

Dominion Virginia Power
701 East Cary Street, Richmond, VA 23219
Mailing Address: P.O. Box 26666
Richmond, VA 23261-6666



October 9, 2013

Mr. Steve Sinclair
Chief, Public Utilities Branch
Fairfax County Government Center
12000 Government Center Parkway, Suite 433
Fairfax, VA 22035

CONTRACTOR PILOT PROGRAM AGREEMENT BETWEEN
THE VIRGINIA ENERGY PURCHASING GOVERNMENTAL ASSOCIATION AND
VIRGINIA ELECTRIC AND POWER COMPANY

Dear Mr. Sinclair:

Members of the Virginia Energy Purchasing Governmental Association (VEPGA) are currently purchasing electricity from Virginia Electric and Power Company D/B/A Virginia Power (DVP) in accordance with an Agreement dated March 8, 2011 (Contract).

In accordance with a request by VEPGA to use DVP approved contractors for construction purposes not presently allowed by the Contract, this agreement creates a pilot program (Pilot) between DVP and VEPGA. The intent of the Pilot is to alter the construction process and grant VEPGA members (Customer) control over the use of contractors during the construction phase of the selected projects.

The Pilot will consist of no more than two projects selected prior to June 1, 2016 by VEPGA and approved by DVP with an estimated cost of construction in excess of \$250,000.00.

The selected projects will either be new construction, or overhead to underground conversions.

The Pilot will allow the Customer to utilize DVP approved contractor labor at the onset of the project. The Customer cannot contract with or utilize contractor resources contractually committed to DVP.

DVP will terminate cables, splice cables, make the facilities ready to be energized, energize the facilities, de-energize and make safe facilities to be removed, and perform any work requiring specialized skills related to the operation of DVP's distribution facilities.

If requested by the Customer in writing prior to the design phase of the project, the Customer may perform the removal portion of the project using DVP approved contractors once DVP determines the facilities to be removed are de-energized and safe.

DVP will make available its standard material as per the final design to the Customer's selected DVP approved contractor. The Customer will be responsible for staging the material at an offsite area.

Per Section III.E.6. of the Contract, the Customer shall be responsible for:

- a. the safekeeping of any materials, equipment or supplies furnished the Customer by DVP (hereafter "Materials"),
- b. the return to DVP's storeroom of any unused Materials, and
- c. the reconciliation of discrepancies between Materials furnished by DVP, Materials used in the work and Materials returned to DVP.

The Customer shall, upon receipt of an invoice, reimburse the Company at the Company's cost for Material discrepancies or for damages to equipment and associated repair labor as well as Materials before or during the construction phase, or returned damaged upon project completion.

Upon the project being released for construction, DVP will provide a planned scheduled start date for DVP crews that shall coincide with the expected completion of the Customer's installation. This date may be adjusted by mutual agreement based on construction contingencies.

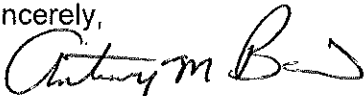
Per Section III.E.5. of the Contract, the Customer shall pay the actual inspection charges to DVP for reasonable inspection service provided by DVP. DVP's inspector shall have the right to work directly with the contractor and correct or stop the contractor's work in order to enforce DVP's written specifications, work rules, and construction practices.

The Customer will be assessed a \$5,000.00 charge per at-fault line outage which is an unintended line interruption to the Company's customers due to an action of the selected contractor and its employees. All unintended line outages will be reviewed by the Company to assess if caused by Customer's selected contractor.

Language in the Contract will provide guidance on all other issues.

If you agree with the provisions of the Pilot, please sign and date, in the space provided on each of the enclosed copies and return to my attention. Upon final processing, a copy will be returned to your office.

Sincerely,



Anthony M. Barni
Manager Customer Solutions

ACCEPTED:
Virginia Energy Purchasing
Governmental Association

By: Stephen Sinclair

Title: Chairman

Date: October 15, 2013

ACCEPTED:
Virginia Electric and Power Company

By: Chris M. Baird

Title: Authorized Representative

Date: 10/22/13