settlement involving the New York-based firm.

Under the terms of the settlement, the financial services firm is required to confirm that it has repurchased auction-rate securities from its clients.

Although marketed and sold to investors as safe, liquid, and cash-like investments, auction-rate securities were actually long-term investments subject to a complex auction process that failed in early 2008, leading to illiquidity and lower interest rates for investors.

The global settlement was achieved by a multi-state task force of state regulators formed by the North American Securities Administrators Association. During the investigation, state regulators discovered that various securities dealers misrepresented the characteristics of and the risks associated with buying auction-rate securities.

The SCC's Division of Securities and Retail Franchising actively participated as a member of the task force. The task force was formed in April 2008, shortly after the division and other state securities regulators began receiving complaints from investors holding these instruments.

Case number SEC-2010-00056

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Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-03

SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141; Katha.Treanor@scc.virginia.gov

February 3, 2011

SCC's BUREAU OF INSURANCE ENCOURAGES VIRGINIANS TO REVIEW THEIR HOMEOWNERS INSURANCE COVERAGE ANNUALLY

RICHMOND – Whether you rent or own, keeping your home and its contents safe is a priority. This includes having the right amount of insurance coverage.

The State Corporation Commission's Bureau of Insurance encourages Virginia homeowners and renters to review their insurance policies annually to make sure they have the coverage they need. A homeowner's insurance policy covers the structure and contents of your home and legal obligations if someone is injured on your premises. A renter's policy does not insure the structure, but otherwise provides similar coverage.

"Virginians want the peace of mind that comes from knowing they have the insurance coverage they need, when they need it," said SCC Insurance Commissioner Jacqueline K. Cunningham. "Lack of understanding about your insurance coverage can be costly." She encourages Virginians to schedule a yearly checkup with their insurance company or agents to learn more about what to expect from insurance policies and providers.

The Bureau offers the following tips when reviewing your homeowner's or renter's coverage or shopping for a policy:

- Determine the right amount of coverage for your needs. This includes making a room-by-room inventory of all your personal property.
- Know the difference between actual cash value and replacement cost. Actual cash value is the amount it would take to repair damage to a home or to replace its contents after allowing for depreciation. Replacement cost is the amount it would take to rebuild or replace a home and its contents with similar quality materials or goods, without deducting for depreciation.
- Weigh the cost benefit of opting for higher deductibles. Deductibles are the out-of-pocket costs you agree to pay to repair damage to your home or its contents *before* you are entitled to collect from your insurance company on each property damage claim you make.
- Ask about discounts such as multi-policy discounts or discounts for alarm systems.

(more)

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- Review your policy's liability and medical payment limits. Liability insurance protects you from legal obligations if someone is hurt while visiting your home. Homeowner's and renter's policies also typically include limited medical expense payments for injuries to visitors on your premises.
- Consider any special items in your home like art, jewelry, memorabilia or collections (such as stamps or coins) that may require special coverage.
- If you operate a small business out of your home, you may need additional coverage.
- Determine what types of losses (such as flood) may not be covered by your standard homeowner's or renter's policy and ask about available options.
- Consider whether an umbrella policy would suit your needs. Such a policy provides excess liability limits and possibly other additional coverage above a homeowner's or renter's policy.
- Select insurance agents and carriers with care. Deal only with insurance agents and companies that are licensed by the Bureau of Insurance to sell insurance in Virginia.
- Shop around. Not every company charges the same rate.
- Remember: an insurance policy is a legal document. Read it carefully. Also read all notices and information sent from the insurance company.

Among the many publications offered by the Bureau of Insurance are consumer guides for homeowners and renter's insurance. The Bureau also has specifically 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 or visit the Bureau's website at <http://www.scc.virginia.gov/division/boi/index.htm>. 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. Additional information may also be found on the National Association of Insurance Commissioners website at insureUonline.org.

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Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-04

SCC NEWS RELEASE

Contact: Andy Farmer
(804) 371-9141, andy.farmer@scc.virginia.gov

February 7, 2011

SCC DENIES MOTION TO DELAY DOMINION VIRGINIA POWER RATE REVIEW

RICHMOND – The State Corporation Commission (SCC) has denied a motion by Dominion Virginia Power (DVP) and several other parties to DVP's 2009 base rate case to delay by one year the rate review required by law in either 2011 or 2012.

The SCC cited procedural concerns in denying the motion and did not rule on the merits of the substantive provisions of the motion.

Dominion was joined in the motion by several parties to the 2009 case, which was resolved by a settlement. That settlement was agreed to by all parties and the SCC staff. The Commission approved the settlement in the 2009 case as just and reasonable and consistent with Virginia law. Joining DVP in making the request to delay the 2011 rate review were, among others, the Office of the Attorney General and the SCC staff.

Opposing the motion was an organization comprised of several large industrial customers of DVP, the Apartment and Office Building Association of Metropolitan Washington, and the Department of the Navy, representing all federal executive agencies.

The opponents argued, among other things, that the request to delay the rate review until 2012 violated a material term of the settlement reached in the 2009 case. The SCC declined to approve a material change in the settlement provisions less than a year after all parties had agreed to its provisions, noting that the request was opposed by some parties to that settlement.

The joint motion included, among other provisions, an extension of the ceiling on base rates through 2014, and a \$75 million credit to customers. The SCC noted that all parties may continue to negotiate on substantive issues such as these in the rate review case.

Case Numbers PUE-2009-00019, PUE-2010-00054, PUE-2010-00055, and PUE-2010-00084

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Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-05

SCC NEWS RELEASE

Contact: Andy Farmer
(804) 371-9141, andy.farmer@scc.virginia.gov

February 18, 2011

SCC SEEKS COMMENTS ON PROPOSED APPALACHIAN POWER PILOT PROGRAMS FOR RATE STRUCTURES FOR RENEWABLE GENERATION FACILITIES

RICHMOND – The State Corporation Commission (SCC) will hold a public hearing on March 10, 2011, in Richmond to receive public testimony on two pilot programs proposed by Appalachian Power Company (APCo) for certain customers of the utility that generate electricity on-site from renewable generation facilities.

In addition to receiving testimony in Richmond, the SCC will arrange for interested persons in the APCo service territory to call in to the hearing by telephone.

The pilot programs would offer dynamic pricing for purchases and sales of electricity on an hourly and monthly basis to non-residential rate customers that have properly certificated renewable generation facilities.

The hearing in Richmond will begin at 10 a.m. on March 10 in an SCC courtroom on the second floor of the Tyler Building at 1300 East Main Street. Any person wishing to testify in person should arrive early in the courtroom and notify the SCC bailiff.

Any person desiring to testify by telephone may do so by dialing a conference call to be established by the SCC 15 minutes prior to the beginning of the public hearing. The toll-free dial-in number for the hearing is 1-866-842-5779, and the pass code is 8043719406.

Case Number PUE-2010-00134 – Application of Appalachian Power's proposed pilot programs on dynamic rate structures for renewable generation facilities

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Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-06

SCC NEWS RELEASE

Contact: Andy Farmer
(804) 371-9141, andy.farmer@scc.virginia.gov

February 18, 2011

SCC SEEKS COMMENTS ON PROPOSED DOMINION VIRGINIA POWER PILOT PROGRAM FOR ELECTRIC VEHICLE RATE OPTIONS

RICHMOND – The State Corporation Commission (SCC) will hold a public hearing on June 8, 2011, on a request by Dominion Virginia Power (DVP) to offer two experimental and voluntary rate options for residential customers who own or lease electric vehicles.

According to DVP, the pilot program will offer time-of-day pricing options to encourage off-peak charging of electric vehicles. One option is for charging the electric vehicle only. The second option applies to the customer's entire service, including the house and the electric vehicle.

The company anticipates that by 2013 more than 5,000 electric vehicles will be on the road in DVP's service territory. By 2020 that number may grow to more than 86,000 according to DVP.

A public hearing on the request is scheduled for 10 a.m. on Tuesday, June 8, 2011. 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 audio of the Richmond hearing will be webcast via the SCC website.

Written comments on the proposals must be submitted by June 1, 2011. 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-2011-00014.

Interested persons desiring to submit comments electronically may do so at the SCC's website: www.scc.virginia.gov/case. Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2011-00014.

Case Number PUE-2011-00014 – Application of Dominion Virginia Power to establish an electric vehicle pilot program

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P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-07

SCC NEWS RELEASE

Contact: Vanessa Copeland
(804) 371-9141, Vanessa.Copeland@scc.virginia.gov

February 22, 2011

UNIFORM COMMERCIAL CODE FILINGS COME TO SCC EFILE

RICHMOND – The State Corporation Commission (SCC) has added another feature to its SCC eFile website. Now, customers can electronically file certain Uniform Commercial Code (UCC) forms and pay fees associated with these filings. This is the third addition to the SCC eFile website, which launched in December 2009.

The Secured Transactions part of the Uniform Commercial Code is a comprehensive set of laws governing security interests in personal property. These interests can arise in transactions that involve borrowing money, leases, contracts, and the sale of goods. The SCC's Clerk's Office is the central filing office in Virginia for financing statements, which are filed to provide public notice of such security interests.

SCC eFile allows the electronic submission of UCC-1 and UCC-3 documents. The UCC-1 form is a financing statement and serves as notice to the public of a lender's security interest in the borrower's assets identified in the statement. UCC-3 is a financing statement amendment. SCC eFile will also accept electronic payment of fees for filing these UCC documents.

"Paper UCC filings are time consuming and costly for our customers to prepare and submit," says Joel H. Peck, the Clerk of the Commission. "Electronic filing of UCC documents provide our customers with real time completion and receipt of UCC documents, thus saving time and reducing costs."

Electronic acceptance of UCC forms has the potential of reducing over 66,000 paper UCC filings, which is the amount processed by the Clerk's Office in 2010.

Future SCC eFile releases include electronic acceptance of limited liability company (LLC) annual registration fee payments and formation documents for the creation of new Virginia corporations and LLCs. Previous releases included the ability to file registered agent changes and resignations, and the acceptance of corporate annual report filings and corporate annual registration fee payments.

The Office of the Clerk serves as the central filing office for all Virginia and foreign corporations, limited liability companies, general and limited partnerships, and business trusts that are authorized to transact business in Virginia (to obtain information about a sole proprietorship, contact the locality where the business is conducted). The Clerk's Office also serves as the central location in Virginia for the filing and indexing of Uniform Commercial Code (UCC) financing statements and certain federal tax liens.

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Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-08

SCC NEWS RELEASE

Contact: Andy Farmer
(804) 371-9141, andy.farmer@scc.virginia.gov

February 23, 2011

SCC SCHEDULES LOCAL HEARINGS TO RECEIVE TESTIMONY ON MT. STORM-DOUBS TRANSMISSION LINE

RICHMOND – The State Corporation Commission (SCC) will hold hearings in Winchester and Purcellville in April to provide the public with an opportunity to address Dominion Virginia Power's proposal to rebuild the Mt. Storm – Doubs 500-kilovolt (kV) transmission line through northern Virginia. The local hearings will give members of the public more convenient locations to offer testimony as public witnesses.

The company proposes to rebuild an existing 500-kV transmission line that runs for 99.26 miles from Dominion's Mt. Storm substation in West Virginia to the Potomac Edison Company's Doubs substation in Maryland. Portions of the line run through Frederick, Clarke, and Loudoun counties. The new line would be located within existing right-of-way.

The first local hearing will be in Winchester on Tuesday, April 5, 2011, in the John Handley High School auditorium, 425 Handley Boulevard. The hearing will begin at 4 p.m. and then reconvene at 7 p.m.

The next local hearing will be in Purcellville in Loudoun County on Wednesday, April 6, 2011, in the Loudoun Valley High School auditorium, 340 North Maple Avenue. The hearing will begin at 4 p.m. and then reconvene at 7 p.m. Any person wishing to testify at the hearings should arrive early and notify the SCC bailiff.

The SCC hearing will continue in Richmond on Monday, June 20, 2011, to receive additional public comments and the testimony and evidence from the applicant and case participants. The Richmond hearing will begin at 10 a.m. in an SCC courtroom on the second floor of the Tyler Building, 1300 East Main Street in downtown Richmond.

Any person who wishes to file written public comments has until June 10 to do so. Written correspondence should refer to case number PUE-2011-00003 and be sent to the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, VA 23218. Or, public comments may be submitted electronically via the SCC website following the instructions provided at: <http://www.scc.virginia.gov/case>.

Case Number PUE-2011-00003 – Application of Dominion Virginia Power: Mt. Storm – Doubs 500-kV transmission line rebuild

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Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-09

SCC NEWS RELEASE

Contact: Andy Farmer
(804) 371-9141, andy.farmer@scc.virginia.gov

February 28, 2011

SCC SEEKS COMMENTS ON KENTUCKY UTILITIES RATE HIKE REQUEST; SCHEDULES PUBLIC HEARING

RICHMOND — The State Corporation Commission (SCC) will hold a public hearing on March 24, 2011 on a request by Kentucky Utilities Company for an increase in its fuel rate.

Kentucky Utilities, doing business in Virginia as Old Dominion Power Company, seeks to increase its fuel factor by 0.560 cents per kilowatt-hour (¢/kWh) from 2.482 ¢/kWh to 3.042 ¢/kWh effective for service rendered on or after April 1, 2011. The proposed fuel factor will increase a customer's monthly bill by \$5.60 for each 1,000 kWh of electricity used.

A public hearing on the request is scheduled for 1:30 p.m. on Thursday, March 24, 2011. 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 proposals must be submitted by March 21, 2011. 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-2011-00019.

Interested persons desiring to submit comments electronically may do so at the SCC's website: www.scc.virginia.gov/case. Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2011-00019.

Case Number PUE-2011-00019 – Application of Kentucky Utilities Company to revise its fuel factor

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P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-10

SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, Katha.Treanor@scc.virginia.gov

March 7, 2011

SCC OFFERS NATIONAL CONSUMER PROTECTION WEEK REMINDERS

RICHMOND – Every day, Virginians conduct transactions that require them to make informed decisions. Whether it involves shopping for a mortgage or other loan, comparing insurance policies, understanding utility bills, or planning for retirement, it is important to know how to protect your interests and where to turn for help if you have a question or complaint.

The State Corporation Commission (SCC), in recognition of the 13th annual National Consumer Protection Week (NCPW), March 6-12, encourages Virginians to make the most of their money by understanding how to find the products and services best suited to their needs and knowing where to turn should a problem arise.

The SCC oversees insurance, state-chartered financial institutions, securities, franchises, and investor-owned utilities (electric, natural gas, water, sewer, and telecommunications) doing business in Virginia. It provides useful information and assistance to help consumers make informed choices and file a complaint if they are not satisfied with the responses they receive from regulated industries. It offers numerous consumer guides and other information and has specially trained staff that can assist consumers with their questions and concerns about regulated individuals and entities.

“The SCC is a valuable resource for people who want to stretch their paychecks, protect their families and their assets, and find legitimate products and services that suit their particular needs,” said Ron Thomas, director of the SCC’s Division of Securities and Retail Franchising.

“Our consumer services operations are a key component of the SCC’s overall mission,” said E.J. Face, Jr., Virginia Commissioner of Financial Institutions. “We can help consumers arm themselves with the information they need to successfully navigate today’s increasingly complex marketplace.”

“We encourage consumers to work with the regulated company or individual, should a problem arise. Then, if you still consider the matter unresolved or receive an unsatisfactory result, contact the appropriate SCC division by phone, mail, or e-mail using the online complaint form,” said Insurance Commissioner Jacqueline K. Cunningham.

(more)

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The SCC offers the following tips in securing products and services:

- Shop around for products and services that are competitively provided.
- Make sure that a product or service is suited to your particular needs.
- Verify that an individual or company is licensed or registered with the SCC.
- Thoroughly evaluate any offer and keep written records of any transactions.

Consumers who have complaints regarding regulated entities can turn to the SCC for assistance. The Commission encourages consumers to complete a written complaint form relating to their specific area of concern. This ensures an accurate description of the nature of the complaint. The complaint process and forms are available by going to the SCC website at www.scc.virginia.gov and clicking on the appropriate division.

For more information, call the SCC toll-free in Virginia at 1-800-552-7945 or contact the following divisions:

- Bureau of Insurance – (804) 371-9741
- Bureau of Financial Institutions – (804) 371-9657
- Division of Securities and Retail Franchising – (804) 371-9051
- Division of Energy Regulation – (804) 371-9611
- Division of Communications – (804) 371-9420

Even if the Commission does not oversee a particular firm, individual, or product, SCC staff will assist consumers by referring them to the appropriate local, state, or federal authority for assistance.



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P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-11

SCC NEWS RELEASE

Contact: Andy Farmer
(804) 371-9141, andy.farmer@scc.virginia.gov

March 11, 2011

SCC SEEKS COMMENTS ON VIRGINIA NATURAL GAS RATE HIKE REQUEST; SCHEDULES PUBLIC HEARING

RICHMOND – The State Corporation Commission (SCC) will hold a public hearing on October 25, 2011, on a request by Virginia Natural Gas, Inc. (VNG) for an increase in its base rates.

VNG seeks an increase to the company's annual base rate revenue of \$28.4 million to recover costs for the construction of the Hampton Roads Crossing Pipeline as well as operational cost increases. If approved, VNG projects that the monthly bill of a typical residential customer would increase on August 1, 2011, by \$6.27, or 9.6 percent.

As an alternative, VNG proposes a mitigation plan that includes a three-year phase-in of rates. According to VNG, in the first year, a typical residential customer would see an increase of \$3.11 per month. In the second year, the monthly increase would be \$1.48. In the third year, the monthly increase would be \$1.42.

A public hearing on the request is scheduled for 10 a.m. on Tuesday, October 25, 2011. 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 proposals must be submitted by October 18, 2011. 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-2010-00142.

Interested persons desiring to submit comments electronically may do so at the SCC's website: www.scc.virginia.gov/case. Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2010-00142.

Case Number PUE-2010-00142 – Application of Virginia Natural Gas for an increase in base rates

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P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

LL-12

SCC NEWS RELEASE

Contact: Vanessa Copeland
(804) 371-9141, Vanessa.Copeland@scc.virginia.gov

March 17, 2011

NEW ANNUAL REGISTRATION FEE ASSESSMENT SCHEDULE FOR LIMITED LIABILITY COMPANIES OF RECORD IN VIRGINIA

RICHMOND – The State Corporation Commission (SCC) has adopted a new schedule for assessing annual registration fees against limited liability companies (LLCs) on file in its Clerk’s Office. The new schedule is effective April 30, 2011, and affects Virginia as well as foreign LLCs of record. In prior years, all LLCs were assessed in the month of July and payments were due by October 1.

The new assessment schedule is based on an LLC’s anniversary month of formation (if a Virginia LLC) or registration to transact business in Virginia (if a foreign LLC). The anniversary month determines when an LLC is notified of the annual assessment, which is mailed to its Virginia registered agent – and when its annual registration fee payment is due, as reflected in the chart below.

Anniversary Month of Formation or Registration	Assessment Date	Notice of Assessment Mailing Month	Payment Due Date	Automatic Cancellation Date for Nonpayment of Fee
July	May 1, 2011	May, 2011	July 31, 2011	October 31, 2011
August	June 1, 2011	June, 2011	August 31, 2011	November 30, 2011
September	July 1, 2011	July, 2011	September 30, 2011	December 31, 2011
October	August 1, 2011	August, 2011	October 31, 2011	January 31, 2012
November	September 1, 2011	September, 2011	November 30, 2011	February 29, 2012
December	October 1, 2011	October, 2011	December 31, 2011	March 31, 2012
January	November 1, 2011	November, 2011	January 31, 2012	April 30, 2012
February	December 1, 2011	December, 2011	February 29, 2012	May 31, 2012
March	January 1, 2012	January, 2012	March 31, 2012	June 30, 2012
April	February 1, 2012	February, 2012	April 30, 2012	July 31, 2012
May	March 1, 2012	March, 2012	May 31, 2012	August 31, 2012
June	April 1, 2012	April, 2012	June 30, 2012	September 30, 2012

SCC records currently show more than 200,000 domestic and foreign limited liability companies registered to transact business in Virginia. The number of LLCs is nearly equal to the number of corporations in Virginia, which have been on a monthly assessment/payment schedule for more than 10 years. The Clerk’s Office of the SCC is responsible for mailing the assessment notices and processing annual registration fee payments.

(more)

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According to Joel H. Peck, the Clerk of the Commission, “The revised schedule for limited liability companies will result in more efficient handling of the large volume of LLC payments and associated paperwork.” Peck adds, “Moving to a monthly schedule will satisfy several of our customers who are registered agents for numerous LLCs and who have asked for this change.”

The modified assessment schedule also prepares the Commission for additional online services soon to be offered via the SCC eFile website. An online payment option for LLCs will be available before the summer.

Peck suggests all LLC owners (as well as owners of other types of business entities) check with their registered agent to stay abreast of all entity-related correspondence received from the Commission.

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

The SCC's authority encompasses utilities, insurance, state-chartered financial institutions, securities, retail franchising, and railroads. It is the state's central filing office for corporations, limited partnerships, limited liability companies and Uniform Commercial Code liens.

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Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-13

SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

March 23, 2011

SCC SETS RATE RIDERS FOR DOMINION VIRGINIA POWER THAT TAKE EFFECT APRIL 1

RICHMOND – The State Corporation Commission has set four rate riders that Dominion Virginia Power customers will pay beginning April 1, 2011. Two are designed to recover costs associated with the construction of new power plants. The other two recover costs associated with previously approved efficiency and conservation programs, including residential and commercial lighting programs.

The estimated net effect of the surcharges, identified as “Riders C1, C2, R, and S,” means a typical residential customer will pay an additional \$1.06 per month, resulting in a total surcharge for all riders of \$5.55 per month. The surcharges are reviewed annually and re-set, as necessary.

“Rider R” was established a year ago and allows recovery of, on a timely and current basis, the costs of financing construction of the Bear Garden natural gas-fired power plant in Buckingham County. The total “Rider R” surcharge will generate approximately \$78.2 million in revenue over 12 months.

“Rider S” was established two years ago to allow recovery of the costs of financing construction of a new coal-fired power plant in Wise County. The total “Rider S” surcharge will generate approximately \$199.2 million in revenue over 12 months.

“Riders C1 and C2” were established a year ago to recover costs associated with four efficiency and conservation programs [demand side management]. The total “Riders C1 and C2” surcharges will generate approximately \$18.3 million in revenue over 12 months. In denying the company’s request to recover alleged lost revenues that result from the use of more efficient compact fluorescent light (CFL) bulbs, the Commission expressed concern with the method used by the company to measure and verify the benefits of such a program.

The Commission said, “...any methodology [for determining energy conservation] must still meet a sufficient level of rigor and credibility before customers can be burdened with higher rates to compensate the company for alleged lost revenue. Such rigor is especially important given that customers are being asked to pay higher rates because of the CFL program, regardless of whether they participate in such program.”

(more)

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These surcharges do not appear directly on the bill. Instead, they are components of the total bill. For a residential customer using 1,000 kilowatt-hours of electricity, "Rider R" is increasing the typical monthly bill by approximately 30 cents, "Rider "S" by approximately 93 cents, and Riders C1 and C2 decrease the typical bill by approximately 17 cents.

Under Virginia law, utilities may request rate surcharges for, among other things, environmental and reliability costs, conservation programs, renewable energy programs, and generation facilities. These rate surcharges are separate from a utility's base rates and fuel rates.

Case number PUE-2010-00054 – Rider S surcharge
Case number PUE-2010-00055 – Rider R surcharge
Case number PUE-2010-00084 – Riders C1 & C2 surcharge



Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-14

SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

March 30, 2011

SCC SETS FUEL RATE FOR KENTUCKY UTILITIES

RICHMOND – The State Corporation Commission (SCC) has approved a new fuel rate requested by Kentucky Utilities that will take effect on April 1. Kentucky Utilities does business in Virginia as Old Dominion Power Company.

The fuel rate is the portion of the electric bill that pays for the fuel used to generate electricity and reflects wholesale purchases and sales of power. The new fuel rate effective April 1 is 3.026 cents per kilowatt hour (¢/kWh). The current rate is 2.482 ¢/kWh.

The increase is driven, in large measure, by the expiration of the current large correction factor credit and under-recovery of fuel expenses over the past 12 months. The increase is offset to some degree by a forecasted reduction in the company’s expenses for coal.

For the average residential customer, the fuel rate increase means the monthly bill for 1,000 kilowatt-hours of electricity will increase approximately \$5.44 from \$76.67 to \$82.11.

The fuel rate is reviewed annually by the Commission and re-set, as necessary, to reflect actual fuel expenses for the previous year and projected fuel expenses for the coming year.

Old Dominion Power Company serves approximately 30,000 customers in Wise, Russell, Scott, Dickenson and Lee counties in Southwest Virginia.



Case Number PUE-2011-00019

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Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-15

SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

April 6, 2011

SCC IMPOSES \$37.4 MILLION PENALTY ON TWO INDIVIDUALS AND RELATED COMPANIES FOR VIRGINIA SECURITIES ACT VIOLATIONS

RICHMOND – The State Corporation Commission (SCC) has imposed a maximum penalty of \$10,000 for each of 3,743 violations of the Virginia Securities Act by Julius Everett Johnson, Walter Ray Reinhardt and several of their respective companies. The total penalty of \$37.4 million will be waived if the defendants pay restitution of approximately \$11.35 million to Virginia investors who were harmed by the illegal practices of the defendants.

The Commission found that Johnson of Richmond, Virginia, and Reinhardt of Kenner, Louisiana, sold over \$11 million in securities that were unregistered and sold by unregistered agents. The offers contained material misrepresentations or omissions through business practices that operated as a fraud or deceit on the purchasers. The majority of the transactions occurred since 2005.

Based upon the record on which the SCC rendered its decision, the defendants took advantage of the purchasers after establishing a familiar, almost intimate business advisor relationship. In the hearing examiner's report to the Commission, the senior hearing examiner who made recommendations to the Commission stated that the defendants were able to convince many conservative, risk averse, elderly investors to invest millions of dollars by cloaking themselves in respectability.

The defendants have one year to make restitution in order to avoid imposition of the penalty. They have 21 days from the date of the Commission's order to respond to a recommendation to be permanently enjoined from transacting securities business in the Commonwealth.

Case number SEC-2009-00075 – Julius Everett Johnson
Case number SEC-2009-00076 – Walter Ray Reinhardt
[Plus numerous other cases involving associated companies.]

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State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-66

SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

April 7, 2011

SCC ACCEPTS REDUCED RATE INCREASE FOR ROANOKE GAS

RICHMOND – The State Corporation Commission (SCC) has accepted the terms of a stipulation that means customers of Roanoke Gas will pay less for natural gas delivery service than the company originally requested. Customers whose monthly bills were higher under interim rates in effect since November 1, 2010 will be due a refund with interest.

Roanoke Gas originally requested an increase in annual operating revenue of approximately \$1.4 million. Upon review, the company and Commission staff settled a number of accounting adjustments. The Commission accepted the stipulation that provides the company approximately \$814,000 in additional annual revenue.

For the average residential customer using 10 decatherms of gas in a single month, instead of paying \$83.87 under the interim rate, the new rate will be approximately one percent less, or \$83.05. The rate prior to the interim rate increase was \$81.99.

Roanoke Gas serves more than 59,000 customers in Roanoke and its surrounding counties.

Case number PUE-2010-00077

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State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-17

SCC NEWS RELEASE

Contact: **Andy Farmer or Ken Schrad**
(804) 371-9141, andy.farmer@scc.virginia.gov

April 14, 2011

SCC SETS SCHEDULES TO CONSIDER ELECTRIC RATE REQUESTS

RICHMOND – The State Corporation Commission (SCC) has set the schedules to receive public comment in several cases involving rate reviews or changes proposed by Kentucky Utilities, Dominion Virginia Power and Appalachian Power. The procedural schedule differs for each case. Persons wishing to provide testimony at public hearings or submit written or electronically-filed comments should carefully review each utility's proposal. It is important to reference the case number to ensure that comments are directed to the proper case.

KENTUCKY UTILITIES

In case number **PUE-2011-00013**, Kentucky Utilities (doing business in Virginia as Old Dominion Power Company) is requesting authority to adjust its base rates for electricity service. To give members of the public in the company's southwestern Virginia service territory a more convenient location to offer testimony as public witnesses, the SCC will hold a public hearing to begin at 11 a.m. on May 25, 2011, in the Norton City Council Chambers, 618 Virginia Avenue in Norton.

Written public comments are due by September 6, 2011. A hearing in Richmond is scheduled for September 13, 2011, at 10 a.m.

DOMINION VIRGINIA POWER

In case number **PUE-2011-00027**, the SCC will conduct a biennial review of the company's base rates that recovers costs associated with the provision of electric generation and distribution services. Written public comments are due by September 13, 2011. A hearing in Richmond is scheduled for September 20, 2011, at 10 a.m.

APPALACHIAN POWER

Appalachian Power has submitted four rate requests for the SCC's consideration.

- Case number **PUE-2011-00034** – Application for approval of a rate adjustment clause to recover the incremental costs of participation in the Renewable Energy Portfolio Program
- Case number **PUE-2011-00035** – Application for a rate adjustment clause to recover costs incurred in complying with state and federal environmental laws and regulations

(MORE)

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- Case number **PUE-2011-00036** – Application for a rate adjustment clause with respect to the Dresden Generating Plant
- Case number **PUE-2011-00037** – Application for a biennial review of the company's base rates that recovers costs associated with the provision of electric generation and distribution services

For the convenience of the public in the company's service territory, the SCC will hold public hearings at two locations in southwest Virginia on the four proposed rate adjustments.

The first local hearing is scheduled to begin at 5 p.m. on May 25, 2011, in the auditorium of the Abingdon High School, 705 Thompson Drive in Abingdon. A second hearing will begin at 5 p.m. on May 26 in the auditorium of the Franklin County High School, 700 Tanyard Road in Rocky Mount.

In case number **PUE-2011-00034**, written public comments are due by September 20, 2011. A hearing in Richmond is scheduled for October 4, 2011, at 10 a.m.

In case number **PUE-2011-00035**, written public comments are due by August 14, 2011. A hearing in Richmond is scheduled for August 31, 2011, at 10 a.m.

In case number **PUE-2011-00036**, written public comments are due by August 16, 2011. A hearing in Richmond is scheduled for August 23, 2011, at 10 a.m.

In case number **PUE-2011-00037**, written public comments are due by September 6, 2011. A hearing in Richmond is scheduled for September 13, 2011, at 10 a.m.

The Richmond hearings will be held in the Commission's second floor courtroom located in the Tyler Building at 1300 East Main Street. Any person wishing to testify at the hearings should arrive early and notify the SCC bailiff. Public witnesses are sworn in and are subject to cross-examination.

The SCC intends to webcast the audio portion of the Richmond hearings via the Internet. Instructions can be found on the SCC website at <http://www.scc.virginia.gov/case>.

Written comments on any of these requests may be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Please refer to the proper case number.

Interested persons desiring to submit comments electronically may do so at the SCC's website: <http://www.scc.virginia.gov/case>. Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for the specific case.

Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-18

SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, Katha.Treanor@scc.virginia.gov

April 18, 2011

SCC'S BUREAU OF INSURANCE CAN ASSIST WITH COVERAGE QUESTIONS FOLLOWING RECENT STORMS

RICHMOND – The recent tornadoes around the state have left a trail of destruction in their wake. Virginia Insurance Commissioner Jacqueline K. Cunningham recommends that consumers who suffered property damage as a result of the recent storms contact their insurance company or agent to file a claim.

You can find contact information for insurance companies and agents on the State Corporation Commission's (SCC) Bureau of Insurance website. If you are looking for the telephone number for your insurer, the web address for the company lookup is www.scc.virginia.gov/boi/ConsumerInquiry/CompanySearch.aspx. The web address for the agent lookup is www.scc.virginia.gov/boi/ConsumerInquiry/ProducerSearch.aspx. The Bureau of Insurance can provide assistance to consumers who have problems contacting their insurance companies or agents or have questions or concerns about their insurance.

Commissioner Cunningham suggests taking pictures of damaged property, saving receipts for repair costs, and protecting your property from further damage. Consumer guides offering tips on what to do when a disaster strikes are being distributed and may be obtained from the Bureau of Insurance. One guide is for homeowners and the other is for businesses. Both provide answers to the most commonly asked questions about settling disaster-related insurance problems. These guides are also available on the Bureau's website at www.scc.virginia.gov/boi/pubs.aspx.

The Bureau may be contacted through its toll-free telephone number at 1-877-310-6560. Consumers may also reach the Consumer Services Section of the Bureau's Property and Casualty Division by calling (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.

Correspondence may be mailed to the Bureau at P.O. Box 1157, Richmond, Virginia 23218. The SCC is located at 1300 East Main Street in downtown Richmond. Normal business hours are from 8:15 a.m. to 5 p.m. The Bureau may also be contacted electronically at BureauofInsurance@scc.virginia.gov or by fax at (804) 371-9349.

Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-19

SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, Katha.treanor@scc.virginia.gov

April 21, 2011

SCC's BUREAU OF INSURANCE EXPANDS SERVICES TO NON-ENGLISH SPEAKING VIRGINIANS

RICHMOND – The State Corporation Commission's Bureau of Insurance (Bureau) can now assist Virginia consumers with questions or concerns about insurance, even if they speak little or no English.

In an effort to expand its outreach efforts and facilitate access to insurance-related information by all Virginians, the Bureau has implemented a new telephone translation service that will enable its consumer services representatives to help Virginians who do not speak English or have limited English speaking skills.

According to the latest estimates by Modern Language Association, an organization dedicated to strengthening the study and teaching of language and literature, 2.7 percent of Virginia's population – or more than 180,000 people – speak English "not well" or "not at all." Of this, 64 percent – or 117,553 Virginians – speak Spanish and almost 13 percent – or 23,784 people – speak Korean or Vietnamese.

"The Bureau of Insurance is pleased to provide a telephone translation service to assist a segment of Virginia's population that we may not have been able to assist previously," said Virginia Insurance Commissioner Jacqueline K. Cunningham. "This new service will allow limited or non-English speaking consumers to contact the Bureau directly with questions or concerns about their insurance coverage. It enhances the Bureau's education and outreach efforts, and expands upon the high-quality services we already offer to consumers. With the telephone translation capability, we will be able to provide more Virginians with the informational tools they need to make sound choices and decisions regarding their insurance coverage," she said.

The Bureau has contracted with MCI for the telephone translation service, called LanguageLine®. Non-English speaking consumers may call the Bureau's toll-free consumer services telephone number at 1-877-310-6560.

Numerous languages are accessible once the consumer reaches a Bureau consumer services staff member. Bureau staff will have the capability to dial the LanguageLine® with the non-English speaking consumer on the phone and access an interpreter for their particular language.

(MORE)

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Funding for the telephone translation service is provided to the Bureau through a federal grant established under the Patient Protection and Affordable Care Act. The Bureau will use the grant to enhance existing efforts to educate consumers about their health coverage options, new programs, and new protections; assist consumers looking for affordable coverage that meets their needs; and collect, track, and quantify problems and inquiries it receives regarding health insurance issues.

In addition to its consumer services representatives, who are specially trained to assist consumers with insurance questions and concerns, the Bureau of Insurance offers consumer guides and speakers on a variety of insurance-related topics. For more information, visit its website at www.scc.virginia.gov/boi/.

Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-20

SCC NEWS RELEASE

Contact: Ken Schrad or Andy Farmer
(804) 371-9141, Ken.Schrad@scc.virginia.gov

April 28, 2011

SCC APPROVES BIOMASS GENERATION FACILITY NEAR SOUTH BOSTON; ADDS REQUIREMENTS TO ASSURE COMPLIANCE WITH VIRGINIA LAW

RICHMOND – The State Corporation Commission (SCC), in a 2-1 decision, has approved an application to construct and operate a 50-megawatt biomass electric generating facility in Halifax County, Virginia. The power plant will be located just outside of South Boston and will burn wood byproducts to generate electricity.

The applicant, South Boston Energy, LLC, intends to sell the electricity produced by the plant to Northern Virginia Electric Cooperative (NOVEC), its parent company. NOVEC will also be involved in the design, construction and operation of the facility.

In the order granting approval, Commissioners Judith Williams Jagdmann and Mark C. Christie stated, "Our path to reaching this result ... has been made particularly arduous by the numerous deficiencies in NOVEC's case apparent in this proceeding." The Commission said, "Ultimately, however, our obligation herein is to apply the relevant Virginia statutes to the case before us... We find that based on the specific facts of this case taken as a whole, and only with ... numerous additional requirements ... the application satisfies the statutory standards."

The Commission conditioned its approval on several requirements, including a \$180 million cost cap, a mandate for NOVEC to develop an integrated resource plan, and directives for subsequent SCC review of additional actions related to this facility.

In a dissenting opinion, Commissioner James C. Dimitri stated, "The record shows that NOVEC has failed to undertake the evaluation and due diligence required for such a significant economic decision," and concluded that, based upon the record, the application did not meet statutory requirements for approval.

The case is continued pending further order of the SCC regarding the various requirements set forth in the Commission's order on the application.

Case number PUE-2010-00126

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Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-21

SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

May 4, 2011

VIRGINIA COMMISSIONER OF INSURANCE REACHES DEFINITIVE AGREEMENT TO SELL SHENANDOAH LIFE INSURANCE COMPANY TO UNITED PROSPERITY LIFE INSURANCE COMPANY

RICHMOND — Virginia Commissioner of Insurance Jacqueline K. Cunningham and United Prosperity Life Insurance Company today announced that they have signed a definitive agreement whereby United Prosperity Life Insurance Company will acquire Shenandoah Life Insurance Company.

Commissioner Cunningham, who was appointed by the State Corporation Commission (SCC) to serve as the Deputy Receiver of Shenandoah, commented, "The sale of Shenandoah to United Prosperity is an important step in restoring the financial soundness of Shenandoah, which is an important Virginia institution with a rich history of nearly 100 years. Successfully completing this transaction will allow Shenandoah to emerge from receivership, which is in the best interest of all of Shenandoah's policyholders, employees and creditors."

Shenandoah has been in receivership since February 2009. A Receivership Order was issued by the Circuit Court of the City of Richmond after the SCC determined that entering receivership was necessary to protect the interests of Shenandoah's policyholders and creditors.

Upon the closing of the transaction, and following regulatory and policyholder approval for the demutualization, Shenandoah will become a wholly-owned subsidiary of United Prosperity Life Insurance Company. As part of the acquisition, United Prosperity will invest a minimum of \$60 million in Shenandoah. Additional terms of the transaction were not disclosed.

The transaction is expected to close by the fourth quarter of 2011. The acquisition will have to be approved by the SCC, and is subject to the Company's successful repurchase of its outstanding and currently in default surplus debentures. During this period, additional information will be provided to policyholders and creditors.

A moratorium placed on the payment of claims and benefits, except for accident & health claims, death claims, periodic annuity payments and hardship claims, at the time of receivership will remain in place during the acquisition process. Additionally, Shenandoah will not resume the issuance of new insurance policies until after the acquisition by United Prosperity Life Insurance Company is complete.

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SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

May 5, 2011

SCC GRANTS VERIZON INTERIM WAIVER REGARDING DELIVERY OF PAPER WHITE PAGE DIRECTORY; CUSTOMERS CAN STILL GET ONE UPON REQUEST

RICHMOND – The State Corporation Commission is granting Virginia’s largest telephone company an interim waiver of the requirement to provide annually a hard copy paper version of the residential white page telephone directory. Customers will continue to receive a white page directory of business and governmental listings with the delivery of the yellow pages and can get a free printed residential white page directory upon request.

Customers will still be able to obtain a paper residential white page directory through a toll free number and instructions on requesting a free residential directory will be provided by Verizon through a news release, bill inserts, and will be displayed on the cover and table of contents of the yellow pages.

The waiver applies to Verizon and any local telephone company that uses Verizon for publishing and distributing directories in Virginia.

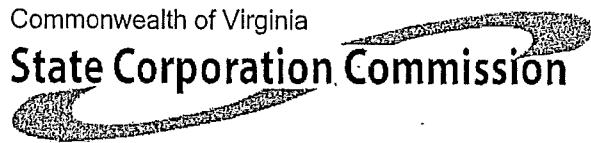
In addition to making a free hard-copy of the residential white page directory available upon request of any customer, the Commission directed the following:

- Verizon shall treat a customer’s initial request as a standing order that does not require annual renewal.
- Verizon shall ensure that the white page directory is available and highly searchable on the company’s website.
- Verizon shall ensure that business and governmental entities and managed multi-tenant locations (such as retirement communities, nursing homes, apartment complexes) with multiple telephone lines will be able to order all necessary residential white page directories through a single request.

Verizon must notify customers of the change as a result of the waiver and other local telephone companies affected by the change are strongly encouraged to do the same.

The Commission will monitor the results of the waiver to ensure that customers who still wish to receive hard copies of the directory have no problem receiving them.

Case number PUC-2010-00046



Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-23

SCC NEWS RELEASE

Contact: Andy Farmer
(804) 371-9141, andy.farmer@scc.virginia.gov

May 10, 2011

SCC SETS SCHEDULES TO CONSIDER DOMINION VIRGINIA POWER RATE REQUESTS

RICHMOND – The State Corporation Commission (SCC) will hold public hearings in June to receive public comments on two electric rate adjustments proposed by Dominion Virginia Power (DVP). The procedural schedule differs for each case. Persons wishing to provide testimony at the public hearings or submit written or electronically-filed comments should carefully review each proposal. It is important to reference the case number to ensure that comments are directed to the proper case.

In Case Number **PUE-2011-00044**, DVP seeks to recover costs for transmission services. If approved, the transmission portion of the monthly bill of a typical residential customer would increase by \$3.84, from \$6.16 to \$10, beginning September 1, 2011.

Written public comments are due by June 16, 2011. A public hearing on the request is scheduled for June 23, 2011, at 10 a.m.

In Case Number **PUE-2011-00045**, DVP seeks to increase the company's fuel rate. DVP states that the fuel rate adjustment is necessary because of an under-recovery of past fuel costs to generate electricity and to meet the projected costs of fuel through June 2012. As filed, the company seeks to raise its current fuel rate from 2.803 cents per kilowatt hour (ϕ /kWh) to 3.620 ϕ /kWh. A typical residential customer using 1,000 kilowatt hours of electricity per month would see their monthly bill increase by \$8.17, from \$103.91 to \$112.08, beginning July 1, 2011.

DVP also has proposed, as an alternative, to collect the under-recovery of past fuel costs over two fuel periods. Under this alternative, the current fuel rate would increase from 2.803 ϕ /kWh to 3.289 ϕ /kWh.

Written public comments are due by June 8, 2011. A public hearing on the request is scheduled for June 21, 2011, at 10 a.m.

The hearings 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 hearings should arrive early and notify the SCC bailiff.

(MORE)

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Written comments on the proposals must be submitted to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Please refer to the proper case number.

Interested persons desiring to submit comments electronically may do so at the SCC's website: www.scc.virginia.gov/case. Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for the specific case number.

Commonwealth of Virginia
State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-24

SCC NEWS RELEASE

Contact: Andy Farmer
(804) 371-9141, andy.farmer@scc.virginia.gov

May 20, 2011

SCC SETS HEARING TO CONSIDER DOMINION VIRGINIA POWER APPLICATION FOR POWER PLANT IN WARREN COUNTY

RICHMOND – The State Corporation Commission (SCC) will hold a public hearing on December 6, 2011, on an application by Dominion Virginia Power (DVP) to build a natural gas-fired generation facility in Warren County.

DVP proposes to build the 1,329 megawatt power plant on a 39-acre site in the Warren Industrial Park, approximately three miles north of Front Royal. The projected cost of the facility is nearly \$1.1 billion.

As part of the application, DVP seeks to recover costs associated with the project through a new rate surcharge (Rider W) that would be effective April 1, 2012. If approved, it is estimated that the monthly bill of a residential customer who uses 1,000 kilowatt of electricity each month would increase by 75 cents.

A public hearing on the request is scheduled for 10 a.m. on Tuesday, December 6, 2011. 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 audio of the Richmond hearing will be webcast via the SCC website.

Written comments on the proposals must be submitted by November 29, 2011. 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-2011-00042.

Interested persons desiring to submit comments electronically may do so at the SCC's website: www.scc.virginia.gov/case. Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2011-00042.

Case Number PUE-2011-00042 – Warren County Power Station

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Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-25

SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, Katha.treanor@scc.virginia.gov

June 1, 2011

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

RICHMOND – With the arrival of hurricane season, the State Corporation Commission's (SCC) Bureau of Insurance reminds Virginians to plan now for the next disaster. This includes reviewing the details of your insurance policy to make sure you have the coverage you need **before** a hurricane, flood, tornado, or other calamity strikes.

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. History has shown that flooding is the most costly natural disaster in the United States, causing extensive damage to homes, businesses, and belongings. 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.

"Prepare now for the unexpected," said Virginia Insurance Commissioner Jacqueline K. Cunningham. "Protect your family, home, and belongings by making sure you have adequate insurance coverage before the first hurricane starts to churn in the Atlantic. Know what your policy does and does not cover. If you have questions, contact your insurance agent or company or the Bureau of Insurance," she said.

Some homeowners policies contain a special deductible for wind or hurricane losses. These are applied separately from any other deductible on the homeowners policy. Some insurance companies automatically include a wind or hurricane deductible, while others offer this deductible at the policyholder's option. 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.

The Bureau of Insurance reminds Virginians that most hurricane damage comes from flooding, not high winds. Even areas hundreds of miles from the coast are at risk for flooding as hurricanes and tropical storms move inland bringing torrential rains and 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 homeowners, renters, and businesses in eligible communities through its National Flood Insurance

(more)

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Program (NFIP). In most cases, there is a 30-day waiting period for a flood insurance policy to take effect. For more information on this program, contact your insurance agent or the NFIP at 1-888-379-9531 or visit www.floodsmart.gov.

Policyholders may also want to consider the following:

- Does your insurance pay replacement costs, or actual cash value for a covered loss?
- Do you have sufficient coverage for the contents of your home in the event of a hurricane? Homeowners policies generally cover contents up to specified limits, but additional coverage may be purchased.
- Are automobiles and other vehicles covered in the event of a hurricane or other windstorm?
- Have you purchased coverage for sewer backup? Most homeowners policies do not provide coverage for sewer backup, but policyholders may purchase additional coverage for this.

The Bureau of Insurance encourages policyholders to prepare a complete inventory of their personal property ahead of time including serial numbers, photographs, and videotapes. Keep this inventory in a safe place, such as a safe deposit box or at work. If a hurricane damages your property, 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.

If you must evacuate, know the name of your insurance company and take your homeowners, auto, and other insurance policies with you. They will contain your policy numbers and the phone numbers of your insurance companies in case you have questions or need to file a claim.

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 and many other consumer insurance guides are available on the Bureau's website at www.scc.virginia.gov/boi.

The Bureau's specially-trained staff 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 mailing address for the Bureau of Insurance is P.O. Box 1157, Richmond, Virginia 23218.

For additional emergency preparedness information relating to hurricanes and other types of disasters, visit www.ready.virginia.gov. This statewide public education effort is designed to prepare Virginians for all kinds of hazards.

SCC NEWS RELEASE

Contact: Vanessa Copeland
 (804) 371-9141, Vanessa.Copeland@scc.virginia.gov

June 13, 2011

SCC ADDS LLC ANNUAL REGISTRATION FEE PAYMENT OPTION TO SCC eFILE

RICHMOND – The State Corporation Commission has added another option to the list of business filing offerings available on its SCC eFile website. Limited liability companies (LLCs) can now pay their annual registration fees using SCC eFile. This is the fourth website release since the site launched publicly in December 2009.

SCC records currently show more than 200,000 domestic and foreign limited liability companies registered to transact business in Virginia. The number of LLCs is nearly equal to the number of corporations in Virginia, which have been utilizing the corporate annual registration fee payment option on SCC eFile since August of last year.

According to Joel H. Peck, the Clerk of the Commission, “This new functionality will allow approximately 98 percent of the 428,000 business entities of record in the Clerk’s Office to use the Internet to pay their annual fees collected by the SCC.”

This website release complements a new SCC regulation, issued in March of this year that modifies the assessment schedule for LLCs, as illustrated in the chart below. The month of formation (Virginia LLCs) or registration (foreign LLCs) determines when an assessment is mailed to an LLC’s Virginia registered agent and when payment of the assessment is due.

Anniversary Month of Formation or Registration	Assessment Date	Notice of Assessment Mailing Month	Payment Due Date	Automatic Cancellation Date for Nonpayment of Fee
July	May 1, 2011	May 2011	July 31, 2011	October 31, 2011
August	June 1, 2011	June 2011	August 31, 2011	November 30, 2011
September	July 1, 2011	July 2011	September 30, 2011	December 31, 2011
October	August 1, 2011	August 2011	October 31, 2011	January 31, 2012
November	September 1, 2011	September 2011	November 30, 2011	February 29, 2012
December	October 1, 2011	October 2011	December 31, 2011	March 31, 2012
January	November 1, 2011	November 2011	January 31, 2012	April 30, 2012
February	December 1, 2011	December 2011	February 29, 2012	May 31, 2012
March	January 1, 2012	January 2012	March 31, 2012	June 30, 2012
April	February 1, 2012	February 2012	April 30, 2012	July 31, 2012
May	March 1, 2012	March 2012	May 31, 2012	August 31, 2012
June	April 1, 2012	April 2012	June 30, 2012	September 30, 2012

(more)

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It is suggested that owners of all business entity types check with their registered agent to stay current on all entity-related correspondence from the Commission. Registered agent and office information can be retrieved and maintained using SCC eFile. Visit the SCC eFile website at <https://sccefile.scc.virginia.gov> for additional business entity transactions.

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

The SCC's authority encompasses utilities, insurance, state-chartered financial institutions, securities, retail franchising, and railroads. It is the state's central filing office for corporations, limited partnerships, limited liability companies and Uniform Commercial Code liens.

FOR IMMEDIATE RELEASE

Andy Farmer: (804) 371-9141, Andy.Farmer@scc.virginia.gov

Elyse Petroni: (703) 741-7043, epetroni@golinharris.com

11-27

**VIRGINIA BUSINESSES, ORGANIZATIONS PARTNER WITH VIRGINIA ENERGY SENSE
TO HELP ENCOURAGE PUBLIC TO 'VALUE YOUR POWER'**

Washington Redskins Star DeAngelo Hall Records Ad for Campaign

RICHMOND, Va. – A growing group of leading companies and organizations from across Virginia and Washington Redskins Pro Bowl cornerback DeAngelo Hall have joined the Virginia Energy Sense as partners to help consumers save energy and use electricity more efficiently.

More than 30 organizations have stepped up to partner with Virginia Energy Sense, the Commonwealth's education and outreach program under the guidance of the State Corporation Commission (SCC). The partners — which include major corporations, business associations and nonprofit groups — will expand Virginia Energy Sense's reach by encouraging their employees and members to save energy.

Partners will distribute tips and information to enable their organizations and families to “value your power.” They will also work on an ongoing basis with Virginia Energy Sense to share the ways they have been successful saving energy, so that others can learn best practices.

The full list of partners is available on the Virginia Energy Sense website.

“We're grateful to these businesses, organizations and individuals for stepping up to help more Virginians understand why saving energy is important and how they can take action,” said Ken Schrad, Director of the Division of Information Resources at the SCC. “We also applaud their leadership on energy efficiency, and we're hopeful it will encourage others to serve as an example of using power more efficiently.”

In addition, DeAngelo Hall, a Virginia native and Virginia Tech alumnus, has signed on as a spokesman for the program. Public service announcements featuring the NFL star are airing on radio stations in every region of the state.

Hall is sharing with fans, friends and teammates some of the simple steps everyone can take to conserve energy. He recently dedicated his Twitter account ([@DHall23](https://twitter.com/DHall23)) to Virginia Energy Sense ([@VaEnergySense](https://twitter.com/VaEnergySense)) to share tips and get his 50,000 followers involved in the effort.

The SCC launched Virginia Energy Sense last year. Virginians continue to take advantage of Virginia Energy Sense's free online Energy Tracking Tool powered by Earth Aid, which enables users to learn about their electricity use over any period of time and see how their consumption stacks up against their

friends and neighbors. When users save energy, they earn points that add up to rewards redeemable at retailers across the state.

Virginians can also take part in the program by:

- Following Virginia Energy Sense on Twitter ([@VAEnergySense](https://twitter.com/VAEnergySense))
- “Liking” the Virginia Energy Sense Facebook page (www.facebook.com/virginiaenergysense)
- Joining the energy discussion on the Tumblr blog (<http://virginiaenergysense.tumblr.com/>)
- Sharing energy efficiency successes through Facebook, Twitter and Tumblr
- Encouraging their employer to sign on as a Virginia Energy Sense partner

About Virginia Energy Sense

Virginia Energy Sense is the Commonwealth’s state-wide consumer education and outreach program under the guidance of the State Corporation Commission (SCC). The program will encourage electric energy efficiency and conservation in Virginia households, businesses and institutions. The General Assembly directed the SCC to develop and implement an energy consumer education program for retail customers to provide information regarding energy use, production, conservation and energy efficiency. The Virginia Energy Sense campaign was created to meet that goal.

Our Partners (34 as of June 1)

- | | |
|--|--|
| ▪ Ask Mike, LLC | ▪ Peterson Companies |
| ▪ Association of Energy Conservation Professionals | ▪ RJT Industries |
| ▪ C.W. Hines & Associates, Inc | ▪ Science Museum of Virginia |
| ▪ Computer Sciences Corporation | ▪ Shamin Hotels |
| ▪ Dynalectric | ▪ Southeastern Virginia Community Associations Institute (CAI) |
| ▪ Ecovative Energy | ▪ SRA International |
| ▪ George Mason University | ▪ SUNRNR |
| ▪ Greater Richmond Chamber of Commerce | ▪ Supervalu |
| ▪ Green EcoSavers | ▪ Think Little Home Energy, LLC |
| ▪ Green Homes | ▪ TRC Companies, Inc. |
| ▪ Halsey Home Corporation | ▪ Verizon |
| ▪ Herban Lifestyle | ▪ Virginia Beach Convention Center |
| ▪ Inova Health System | ▪ Virginia Conservation Network |
| ▪ Institute for Building Technology and Safety | ▪ Virginia Wesleyan College |
| ▪ Montgomery County Chamber of Commerce | ▪ Washington Metropolitan Community Associations Institute (CAI) |
| ▪ Norfolk Southern Corporation | ▪ Wheat Energy |
| ▪ Old Dominion University | ▪ XO Communications |
| ▪ Petersburg Chamber of Commerce | |

SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

June 27, 2011

SCC SETS OCTOBER 11 HEARING TO CONSIDER ACQUISITION OF SHENANDOAH LIFE INSURANCE COMPANY

RICHMOND — The State Corporation Commission (SCC) has set a hearing on a proposed rehabilitation plan for Shenandoah Life Insurance Company. The plan involves an acquisition of the Roanoke-based insurance company by United Prosperity Life.

Shenandoah has been in receivership since February 2009. A receivership order was issued by the Circuit Court of the City of Richmond after the SCC determined that entering receivership was necessary to protect the interests of Shenandoah's policyholders and creditors.

The Commission hearing will be held at 10:30 a.m., Tuesday, October 11, 2011 in an SCC courtroom on the second floor of the Tyler Building, 1300 East Main Street in downtown Richmond. The Commission intends to web cast the audio portion of the hearing. Instructions for listening to the web cast can be found on the SCC web site at: <http://www.scc.virginia.gov/case/webcast.aspx>

Upon the closing of the transaction, and following regulatory and policyholder approval for the demutualization, Shenandoah would become a wholly-owned subsidiary of United Prosperity Life Insurance Company. As part of the acquisition, United Prosperity would invest a minimum of \$60 million in Shenandoah. If approved by the Commission and the company's policyholders, the transaction is expected to close by the first quarter of 2012.

A moratorium placed on the payment of claims and benefits, except for accident and health claims, death claims, periodic annuity payments and hardship claims, at the time of receivership will remain in place during the acquisition process. Additionally, Shenandoah will not resume the issuance of new insurance policies until after the acquisition by United Prosperity Life Insurance Company is complete.

Case number INS-2011-00155

Policyholders with questions about the receivership are encouraged to call Shenandoah at (540) 985-4400. Also, information can be obtained at www.shenlife.com. Calls may also be directed to the SCCs' Bureau of Insurance. From within Virginia, the toll free number is (800) 552-7945. Callers may also dial direct at (804) 371-1502.

SCC NEWS RELEASE

Contact: Andy Farmer
(804) 371-9141, andy.farmer@scc.virginia.gov

June 27, 2011

SCC SETS FUEL RATE FOR DOMINION VIRGINIA POWER **Increased costs spread over two years to reduce consumer impact**

RICHMOND – The State Corporation Commission (SCC) has approved a new fuel rate requested by Dominion Virginia Power that will take effect on July 1. The SCC accepted a plan that will spread the higher costs for fuel over a two-year period instead of the normal one-year recovery period. Ratepayers are not charged the financing costs of spreading the payment over two years.

For the average residential customer, the fuel rate increase means the monthly bill for 1,000 kilowatt hours of electricity will increase \$4.86 from \$103.91 to \$108.77. If the full increase was recovered in one year, the monthly bill of a residential customer would increase \$8.17 to \$112.08.

According to Dominion Virginia Power, the increase was driven, for the most part, by rising fuel prices and the effect of last year's hotter-than-normal summer and colder-than-normal winter.

The fuel rate is the portion of the electric bill that pays for the fuel used to generate electricity and the purchase of power from the wholesale market. Dominion Virginia Power is statutorily entitled to recover its prudently incurred fuel costs. This is a dollar-for-dollar recovery, and the company can make no profit on recovery of fuel expenses.

The fuel rate is reviewed annually by the SCC and re-set, as necessary, to reflect actual fuel expenses for the previous year and projected fuel expenses for the coming year.

Case Number PUE-2011-00045 – Application of Dominion Virginia Power to revise its fuel factor

Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-30

SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

June 30, 2011

SCC ENDS VERIZON DIRECTORY ERROR INVESTIGATION; **CITES IMPROVED QUALITY OF DIRECTORIES**

RICHMOND – The State Corporation Commission (SCC) has closed its six-year investigation and audit process to address errors and omissions in the telephone directories of Verizon Virginia and Verizon South. The Commission found that the terms of a 2007 settlement have contributed to significant improvements in the quality of Verizon’s directories by substantially reducing the number of errors and omissions in the directories.

The number of complaints to the SCC for directory listing errors and omissions has dropped dramatically since the SCC investigation began in 2005. There were just seven such complaints in 2010 compared to a high of 354 in 2004.

In addition, the SCC staff has conducted 80 directory audits over a four-year period. There were no directory audit failures in 2009 and 2010. The audits ensured that directories met a 99 percent accuracy rate. Of the 80 audits conducted since 2007, there were four failures for which the company paid a \$50,000 penalty for each directory that failed to meet the accuracy rate.

As part of the settlement the Commission accepted in February 2007, almost \$2 million was distributed to affected customers under a corrective action plan for directory errors and omissions. In addition, almost \$370,000 was paid to customers as a result of tariff revisions that increased significantly the bill credits available to customers who experienced directory errors and omissions.

The Commission commended Verizon for working with the SCC staff in a cooperative and joint effort to improve the quality of the company’s directories. It directed the staff to continue to monitor the accuracy of Verizon’s directories to ensure that widespread problems do not reoccur.

Case number PUC-2005-00007

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Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-31

SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

July 11, 2011

SCC SEEKS COMMENTS ON PROPOSED RULE LIMITING ELECTRIC AND WATER SHUTOFFS TO RESIDENTIAL CUSTOMERS WITH SERIOUS MEDICAL CONDITIONS

RICHMOND – The State Corporation Commission (SCC) is seeking comments on a proposed regulation designed to establish reasonable limits on the ability of electric and water service providers to terminate service to residential customers who have a serious medical condition. The SCC was directed by the Virginia General Assembly to have such regulations in place by October 31, 2011.

Enacted by the legislature to promote public health and safety, the new requirement expands existing law that currently prohibits termination of a customer's service without 10 days notice, by mail, to the customer. The SCC was directed to establish a rule consistent with the public interest.

Under the proposed regulation, any customer who provides the certification of a licensed physician that the customer has a serious medical condition or the customer resides with a family member with a serious medical condition could seek an additional 30 days before service is disconnected.

Eligible customers should be encouraged to have a serious medical condition form on file with the utility. If not on file, the proposed regulation includes a 10-day period for supplying such to the utility in order to have service termination delayed for 30 days from the original termination notice.

The proposed regulation provides additional time for a residential customer to enter into a payment plan with the utility or make arrangements for housing or medical care. As proposed, the regulation allows a customer to delay service termination twice within a 12-month period.

Comments on the proposed regulation are due by August 16, 2011, and must refer to case number PUE-2011-00060.

Written comments may be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

Those who desire to submit comments electronically may do so at the SCC's website: <http://www.scc.virginia.gov/case>. Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for the specific case.

Case number PUE-2011-00060

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Commonwealth of Virginia
State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-32

SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

July 29, 2011

SCC CLOSES RICHMOND-BASED VIRGINIA BUSINESS BANK;
FDIC NAMED RECEIVER
First state-chartered bank closure since 1992

RICHMOND – The State Corporation Commission (SCC) has closed Richmond-based Virginia Business Bank. The SCC's Bureau of Financial Institutions and the Federal Deposit Insurance Corporation (FDIC) took control of the bank at the close of business Friday. The FDIC has been named receiver of the institution. The bank has one Richmond office location.

Through an agreement with the FDIC, Virginia Business Bank is being acquired by Xenith Bank of Richmond. All Virginia Business Bank deposit accounts have been transferred to Xenith Bank and will be available during normal business hours. There will not be any loss exposure to bank depositors. Xenith Bank is a state-chartered institution that was formed in January 2003.

The SCC acted pursuant to Virginia banking law (Section 6.2-913) that authorizes the Commission to take charge of the books, assets and affairs of, and close a bank if a bank is found to be insolvent or if deemed necessary for the protection of the public interest. The SCC petitioned the Circuit Court of the City of Richmond to have the FDIC appointed receiver of the bank.

Virginia Business Bank, located at 9020 Stony Point Parkway (Suite 225) in Richmond, has held a state banking charter since February 10, 2006. The last Virginia state-chartered bank to be closed by the SCC occurred in December 1992.

Virginia Commissioner of Financial Institutions E. Joseph Face, Jr. reminds depositors that deposits of all Virginia banks are insured by the FDIC up to \$250,000. Principal and interest on insured accounts are fully insured by the FDIC, up to the \$250,000 limit. Special rules apply to accounts held in trust status and for joint accounts that may further expand deposit coverage. Additional information is available on the website of the FDIC at www.fdic.gov.

The FDIC has established a website and toll-free phone number to answer questions from depositors, creditors, and other interested parties regarding the receivership of Virginia Business Bank. The website is <http://www.fdic.gov/bank/individual/failed/vbb.html>. The toll-free phone number is 1-800-837-0215.

Case number BFI-2011-00208

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Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-33

SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, Katha.treanor@scc.virginia.gov

August 1, 2011

**SCC SETS HEARING ON WORKERS' COMPENSATION
PREMIUM LEVEL ADJUSTMENTS**

RICHMOND – The State Corporation Commission (SCC) has scheduled an October 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 the industrial, federal, and surface and underground coal mine classifications in the voluntary market. It has proposed an increase in the overall premium level for the industrial and surface and underground coal mine classifications in the assigned risk plan and no change for the federal classifications in the assigned risk plan.

The proposed changes, which would become effective on April 1, 2012, 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	+10.5%	+8.8%
"F" (Federal)	+2.8%	0.0%
Coal Mines (Surface)	+16.8%	+15.7%
Coal Mines (Underground)	+13.4%	+10.1%

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, October 27, 2011, 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.

(more)

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Written comments on the proposed changes must be submitted by October 14, 2011. 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 INS-2011-00163.

Interested persons desiring to submit comments electronically may do so at the SCC's website at www.scc.virginia.gov/case. Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for case number INS-2011-00163.

Case number INS-2011-00163

Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-34

SCC NEWS RELEASE

Contact: Andy Farmer
(804) 371-9141, andy.farmer@scc.virginia.gov

August 8, 2011

NATIONAL 811 DAY IS AUGUST 11; **AWARENESS OF NEED TO CALL 811 (Miss Utility) BEFORE YOU DIG**

RICHMOND – Thursday, August 11 is National 811 Day, a day to remind all homeowners and professional excavators of the importance of calling 811 before any digging or demolishing project. Recent accidents involving damage to underground utility lines that have occurred around the nation highlight the importance of preventing damage to Virginia's underground utility infrastructure.

The State Corporation Commission (SCC) is responsible for administering Virginia's Underground Utility Damage Prevention Act. SCC Utility and Railroad Safety Division Director Massoud Tahamtani says, "While August 11 is a good day to raise the awareness level for calling 811, preventing damage to underground utility lines is a 24-hour, seven-day-a-week responsibility."

Underground utility lines provide vital services such as natural gas, petroleum products, electricity, communications, water supply, and sewage removal. Communications facilities in particular provide services that connect Virginians with 911 dispatchers in times of emergency and keep the public abreast of adverse weather and national defense matters.

According to Tahamtani, "When an underground utility line is damaged, there can be far-reaching consequences. They include serious personal injury, environmental damage, economic loss, and disruption of vital utility services upon which we depend every day." He added, "Damaging an underground utility line usually leads to liability claims and civil penalties against the responsible party."

A simple call to 811 is answered by Miss Utility of Virginia, the state's one-call notification center. Center staff will ask important information about the planned work and then notify the member utility operators. Utility operators send locators to the project area in the time allowed by law to mark the underground utility lines by means of paint or flags. There is no cost for this service. Once marked, hand digging is required within 24 inches of these marks.

MORE

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Miss Utility of Virginia operates Monday through Friday, 7 a.m. to 5 p.m., excluding state and national holidays. Emergency notification service is available 365 days a year, 24 hours a day.

“Calling Miss Utility at 811 and remembering to avoid damage to underground utility lines is captured in Virginia’s C.A.R.E. message,” said Tahamtani. C.A.R.E. means:

Call Miss Utility at 811 before you dig.

Allow the required time for marking.

Respect and protect the marks.

Excavate carefully.

To learn more about “Digging with C.A.R.E.” and Virginia’s damage prevention program, contact the SCC’s Division of Utility and Railroad Safety at (804) 371-9980; or visit the division’s website at: <http://www.scc.virginia.gov/urs/mutility/index.aspx>

Commonwealth of Virginia
State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-35

SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, Katha.Treanor@scc.virginia.gov

August 23, 2011

**SCC CAUTIONS VIRGINIANS REGARDING INVESTMENT PROMISES
TIED TO ECONOMIC UNCERTAINTY**

RICHMOND – Recent stock market volatility, low yields on certificates of deposit and other fixed income investments, and general economic uncertainty have prompted many Virginians to look for safer and more profitable places to put their money. Whether you are saving for retirement or your child's education, making wise investment decisions and avoiding investor traps are key to protecting your financial nest egg.

The State Corporation Commission (SCC) warns that headlines regarding the economic downturn may be used to lure unwary investors into surrendering their hard-earned money. Ron Thomas, director of the SCC's Division of Securities and Retail Franchising, urges Virginians to beware of sales pitches that promise big returns with little or no risk. "Following the latest or greatest get-rich-quick scheme without doing their homework could leave investors holding an empty bag," Thomas said. "Don't be a victim of unsuitable or fraudulent investment opportunities. Investigate before you invest," he said.

Some of the latest headline-related investor complaints state securities regulators are receiving involve investment pitches touting gold and other precious metals, wave energy, synthetic fuels, and distressed real estate. Thomas urges investors to be particularly wary of the following:

- **Gold and Precious Metals.** Higher precious metal prices and the promise of an ever-appreciating, "tangible" asset have lured unsuspecting investors into a variety of scams. There are no guarantees with gold or precious metals, even in legitimate markets. In the spring of 2011, silver's value declined by 30 percent in a single three-week period.
- **Distressed Real Estate Schemes.** Investment offerings involving distressed real estate have been on the rise following the collapse of the real estate bubble. While many legitimate investment offerings are tied to real estate, investment pools targeting distressed real estate have become increasingly popular with con artists as well as investors. Investments in properties that are bank-owned, in foreclosure, pending short sales or otherwise in distress are risky and should be evaluated carefully. Like other securities, interests in real estate ventures must be registered with state securities regulators.

(more)

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- **Energy Investments.** These may involve oil and gas investments or development of new energy-related technologies. They often rely on high-pressure marketing tactics and promise quick profits. Even legitimate offerings in these ventures may carry a high degree of risk.
- **Promissory Notes.** These short-term debt instruments are often offered by little-known or nonexistent companies and promise high returns with little or no risk. They give investors a false sense of security by promising fixed interest rates and safety of principal. However, even legitimate notes carry some risk that the issuers may not be able to meet their obligations. Most promissory notes and the persons who sell them must be registered with state securities regulators.
- **Affinity Fraud.** Marketing a fraudulent investment scheme to members of an identifiable group or organization continues to be a lucrative practice for Ponzi scheme operators and other fraudsters. The most commonly exploited are the elderly or retired, religious groups, and ethnic groups. Investment decisions should always be made based on careful evaluation of the underlying merits rather than common affiliations with the promoter.
- **Unlicensed Advisors.** Anyone selling securities or providing investment advice about buying or selling securities such as stocks, bonds, or mutual funds, must be appropriately licensed. One should investigate anyone providing investment advice or offering to help you buy or sell securities.
- **Bogus or Exaggerated Credentials.** State securities regulators have led the effort to prevent the misuse of credentials or designations intended to imply special expertise or training in advising senior citizens on financial matters. Now, state regulators are noticing an increase in the use of other bogus credentials or exaggerated designations. Investors should press for full disclosure and the meaning behind all designations, and should check with their state regulator if they have any suspicions about claimed credentials.

Thomas expects similar investment traps to persist for the foreseeable future. Many involve complex financial products that typically are unsuitable for the average investor.

Thomas urges investors to carefully research any investment opportunity and the person and company offering it. "Steer clear of investing landmines by making sure you understand the investment product being offered. Obtain written information that fully explains the investment *before* you hand over your money. Weigh risk versus reward and make sure any offering meets your personal investment goals," Thomas said. "Contact the SCC's Securities Division *before* you invest to find out if both the salesperson and the investment are registered in Virginia. If you don't, chances are your hard-earned money cannot be recovered," he said.

For more information, call the Securities Division 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/srf or visit the North American Securities Administrators Association's website at www.nasaa.org.

SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, Katha.treanor@scc.virginia.gov

August 24, 2011

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

RICHMOND – Hurricanes and their accompanying winds and rains are forces to be reckoned with. In Virginia alone, hurricanes have caused dozens of deaths and billions of dollars in damage to homes, businesses, and other property during the past decade. Virginia, like much of the East Coast, is watching and waiting anxiously now as Hurricane Irene churns its way through the Atlantic Ocean toward the United States.

Virginia Insurance Commissioner Jacqueline K. Cunningham urges Virginians to know what to do before a hurricane or other disaster strikes your home or business property. The Bureau is your source for insurance information relating to disasters.

The potential threat of property damage from Hurricane Irene, if it strikes at or near the Virginia coastline, will raise many questions from Virginia policyholders. Those questions will include how to minimize property damage and, if such damage occurs, how to expedite the processing of claims with your insurance company.

Due to the high winds associated with hurricanes, it is a good idea to secure all outside furniture and remove all other loose items from your property. You can make the claim process easier if you have a complete list of the belongings in your home. This list should include all of the vital information about your belongings, such as the brand name, price, date of purchase, model, and serial number. Receipts and photos are always helpful.

The National Association of Insurance Commissioners (NAIC) offers a free smartphone app – myHOME Scr.APP.book – to help you create a home inventory. This app lets users photograph and capture images, descriptions, bar codes, and serial numbers, and then stores them electronically for safekeeping. To download myHOME Scr.APP.book for iPhone® users, visit the iTunes® App Store or do a search for “NAIC” in the app store from your iPhone. Additional information about the app, as well as a simple home inventory checklist, are available on the NAIC website at www.insureuonline.org.

Advance planning is the key to successfully weathering disasters. Now is the time to gather your insurance documents, such as your homeowners, automobile, life, health, and business insurance policies. Should you need to report a claim or evacuate a high risk area, it is important to have all your

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insurance information with you. Be sure you have copies of your insurance policies readily available, as well as information on how to reach your insurance company or agent to report a claim, such as the telephone number for the claims department. Since flood damage is not covered by a standard homeowners or renter's insurance policy, if you have a separate flood insurance policy, remember to keep a copy of the policy and the contact details for the insurance company with you. Know how your policy's deductibles are applied in the event you need to file a claim. Contact your insurance company or agent if you have questions about your coverage.

The Bureau of Insurance offers free consumer guides with information about what to do when a disaster strikes. The guides, entitled "What to Do After an Insured Commercial Property Loss" and "What to Do After an Insured Homeowners Loss," deal specifically with insurance-related disaster recovery issues. Both 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/boi.

The Bureau also has specially trained staff who can help consumers with their disaster-related insurance questions or problems. For more information, contact the Bureau of Insurance at (804) 371-9185 (Property and Casualty Division) or (804) 371-9691 (Life and Health Division) 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. Correspondence may be mailed to the Bureau of Insurance at P. O. Box 1157, Richmond, VA 23218.

For additional emergency preparedness information relating to hurricanes and other types of disasters, visit www.ready.virginia.gov. This statewide public education effort is designed to prepare Virginians for all kinds of hazards.

Commonwealth of Virginia
State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, Katha.Treanor@scc.virginia.gov

August 26, 2011

SCC'S BUREAU OF INSURANCE CAN ASSIST WITH COVERAGE QUESTIONS FOLLOWING RECENT EARTHQUAKE

RICHMOND – Earthquakes are probably not something most Virginians think about when purchasing homeowners insurance. However, an earthquake on August 23 in Central Virginia served as a reminder that they can, and do, happen here.

The State Corporation Commission's (SCC) Bureau of Insurance reminds Virginians that damage from earthquakes is excluded under homeowners' policies unless coverage for earthquake-related damage has been purchased as an addition to their homeowners' insurance policy. Not every insurance company offers earthquake coverage, but many of them do. Consumers should review their policies to determine if they want to purchase this added protection.

Virginia Insurance Commissioner Jacqueline K. Cunningham encourages Virginia homeowners to review their policies carefully to fully understand any coverage limitations or exclusions, and to contact their insurance agents or companies for information relating to earthquake coverage and the rates for specific policies. Earthquake insurance rates are determined differently by each insurance company and vary depending upon the home's building construction.

Homeowners should review the coverage provisions and pay particular attention to the way the earthquake deductible applies. Earthquake deductibles are usually expressed as a percentage rather than a flat dollar amount, and many insurance companies use a two percent deductible. Earthquake deductibles apply separately to each coverage under the homeowners policy, so the Bureau urges consumers to make sure they understand how their deductible works.

For more information, contact the Bureau of Insurance Property and Casualty Division in Richmond at (804) 371-9185 or toll-free at 1-877-310-6560 or visit the Bureau's website at www.scc.virginia.gov/division/boi/. Consumers who are deaf or 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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Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, katha.treanor@scc.virginia.gov

September 6, 2011

SCC CAUTIONS INVESTORS ABOUT SOCIAL NETWORKING FRAUD

RICHMOND – The days of cold-calling salesmen peddling investment products in person, by phone, or on Internet bulletin boards are quickly being replaced by “cold online networking.” As people increasingly use social networking to interact with one another, they may expose themselves to questionable investment deals.

The State Corporation Commission (SCC) warns Virginians to make sure they know with whom they are doing business when considering investment opportunities pitched through “friends” on social networking sites. “Make sure you know whether that person who has ‘friended’ you online is truly a friend or a foe before giving them your hard-earned money,” said Ron Thomas, director of the SCC’s Division of Securities and Retail Franchising. “The person behind the profile may not be who they seem. Instead, they may be deliberately mimicking your likes and interests to lure you into an unsuitable investment opportunity or outright scam.”

Targets of such affinity schemes typically include community service groups, professional associations or faith-based organizations. Scammers infiltrate groups of individuals connected through common interests, hobbies, lifestyles, professions, or faith to establish a false bond or common interest before launching the scheme.

The rise in popularity of online social networks such as Facebook, Twitter, LinkedIn, eHarmony, and other online communities has made it easier than ever for con artists to quickly establish trust and credibility. Online social networking sites enable scammers to gain access to potential victims through their online profiles. Con artists can then use this information to make highly targeted pitches to “friends” within a particular social group. “Because of the nature of social networks and their ease of accumulating a lot of friends or followers, scams can spread like wildfire,” Thomas said.

Thomas urges investors to carefully research any investment opportunity and the person and company offering it. Obtain written information that fully explains the investment before you hand over your money. Understand the investment product being offered and make sure it meets your personal investment goals.

The SCC offers an investor alert regarding social networking on its website at www.scc.virginia.gov/srf. The alert advises investors to watch for red flags common to online

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investment schemes such as promises of high returns with no risk, operations based offshore, and requests for payment through e-currency websites.

The alert also offers tips on how investors can protect themselves against fraud in social networking by taking the following steps: protect your personal information; search the names of all persons and companies connected to any investment being offered; obtain a prospectus; beware of testimonials from "satisfied" investors; do not take the word of a salesperson; and contact the SCC's Division of Securities and Retail Franchising to determine if an investment and the person recommending it are properly registered.

For more information, call the Securities Division in Richmond at (804) 371-9051 or toll-free (in Virginia) at 1-800-552-7945. You may also visit the division's website or the North American Securities Administrators Association's website at www.nasaa.org[®].

Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: Vanessa Copeland
(804) 371-9141, Vanessa.Copeland@scc.virginia.gov

September 7, 2011

SCC eFILE WEBSITE NOW ALLOWS ONLINE BUSINESS ENTITY FORMATION; VIRGINIA ONE OF A FEW STATES OFFERING THIS CONVENIENCE

RICHMOND – The State Corporation Commission (SCC) now offers future business owners two streamlined, online methods for forming their Virginia corporation or limited liability company (LLC). The new SCC eFile features shorten the formation process and make Virginia one of the few states to offer online, real-time business entity formation. This is the fifth and the most robust SCC eFile release since the system debuted in December 2009.

This service is available for the formation of any new Virginia corporation or LLC. SCC eFile customers can choose between two online submission methods, depending on the complexity of the business entity's structure. The SCC eFile Express option provides real-time formation and confirmation for simple, typically small businesses. Complex formation documents are subject to more intensive, manual review. These documents can be submitted via SCC eFile as portable document format (PDF) files. Customers are encouraged to review the filing criteria as explained on the SCC eFile website prior to any submission.

Joel H. Peck, Clerk of the Commission, notes, "Providing Internet access for forming new corporations and limited liability companies has been a high priority of the Commission. The recent deployment of this functionality is the crowning achievement of our SCC eFile project." In 2010, the Commission issued charters or certificates of organization to nearly 48,000 Virginia business entities (13,455 corporations and 34,515 LLCs):

Additional offerings are planned for the SCC eFile website. They include utilizing the PDF submission feature to accept more types of business entity documents and the ability to obtain certificates of good standing or certificates of fact for various business types.

Visit SCC eFile at <https://sccfile.scc.virginia.gov/>.

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Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, Katha.treanor@scc.virginia.gov

September 12, 2011

TELEPHONE ASSISTANCE PLANS HELP LOW-INCOME VIRGINIANS STAY CONNECTED

RICHMOND – Access to local emergency services and community resources is vital to all Virginians. Being able to make a local phone call can keep vulnerable Virginians from becoming totally isolated and can mean the difference between life and death in an emergency.

Discounted telephone service programs are available through local telephone companies to low-income Virginians to enable them to stay connected to community resources. The State Corporation Commission (SCC) encourages eligible Virginia residents who need local phone service but cannot afford it to take advantage of the Virginia Universal Service Plan program. The plan makes basic wireline phone service more affordable to those who need it.

The SCC is partnering with the Federal Communications Commission, the National Association of Regulatory Utility Commissioners, and the National Association of State Utility Consumer Advocates during “National Telephone Discount Lifeline Awareness Week” September 12-18. The goal of this nationwide outreach effort is to increase awareness about telephone service assistance available through state and federal programs and to expand the number of qualified participants.

The Virginia Universal Service Plan, in existence since 1988, has two components known as Lifeline and Link-Up. Implemented jointly by the SCC and the Federal Communications Commission, this plan helps eligible consumers purchase more affordable telephone service. Under the Lifeline plan, telephone customers who participate in or are eligible for certain medical or food public assistance programs are entitled to receive basic telephone service discounts, which, in some cases, are valued at more than \$14 per month. The other program, known as Link-Up, provides a 50 percent reduction in the telephone service installation charge, up to a maximum of \$30. This program is available to qualifying households that do not currently have telephone service.

Most wireline telephone companies in Virginia provide this assistance and will help with enrollment. A number of wireless companies also provide discounted service to qualifying low income consumers in Virginia. If you have more than one local telephone provider in your area, contact each company to verify which ones offer Lifeline and Link-Up support, because not all companies are required to offer these programs.

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The SCC's Division of Communications has regulatory authority over wireline telephone companies operating in Virginia. Additional universal service plan information is available on the SCC website at www.scc.virginia.gov/puc/univ.aspx.



Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, Katha.Treanor@scc.virginia.gov

September 16, 2011

SCC’S BUREAU OF INSURANCE OFFERS FREE PUBLICATION EXPLAINING THE IMMEDIATE PROVISIONS OF FEDERAL HEALTH CARE LAW

RICHMOND – Certain provisions of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Action of 2010 have been in place for nearly a year. Other key aspects of this federal legislation, known as the Affordable Care Act (ACA), are forthcoming in the next few years. The State Corporation Commission’s (SCC) Bureau of Insurance has prepared a free publication to help explain the health care reform changes that may affect your health insurance plan.

The 2011 Virginia General Assembly revised the Commonwealth’s laws to enforce what are called the immediate provisions of these federally-enacted laws. These changes were mainly effective for plan years and policy years that began on or after September 23, 2010. These immediate provisions are now explained in a free consumer publication prepared by the Bureau. Entitled “Federal Health Care Reform – Do Recent Changes have you Puzzled?” the publication helps consumers better understand how their coverage might be affected. The publication addresses such issues as insurance cancellations, annual and lifetime limits on benefits, costs for preventive services, choice of health care providers, coverage for children with pre-existing conditions, and much more.

Not all health insurance plans have changed. Grandfathered health benefit plans or policies are not required to meet certain provisions. The publication describes what is meant by the term “grandfathered health benefit plan or policy.” It also explains ways to determine whether your health benefit plan or policy is grandfathered, and which immediate provisions affect grandfathered health benefit plans or policies. The publication also includes a glossary of frequently used health insurance terms.

Funding for the publication was provided to the Bureau through a federal Consumer Assistance Program grant established under the ACA. The publication is just one of many consumer guides and other materials available on the SCC website regarding federal health care reform and a variety of other insurance-related topics. For a copy of this free publication or other consumer materials offered by the Bureau of Insurance, visit the Bureau’s website at www.scc.virginia.gov/boi or call 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 Telecommunications Device for the Deaf and hard of hearing (TDD) at (804) 371-9206. This document and other guides are also available by writing to the State Corporation

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Commission, Bureau of Insurance, P.O. Box 1157, Richmond, Virginia 23218. The Bureau can also assist non English-speaking consumers with questions or concerns regarding insurance either on its toll-free line or at its main telephone number (804) 371-9741.

The Bureau of Insurance also offers free consumer outreach programs on a number of insurance topics. Speakers are available to talk to your group or organization on the insurance topics of your choice, and provide answers to general questions regarding insurance. For more information, contact the Bureau's Life and Health Insurance Outreach Coordinator, Olivia B. Claud at 804-371-9389 or by email at L&HOutreach@scc.virginia.gov.

To learn more about the Affordable Care Act, please visit www.healthcare.gov.

Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

September 23, 2011

SCC CLOSES BANK OF THE COMMONWEALTH FDIC NAMED RECEIVER

RICHMOND – The State Corporation Commission (SCC) has closed Bank of the Commonwealth based in Norfolk, Virginia. The SCC's Bureau of Financial Institutions and the Federal Deposit Insurance Corporation (FDIC) took control of the bank at the close of business on September 23. The FDIC has been named receiver of the institution. In addition to its main office, the bank has 16 branch offices in Virginia and four in North Carolina.

Through an agreement with the FDIC, Bank of the Commonwealth is being acquired by Southern Bank and Trust Company (Southern Bank) of Mount Olive, North Carolina. All Bank of the Commonwealth deposit accounts have been transferred to Southern Bank and will be available during normal business hours. There will not be any loss exposure to bank depositors.

Southern Bank is a state-chartered institution that primarily provides banking services in eastern North Carolina. Established in 1901, Southern Bank is regulated by the North Carolina Office of the Commissioner of Banks.

The SCC acted pursuant to Virginia banking law (Section 6.2-913) that authorizes the Commission to close a state-chartered bank and take charge of its books, assets and affairs if the bank is found to be insolvent or if deemed necessary for the protection of the public interest. The SCC petitioned the Circuit Court of the City of Norfolk to have the FDIC appointed receiver of the bank.

Bank of the Commonwealth, headquartered at 403 Boush Street in Norfolk, has held a state banking charter since 1971. This is the second state-chartered bank to be closed by the Commission this year.

The FDIC has established a website and toll-free phone number to answer questions from depositors, creditors, and other interested parties regarding the receivership of Bank of the Commonwealth. The website is <http://www.fdic.gov/bank/individual/failed/boc-va.html>. The toll free phone number is 1-800-423-6395.

Case number BFI-2011-00223

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Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: **Katha Treanor**
(804) 371-9141, Katha.Treanor@scc.virginia.gov

September 26, 2011

SCC'S BUREAU OF INSURANCE OFFERS TIPS FOR COMPARING AUTO INSURANCE QUOTES ONLINE

RICHMOND – Everywhere they turn, consumers see advertisements for websites offering to help them save money on auto insurance. The State Corporation Commission's (SCC) Bureau of Insurance encourages Virginians to check their auto insurance policies annually to make sure they have the coverage they need at the best price.

While comparison shopping for the most competitive premium is important, price should not be the sole deciding factor. Knowing what coverage you need and the type of services the company offers are equally important. If you purchase coverage online, be sure you understand how premiums will be billed, how you will receive policy information, and how claims are handled.

Before shopping online, the Bureau suggests brushing up on the types of coverage found in auto insurance policies. A good place to start is the declarations page of your existing policy. "Research the insurance company, and get to know the product you are buying before you start to shop," said Virginia Insurance Commissioner Jacqueline K. Cunningham. "Make sure you are comparing apples to apples when examining coverage and rates. The lowest price policy may not always be the one that best suits your individual needs."

Whenever you shop for coverage, be prepared to provide information such as the car make and model, annual miles driven, and the driving records of you and family members in your household. When completing online quote requests, be prepared to share information from your current auto insurance policy, driver's licenses of all drivers in your household, and the driving history for all operators. Generally, insurance companies ask for three years of driving history and will verify the motor vehicle report to check the driving records of all named drivers. They may also check claims histories for at-fault and not at-fault accidents and convictions. In addition to your driving record, many insurers use credit information to determine how much premium they will charge you.

When you compare quotes, be sure all quotes are based on the same coverage and limits. Keep in mind that not all insurers make coverage available immediately, even if you have made a premium payment. Always allow sufficient time to shop for coverage so you will not be without valuable insurance protection.

Once you have made a payment for the policy, make sure you have documentation confirming the coverage you purchased and the effective date of your coverage. If coverage is purchased online and you communicate with your insurer electronically, be sure you advise your insurer whenever your

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email address is changed. If you set up automatic direct bill payments where your insurer bills your credit card automatically or drafts your checking account, be sure you advise your insurer immediately when there has been a change to these accounts.

The Bureau of Insurance website at www.scc.virginia.gov/division/boi and the consumer section of the National Association of Insurance Commissioners website at insureUonline.org contain additional information on auto insurance. The Bureau's "Auto Insurance Consumer's Guide" and corresponding premium comparison pamphlet in English and Spanish are available on the Bureau's website. This guide is designed to help consumers understand their insurance coverage, how to shop for it, and what to do if a problem arises. You can also check the Bureau's website to see if an insurance company is licensed to do business.

The Property & Casualty Consumer Services Section staff can provide you with copies of guides, assist you with any questions you have on auto insurance, and provide guidance on how to shop for auto insurance. The Bureau's Consumer Services Section can be contacted at (804) 371-9185 or toll-free at (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 or by writing to the State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, Virginia 23218.

Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: **Andy Farmer**
(804) 371-9141, andy.farmer@scc.virginia.gov

October 14, 2011

SCC APPROVES REDUCED RATE INCREASE FOR KENTUCKY UTILITIES; AUTHORIZES \$6.65 MILLION INCREASE

RICHMOND – The State Corporation Commission (SCC) has approved a revised rate settlement that means customers of Kentucky Utilities, doing business as Old Dominion Power Company in Virginia, will pay less for electricity than the company originally requested.

Under the Commission order, a rate increase totaling \$6.65 million was approved. Kentucky Utilities originally requested an increase in rates in the amount of \$9.3 million.

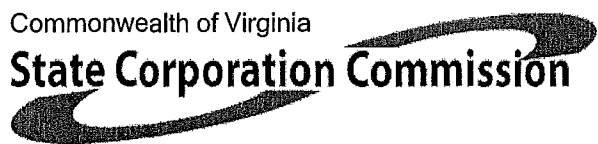
The company's proposed rate increase would have raised the monthly bill of a typical residential customer using 1,000 kilowatt-hours (kWh) of electricity from \$82.27 per month to \$96.73 per month, an increase of \$14.46 or 17.58 percent. The request also included a \$4 increase in the monthly customer charge, from \$8 to \$12.

The SCC approved rate increases the typical residential customer's bill to \$92.05 per month, an increase of \$9.78 or 11.89 percent. This includes a \$2 increase in the monthly customer charge. The new rates take effect on or after November 1, 2011.

The SCC found that the approved rate increase was justified by the higher costs reasonably incurred by the company to provide reliable service. This includes additional annual capital-related expenditures of approximately \$6 million to comply with environmental requirements and placing a new generation plant into service. Kentucky Utilities also incurred \$6 million in costs related to the December 2009 snow storm, which results in an amortized additional annual cost of approximately \$1.2 million.

Case Number PUE-2011-00013

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Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

October 18, 2011

SCC ADOPTS RULE LIMITING DISCONNECTION OF ELECTRIC AND WATER SERVICE TO RESIDENTIAL CUSTOMERS WITH A SERIOUS MEDICAL CONDITION

RICHMOND – The State Corporation Commission (SCC) has adopted a rule that establishes limits on the ability of electric and water service providers to disconnect service to residential customers who have a serious medical condition. The SCC was directed by the Virginia General Assembly to have such a regulation in place by October 31, 2011.

Enacted by the legislature to promote public health and safety, the new rule expands existing law that currently prohibits termination of a customer’s service without 10 days notice, by mail, to the customer. The SCC was directed to establish a rule consistent with the public interest.

Under the new regulation, any customer who provides the certification of a licensed physician that the customer has a serious medical condition or the customer resides with a family member with a serious medical condition may seek an additional 30 days before service is disconnected.

Eligible customers are encouraged to have a serious medical condition form on file with the utility. If not on file, the regulation includes a 10-day period for supplying such form to the utility in order to have service termination delayed for 30 days from the original termination notice.

The form (SMCC) is available from the utility service provider or can be downloaded from the SCC website at: <http://www.scc.virginia.gov/pue/rules.aspx>.

The new regulation provides additional time for a residential customer to enter into a payment plan with the utility or make arrangements for housing or medical care. And, the new regulation allows a customer to delay service termination twice within a 12-month period.

The new regulation takes effect October 31, 2011

Case number PUE-2011-00060

Form SMCC

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Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

October 21, 2011

SCC APPROVES ACQUISITION OF SHENANDOAH LIFE INSURANCE COMPANY; REHABILITATION PLAN IN BEST INTEREST OF POLICYHOLDERS

RICHMOND — The State Corporation Commission (SCC) has approved a rehabilitation plan, including a plan of conversion, for Shenandoah Life Insurance Company. The plan involves an acquisition of the Roanoke-based insurance company by United Prosperity Life.

In its final order approving the rehabilitation plan, the Commission said the plan of conversion of Shenandoah Life from a mutual company owned by policyholders and the acquisition by United Prosperity Life, a stock company, is “fair and equitable” to policyholders.

Shenandoah has been in receivership since February 2009. A receivership order was issued by the Circuit Court of the City of Richmond after the SCC and Shenandoah Life determined that entering receivership was necessary to protect the interests of Shenandoah's policyholders and creditors.

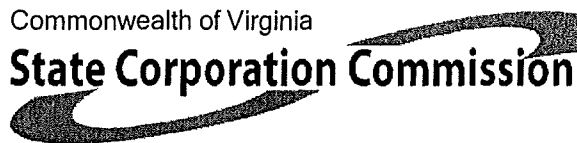
Upon the closing of the transaction and following policyholder approval for the demutualization, Shenandoah would become a wholly-owned subsidiary of United Prosperity Life Insurance Company. As part of the acquisition, United Prosperity will invest a minimum of \$60 million in Shenandoah. If approved by more than two-thirds of the votes cast by Shenandoah's policyholders, the transaction is expected to close by the first half of 2012. United Prosperity has indicated that it plans to continue operating out of the Roanoke office.

The moratorium placed on policy loans, cash or surrender values, surrenders, fund transfers, lapses, cash outs and similar payments will remain in place and may be extended by United Prosperity into the first half of 2013. Additionally, Shenandoah will not resume the issuance of new insurance policies until after the acquisition by United Prosperity Life Insurance Company is complete.

Case number INS-2011-00155

Policyholders with questions about the receivership are encouraged to call Shenandoah at (540) 985-4400. Also, information can be obtained at www.shenlife.com. Calls may also be directed to the SCCs' Bureau of Insurance. From within Virginia, the toll free number is (800) 552-7945. Callers may also dial direct at (804) 371-1502.

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Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

11-47

SCC NEWS RELEASE

Contact: **Andy Farmer**
(804) 371-9141, andy.farmer@scc.virginia.gov

November 3, 2011

SCC APPROVES RATE ADJUSTMENT FOR APPALACHIAN POWER: Authorizes \$6.3 Million to Recover Renewable Energy Portfolio Costs

RICHMOND – The State Corporation Commission (SCC) has approved a request by Appalachian Power Company to recover \$6.3 million in costs for participation in a renewable energy portfolio standard (RPS) program. The rate adjustment will become effective for service rendered on or after February 1, 2012. The costs were associated with the company's two wind purchase power agreements, Camp Grove and Fowler Ridge.

The Commission found that the incremental costs of these agreements are properly recoverable through the RPS rate adjustment as proposed by the company. The SCC also found that it is reasonable to recover the non-incremental costs of the Camp Grove and Fowler Ridge purchase power agreements through the company's fuel factor.

Several public witnesses questioned recovery through the RPS rate adjustment of costs for renewable energy produced outside of Virginia. The Commission found that the Code of Virginia does not permit it to deny cost recovery on such grounds.

The SCC directed Appalachian Power to file its next RPS rate adjustment on or before September 30, 2012.

Case Number PUE-2011-00034

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SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

November 23, 2011

**SCC APPROVES STANDBY CHARGE FOR RESIDENTIAL CUSTOMERS
WITH CERTAIN SELF-GENERATION SYSTEMS**

RICHMOND – Any residential customer of Dominion Virginia Power who owns and operates certain net-metered electric generation systems of 10 kilowatts or larger will pay a monthly standby charge as authorized by state law during the 2011 session of the General Assembly. The State Corporation Commission (SCC) has approved a standby charge methodology that allows the company to recover its transmission and distribution costs since those customers still make use of electric grid.

The grid must be available to deliver power to net-metered customer generators when their own solar or other forms of generation are not producing electricity and to return any excess power produced by eligible customer-generators' facilities. In approving the methodology, the Commission stated in its final order that, "the evidence in this record indicates that any avoided cost benefits provided by customer-generators, at least in terms of the transmission and distribution grid, are insufficient to pay for their proportionate share of the grid."

The Commission did not approve the company's request for a generation component of the standby charge. Although the company wanted that component to be set at \$0 for now, the Commission directed the company file a future request that evaluates both the generation costs and benefits associated with serving eligible customer-generators.

The Commission also encourages the consideration and adoption of alternative methodologies in subsequent proceedings that could mitigate the standby charge by weighing the potential avoided costs and benefits to the company from having net-metered customer-generators selling energy and capacity back into the company's system.

Case number PUE-2011-00088

Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

November 30, 2011

SCC ORDERS DOMINION VIRGINIA POWER TO REFUND \$78.3 MILLION TO CUSTOMERS

RICHMOND – The State Corporation Commission (SCC) has ordered Dominion Virginia Power to refund \$78.3 million to its customers based on overearnings during the years 2009 and 2010. The action came following a “first-of-its-kind” biennial review of the rates of the state’s largest electric utility, as required by Virginia law.

The refund will come in the form of a rate credit and will apply to those customers receiving service in 2009 and 2010. For a typical residential customer using an average of 1,000 kilowatt-hours of electricity per month, the refund will be an average monthly credit of approximately \$2.85. Credits will appear on bills during a six-month period beginning no later than the February 2012 billing cycle.

Dominion Virginia Power’s base rates will remain unchanged at least through December 1, 2013, according to the terms of a settlement agreement among the company and all participants in a 2009 rate case which froze the company’s base rates for four years. That settlement agreement did allow for certain appropriate accounting adjustments to Dominion Virginia Power’s earnings during the rate freeze period.

Under applicable Virginia law, if Dominion Virginia Power’s earnings exceeded a certain earnings limit, a refund is due to customers. The SCC ruled on several accounting adjustments proposed by the company, SCC staff, and other case participants resulting in the refund total ordered by the Commission.

Examples of the numerous earnings adjustments decided by the SCC in its order include:

- Amortizing over 21 months the cost of severance payments made to Dominion Virginia Power employees who were part of its workforce reduction program in 2010. This treatment matched the severance costs with the resulting savings. The company had proposed taking the total charge as an offset to earnings in the year incurred. This particular adjustment reduced the annual revenue requirement by \$103 million and increased the refund amount.
- Allowing the company to include in rate base its deferred fuel balances that were held by a separate corporate affiliate. This particular adjustment increased the annual revenue requirement by \$47.5 million and decreased the refund amount.

(more)

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In setting the company's authorized return on equity for base rates for the next review period of 2011 and 2012, the Commission determined that 10.9 percent is "fair and reasonable ... within the meaning of the statute." The 10.9 percent includes a half-percent (50 basis points) incentive that Virginia law awards to the company for meeting certain renewable energy targets. The company was seeking a combined rate of return on equity of 12.5 percent.

Case number PUE-2011-00027

Commonwealth of Virginia

State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

November 30, 2011

SCC APPROVES \$85.1 MILLION REVENUE INCREASE FOR APPALACHIAN POWER

RICHMOND – The State Corporation Commission (SCC) has approved a total of \$85.1 million in revenue increases for Appalachian Power Company in two rate case orders. One case is a review of base rates that, under Virginia law, takes place every two years. The other case was filed under a provision of Virginia law allowing electric utilities to recover environmental expenses.

The original additional revenue increase requested by Appalachian Power in both cases totaled \$203.4 million. In the biennial review case, the company also originally asked that \$51 million be deferred, with carrying costs, to be collected later from customers. The SCC's final orders in each case results in a combined total increase of \$85.1 million.

For a typical residential customer using 1,000 kilowatt-hours of electricity per month, the monthly bill will increase by approximately \$7, from \$94.66 to \$101.66.

The major components leading to the rate adjustment include:

- Allowing recovery of \$56.8 million in additional expenses for compliance with state and federal environmental regulations.
- Rejecting recovery through a rate adjustment clause of \$33.8 million in environmental components of capacity payments the company is already recovering from base rates.
- Denying recovery of \$23.9 million in workforce transition costs, as these were deemed already recovered.
- Implementing depreciation schedules now, a \$39 million impact, instead of deferring a greater cost to ratepayers in the future.

Appalachian Power had requested that the new depreciation schedule be deferred for recovery in the future with the company receiving a carrying cost on the amount deferred. The SCC, however, noted that doing so would only increase the cost on Appalachian Power's customers and put the burden on future ratepayers.

In setting the company's authorized return on equity for base rates for the review period of 2011 and 2012, the Commission determined that 10.9 percent is "fair and reasonable ... within the meaning

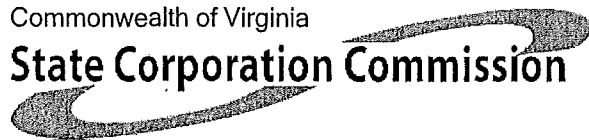
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of the statute.” The 10.9 percent includes a half-percent (50 basis points) incentive that Virginia law awards to the company for meeting certain renewable energy targets. The renewable energy incentive increases the company’s annual revenue by approximately \$7.75 million. The company was seeking a combined rate of return on equity of 11.65 percent.

Case number PUE-2011-00035 – environmental rate adjustment clause

Case number PUE-2011-00037 – biennial review of base rates



Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: **Ken Schrad**
(804) 371-9141, ken.schrad@scc.virginia.gov

December 5, 2011

SCC SETS 2012 RATE RIDERS FOR PIPELINE IMPROVEMENTS BY VIRGINIA'S TWO LARGEST NATURAL GAS DISTRIBUTION COMPANIES

RICHMOND – The State Corporation Commission (SCC) has approved a plan and a surcharge for 2012 for Columbia Gas of Virginia to recover the costs of replacing natural case pipelines to improve system safety and reliability and reduce or have the potential to reduce greenhouse gas emissions.

In a separate order, the SCC approved a revised surcharge for 2012 for Washington Gas Light for a program to recover pipeline replacement costs. Called a "Steps to Advance Virginia's Energy Rider" or "SAVE Rider," the surcharge appears as a separate line item on a customer's bill and can be adjusted annually.

The Columbia Gas of Virginia SAVE Rider takes effect with the first billing unit for January 2012. The surcharge will be billed as a fixed monthly charge and add approximately 36 cents per month to a typical residential customer's bill.

The Washington Gas Light SAVE Rider takes effect for bills rendered on and after January 1, 2012. This rider is calculated on a per therm basis, and the annual impact on a typical residential customer's bill with an average of 765 therms is estimated at \$6.43.

Case Number PUE-2011-00049 Columbia Gas of Virginia SAVE Plan and Rider
Case Number PUE-2011-00101 Washington Gas Light SAVE Rider for 2012

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SCC NEWS RELEASE

Contact: **Katha Treanor**
 (804) 371-9141, Katha.Treanor@scc.virginia.gov

December 8, 2011

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 levels for the industrial, federal, and surface and underground coal mine classifications in both the voluntary market and the assigned risk plan.

The changes will become effective April 1, 2012, for new and renewal workers' compensation policies, as follows:

<u>Class</u>	<u>Voluntary Market Loss Costs</u>	<u>Assigned Risk Rates</u>
Industrial	+10.5%	+11.4%
"F" (Federal)	+2.8%	+1.7%
Coal Mines (Surface)	+16.8%	+19.1%
Coal Mines (Underground)	+13.4%	+13.4%

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

Case number INS-2011-00163

Commonwealth of Virginia
State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: Ken Schrad
(804) 371-9141, ken.schrad@scc.virginia.gov

December 20, 2011

SCC NAMED RECEIVER OF SOUTHERN TITLE INSURANCE CORPORATION

RICHMOND – The State Corporation Commission (SCC) has been named receiver of Southern Title Insurance Corporation by the Circuit Court of the City of Richmond. Southern Title and the Commission determined that the receivership was necessary to protect the interests of policyholders and creditors.

Southern Title, a regional title underwriter, is a Virginia-domiciled insurer writing title insurance coverage. Southern Title is headquartered in Richmond, Virginia and licensed to do business in 21 states.

A title insurance company issues policies in conjunction with the sale of property. The company conducts a thorough search of property records for documents affecting the property in question, particularly defects of title. If a defect is found, then remedial action is necessary before a policy is issued. Title insurance coverage protects the policyholder if, at some time in the future, a defect is claimed and proven true.

Southern Title voluntarily suspended the issuance of new title policies on September 15, 2011. The SCC issued an order of suspension on September 19. An impairment order was issued by the SCC on November 4 because the company no longer met minimum capital and reserve requirements. Southern Title experienced financial difficulties because of agent defalcations in Texas and the rise in title insurance claims arising from that alleged misuse of funds.

Virginia Commissioner of Insurance Jacqueline K. Cunningham has been appointed deputy receiver in an effort to rehabilitate the company. A moratorium has been placed on the payment of claims until the deputy receiver completes an evaluation of Southern Title's financial condition.

Policyholders with questions about the receivership are encouraged to call the SCC's Bureau of Insurance. From within Virginia, the toll-free number is (800) 552-7945. Callers may also dial directly at (804) 371-1502.

SCC case number INS-2011-00239

Circuit Court file CL11-5660-RDT

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Commonwealth of Virginia
State Corporation Commission

Division of Information Resources
P. O. Box 1197, Richmond, Virginia 23218

Ken Schrad
Director

Angela P. Bowser
Assistant Director

www.scc.virginia.gov

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SCC NEWS RELEASE

Contact: **Andy Farmer**
(804) 371-9141, andy.farmer@scc.virginia.gov

December 20, 2011

SCC ACCEPTS REDUCED RATE INCREASE FOR VIRGINIA NATURAL GAS

RICHMOND – The State Corporation Commission (SCC) has accepted the terms of a stipulation that means customers of Virginia Natural Gas will pay less for natural gas delivery service than the company originally requested. Customers whose monthly bills were higher under interim rates in effect since October 1, 2011, will be due a refund with interest.

Virginia Natural Gas originally requested an increase in annual operating revenue of \$25.1 million that would have resulted in a monthly increase for residential customers of about \$6 for the average residential customer. Upon review, the company, the SCC staff, the office of the Attorney General and other interested parties settled a number of issues. The Commission accepted the stipulation that provides the company approximately \$11.3 million in additional annual revenue.

For the average residential customer using 51.2 Ccf (hundred cubic feet) of gas in a month, the bill will increase by \$3.47.

Virginia Natural Gas serves more than 275,000 customers in southeast Virginia.

Case Number PUE-2010-00142

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