

Dominion Virginia Power
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October 20, 2014

Cliona Mary Robb, Esquire
Christian and Barton, LLP
909 East Main Street
Suite 1200
Richmond, VA 23219-3095

Re: Terms and Conditions to the Amended and Restated Agreement for the Provision of Electric Service to Municipalities and Counties of the Commonwealth of Virginia from Virginia Electric and Power Company

Dear Cliona:

Pursuant to your email to Bonnie Horton on Thursday, October 16, 2014, enclosed are revised pages 16–21, 25–26, and 31 of the Terms and Conditions to the Amended and Restated Agreement for the Provision of Electric Service to Municipalities and Counties of the Commonwealth of Virginia from Virginia Electric and Power Company (“Agreement”), effective August 1, 2014, correcting the following omission and typographical errors.

Page Number	Correction
16	On the fourth line of Subsection VI.H.4, replace “The initial term of such minimum (“initial term”) in no case shall be less than one year or more than ten years.” with the following language: “For accounts served under a Rate Schedule that contains discrete per kW charges for Electric Delivery Service, the stated dollar minimum shall not exceed 70 percent of the anticipated average monthly bill for Electric Delivery Service. The Initial Term of such minimum shall be the number of whole years necessary for the present value of the minimum revenue to equal the Company’s net cost of extensions or improvements, but in no case shall it be less than one year nor more than ten years.”
25	On the seventh line of Subsection XII.B., change “Delivery Point(s)” to “Delivery Point(s)”
25	At the end of the second line of Subsection XII.C., change “follows:” to “follows:”
26	On the last line of Subsection XII.D., change the reference to “Subsection XII.C.1, above:” to “Subsection XII.C, above.”
31	On the second line of Subsection XII.G., change “[Subsections” to “Subsections”

Cliona Mary Robb, Esquire
October 20, 2014
Page 2

As the inclusion of the originally omitted language on Page 16 caused the positioning of the text on pages 16 – 21 to scroll differently than the original version of these pages, enclosed are revised pages 16 – 21, 25 – 26, and 31.

Please replace pages 16 – 21, 25 – 26, and 31 in your originally executed version of the Agreement's Terms and Conditions. Virginia Electric and Power Company will do the same. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Trexler", written over a horizontal line.

Robert J. Trexler
Director - Regulation

Enclosures

cc: Horace P. Payne, Jr.
Bonnie P. Horton
John I. Harris

VI. METER READING AND BILLING OR REBILLING FOR METERED OR UNMETERED SERVICES (Continued)

3. Minimums shall be in the form of a minimum kW amount to be applied to the charges for Electric Delivery Service (as opposed to Electricity Supply Service,) except where Electric Delivery Service charges are not stated as discrete dollar amounts per kW for only Electric Delivery Services, in which case they shall be in the form of a stated dollar minimum. The Company may establish both a kW-based minimum and a stated dollar minimum for a given account, but shall only apply the kW-based minimum when the account is billed under a rate having a discrete dollar amount per kW for only Electric Delivery Service, and the Company shall only apply the stated dollar minimum when the account is billed under a rate that does not have a discrete dollar amount per kW for only Electric Delivery Service. The Company shall reasonably determine, based on information provided by the Customer or the Customer's designee, the anticipated kVA at the Delivery Point and any stated dollar minimum. Any kW minimum amount shall not exceed 70 percent of the anticipated peak kVA load utilized by the Company to size its equipment.
4. For accounts served under a Rate Schedule that does not contain discrete per kW charges for Electric Delivery Service, any stated dollar minimum shall not exceed 50 percent of the anticipated average monthly bill (excluding Fuel Charge Rider A charges) for all components of service. For accounts served under a Rate Schedule that contains discrete per kW charges for Electric Delivery Service, the stated dollar minimum shall not exceed 70 percent of the anticipated average monthly bill for Electric Delivery Service. The Initial Term of such minimum shall be the number of whole years necessary for the present value of the minimum revenue to equal the Company's net cost of extensions or improvements, but in no case shall it be less than one year nor more than ten years. Upon request, the Company shall provide its work papers showing its calculations pursuant to this Subsection VI.H. Upon request, the Company shall reduce the initial term if loads added by other customers increase the utilization of any Company equipment whose cost was used in calculation of the initial term, with such reduced term being determined under the method described above for initial term determination. If during the initial term the Customer's load is not maintained at the anticipated level used in establishing the minimum amounts and initial term, the minimum amounts and the initial term shall upon Customer request be revised commensurate with the capacity of appropriately re-sized equipment upon payment by the Customer of the Company's currently estimated cost to re-size such equipment, excluding the material cost of transformers and meters. Following the initial term, minimum amounts determined under this Subsection VI.H. shall continue during the term of service on a month-to-month basis, however, upon request of the Customer the minimum amount shall be revised commensurate with any reduction in anticipated load upon payment by the Customer of the currently estimated labor and transportation charges to re-size the equipment appropriately for such reduced load.

VI. METER READING AND BILLING OR REBILLING FOR METERED OR UNMETERED SERVICES (Continued)

5. Minimum provisions entered into prior to July 1, 2001, shall remain in place as previously agreed to until such time in the normal course of business that such minimum provision is to be modified, in which case such modified minimum shall be established in accordance with this Subsection VI.H.

VII. SELECTION OF SCHEDULE

The following applies to accounts of the Customer:

- A. The Customer will select the particular Rate Schedule of those applicable, under which the Customer desires to purchase Electric Service. The Company may assist the Customer in making this selection but responsibility for the selection rests exclusively with the Customer. The Customer may change its selection of an applicable Rate Schedule in accordance with the terms of the Rate Schedule or any separate agreement relating to the supply of Electric Service to the facility. Such Rate Schedule change will become effective for Electric Service used on and after the meter reading immediately following written notice from the Customer of the selection of a new Rate Schedule, but not earlier than the date permitted under the applicable Rate Schedule or separate agreement.
- B. In an effort to assist the Customer as described in Subsection VII.A., above, the Company will endeavor to review, at least once every 14 months, those accounts being billed under one of the various standard-design Rate Schedules. The purpose of the review will be to determine, based on historical electrical demand and usage information, which accounts, if any, may realize lower billing on an applicable alternate standard-design Rate Schedule. The Company will contact the Customer regarding accounts that may realize more than a minimal savings as determined by the Company's standard policy for making contact. For a Rate Schedule with time-of-usage pricing, limited end-use application, and similar features which require information not normally captured by the Company's billing and account records for customers served under a standard-design Rate Schedule, the Company will perform comparisons upon the Customer's request provided the Customer assists by providing estimated electrical usage information and provided that comparisons for any particular service location are not requested more frequently than once every nine months.

VIII. PAYMENTS

- A. The provision of Electric Service by the Company is contingent upon the Customer's payment to the Company of all charges due from the Customer.

VIII. PAYMENTS (Continued)

- B. The Company will render bills to the Customer at regular intervals. Bills are due and payable upon presentation and become past due on the next bill date. The bill date is shown on the bill and is the date on which the bill is prepared in the Company's billing operations. In no event shall the time between the date of billing preparation and the date by which payment must be received in the Company's office in order to avoid a late payment charge be less than 35 days. In the event payment shall not be received within 35 days of the bill date, a late payment charge of 1.5% per month will be imposed from the bill date to the date of payment on all past due amounts. No late payment charge shall be imposed if the Company fails to mail bills promptly after the billing date. The Customer may designate its billing address.
- C. When the initial or final billing period for a street or traffic lighting service is other than 30 days, the initial or final bill shall be prorated based on the number of days of service covered by such bill as compared to 30 days. The Company's bills to the Customer will reflect the installation and removal of street lights on a timely basis. The Company will exercise reasonable diligence to reflect such street light changes on its bills within 45 days thereof.
- D. Bills are payable at any bill payment location designated by the Company or to any collector or collection agency duly authorized by the Company. Payment shall be paid without regard to any counterclaim. Such payment shall not affect the Customer's claim therefore.
- E. Consolidation of Bills Service

Upon Customer's request, the Company may agree to provide a consolidation of bills service for certain accounts provided:

1. The Customer has a minimum of twenty-five eligible accounts billed to the same mailing address.
2. The Customer agrees to pay the total amount billed by the Payment Due Date. Where the Customer has elected to receive one bill per month, the Payment Due Date is 15 days after the billing date shown on the Consolidation of Bills statement; where the Customer has elected to receive two bills per month, the Payment Due Date is 22 days following said billing date; and where the Customer has elected to receive three bills per month, the Payment Due Date is 25 days following said billing date. Normally, no account that is part of the Consolidation of Bills service will be billed more than once per billing month. If not paid by the Payment Due Date, a late payment charge of 1.5% per month shall be made on any outstanding balance.

VIII. PAYMENTS (Continued)

3. The Customer agrees to pay by check with the appropriate Consolidation of Bills cashier coupon enclosed. Payments may be made at any bill payment location designated by the Company. Alternatively, the Customer may pay electronically in accordance with Subsection VIII.F., below. The Company will advise VEPGA through the JAC, if and when the business decision is made to implement new web-based billing and payment.

No other method of payment for Consolidation of Bills is acceptable. The Company will not waive late payment charges which may accrue due to improper attempts to make timely payments.

4. A continuous course of improper payment or late payment shall be construed as a failure to comply with this portion of the Agreement and may subject the Customer to termination of the Consolidation of Bills service.
 5. The Customer and the Company shall enter into a letter supplement to this Agreement which incorporates other provisions of the Consolidation of Bills service including, but not limited to provisions for the termination of the service and instructions for initial and final bills for an individual account.
- F. Upon the Customer's request and upon execution of a suitable supplemental agreement, the Company will accept payments electronically in accordance with the following provisions:
1. Electronic payments must be sent to the Company's consolidation bank using "CTX" with the American National Standards Institute (ANSI) X12 standard addendum for customer payments (EDI820 Transaction Set, version 4010), detailing each of the Customer's accounts being paid and the amount being paid for each account. The Company may from time to time upgrade to a newer standard, but will support previous standards for a reasonable period as to allow the Customer to upgrade to the newer standard.
 2. If the Customer's failure to provide complete and accurate information with the payment transmission results in posting of the payments beyond the date upon which late payment charges are ordinarily assessed, such late payment charges shall be applied.

IX. USE OF ELECTRICITY BY CUSTOMER

- A. In order to protect the Company's equipment, electricity delivered to those locations served by the Company shall not be used in conjunction with any other source of electricity without previous written consent of the Company which consent shall not be unreasonably withheld (see Section XIII. hereof and the applicable Rate Schedule attached hereto), except that emergency standby generation may be used without such written consent during periods when the delivery of electricity by the Company may fail or be interrupted, provided the Customer's facilities are disconnected from the Company's facilities before the standby generation energizes the Customer's facilities.

IX. USE OF ELECTRICITY BY CUSTOMER (Continued)

- B. Because the Company's facilities used in delivering Electric Service to the Customer have a definite limited capacity and can be damaged by overloads, the Customer shall give at least 90 days' notice to the Company and obtain the Company's consent before making any substantial increase in the total amount of load or before making any substantial change in the nature of load connected to the Company's service. In the event of a substantial load decrease, the Customer shall endeavor to notify the Company 30 days prior to the decrease, but in all cases shall notify the Company not more than 30 days after effecting the load decrease.
- C. The Customer shall not use electricity in any manner which will be detrimental to the Company's provision of Electric Service to other customers. The Company reserves the right, but shall have no duty, to determine the suitability of apparatus or appliances to be connected to its delivery system by the Customer and to refuse to continue or provide Electric Service if it reasonably shall determine that the operation of such apparatus or appliances may be detrimental to its general provision of Electric Service.
- D. In the event the Customer installs equipment which produces harmonics in excess of five percent Total Harmonic Distortion ("THD") and/or three percent of any single harmonic, the Customer will provide and install, at its own risk and expense, all equipment necessary to reduce such harmonics to five percent or less THD and/or to three percent or less of any single harmonic.
- E. The Parties to this Agreement will continue to support an active energy efficiency and load management program with the twin goals of improving energy efficiency and reducing operating costs.
1. In the furtherance of these goals, the Company may at its discretion and upon approval by the Customer, offer energy related services to maximize efficiency in energy consumption and cost which include, but are not limited to the following:
 - a. energy auditing services;
 - b. financial incentives such as rebates, performance based contracting and shared energy saving financing of energy conservation measures;
 - c. energy information services including submetering, energy use reporting, energy management systems, and energy billing management, to encourage energy efficiency measures; and
 - d. energy asset management services, which may include owning, operating, purchasing fuels for, and maintaining, energy facilities and equipment.
 2. The specifics of such options, including pricing and the terms and conditions, shall be negotiated on an individual customer basis.

IX. USE OF ELECTRICITY BY CUSTOMER (Continued)

3. For consulting services, billing comparisons, and other services provided by the Company pursuant to this Subsection IX.E., the Company shall not be liable for any losses or damages whatsoever, whether based on contract, strict liability, tort (including negligence), or warranty (whether expressed or implied), arising from, caused by, or resulting from the use or misuse of such services by the Customer or the supply of such services by the Company.

X. RESPONSIBILITY OF CUSTOMER AND COMPANY

- A. The Customer shall be responsible for keeping persons and vehicles which it reasonably believes to be unauthorized away from Company property installed on the Customer's premises.
- B. The Customer will make a reasonable effort to protect the Company's property on the Customer's premises, but shall not be liable for the cost of repairs or damage to such property unless same was caused by the negligence or willful misconduct of Customer's employees or authorized agents.
 1. When the Company's facilities serving a given location have been damaged by repeated and continued acts of vandalism, the Company will offer innovative solutions to this issue. Regarding streetlights, if the Customer is not in agreement with the Company's innovative solution and if the Customer does not agree to accept financial responsibility for the Materials costs associated with replacing the streetlight, the Company shall have the right to remove the streetlight in accordance with Subsection X.B.2, below.
 2. Prior to removing the streetlights in accordance with Subsection X.B.1., above, the Company shall notify the Customer in writing that (a) the innovative solutions undertaken by the Company in accordance with Subsection X.B.1., above, have not worked and (b) the streetlights will be removed unless the Customer agrees to pay the Materials costs for replacing the streetlight, with the Company paying the manpower costs for replacing the streetlight. If the Customer does not agree within ninety (90) days of its receipt of the Company's notice to pay such Materials costs, the Company shall have the right to remove the streetlight.
- C. Electric Service is supplied by the Company and purchased by the Customer upon the express condition that after it passes the Delivery Point, it becomes the property of the Customer to be used only as herein provided; and unless the negligence or willful misconduct of the Company or its agents or employees shall be a proximate cause thereof, the Company shall not be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse, or presence of the said electricity after it passes the Delivery Point, or for any loss or damage resulting from the presence, character, or condition of the wires or equipment of the Customer or for the inspection or repair thereof.

XI. INTERRUPTIONS TO THE PROVISION OF ELECTRIC SERVICE (Continued)

- D. If the Company in good faith believes that, because of civil disorder, riot, insurrection, war, fire, or other conditions beyond the reasonable control of the Company in the vicinity of its energized facilities, it is necessary to de-energize a portion of its facilities for the protection of the public, or if ordered by duly constituted public authority to do so, the Company may, without incurring liability, de-energize its facilities in such vicinity or in such related area as practically may be required, and the Company shall not be obligated to furnish Electric Service through such facilities, but the Company shall be prompt and diligent in re-energizing its facilities and restoring its service as soon as it believes in the exercise of reasonable care for the protection of the public and the employees of the Company that such action can be taken with reasonable safety.

XII. ELECTRIC LINE EXTENSIONS**A. Customer Requests for Overhead Electric Line Extension**

When the cost to construct or own any overhead electric line extension exceeds four times the Additional Annual Revenue, the Company will provide Electric Service to the Customer, in accordance with Subsection XII.C.2, XII.C.3, or XII.C.4, below.

B. Master Metering

Existing master metered installations will continue to be master metered, except that at the Customer's request, the Company may provide in lieu thereof, individually metered service. If the Customer requests individually metered service, the Customer shall pay to the Company the Excess of Four Years' Revenue and as applied to the additional cost of any new facilities that may be required plus the value of any excess facilities at the location for which the Customer has not paid previously. The location of the new Delivery Point(s) shall be determined by mutual agreement. For residential dwellings, once the conversion to individual metering has been made, the Customer shall not have the option of establishing, reestablishing or expanding excess facilities under Section III for the purpose of reverting to master metering for a period of ten years following the date of conversion, unless otherwise mutually agreed by the Company and the Customer.

C. Customer Requests for New Electric Service, Customer Trenching, Underground Development, Franchise Agreements

The Company will provide to the Customer new Electric Service for facilities previously not provided with Electric Service as follows:

1. The Company will provide new underground Electric Service in an Underground Distribution Area upon payment to the Company of the Excess of Four Years' Revenue. Provided, however, the Company shall not be obligated to construct or own any electric underground line extension beyond the property line of the Customer.

XII. ELECTRIC LINE EXTENSIONS (Continued)

2. The Company will provide new Electric Service for traffic signals upon payment of the Excess of Four Years' Revenue.
3. New Electric Service for all outdoor lighting will be provided upon payment of the Excess of Four Years' Revenue, including those located in an Underground Distribution Area.
4. The Company will provide Electric Service for new metered services and for upgrades to existing metered services upon payment of the Excess of Four Years' Revenue.
5. The Company will provide new Electric Service for all other circumstances, including conversions from overhead to underground, as set forth in Subsection XII.D., below.
6. The following provisions shall apply to any electric line extensions governed by these Terms and Conditions:
 - a. When the Customer provides trenching and backfilling or furnishes a meter pedestal approved by the Company or when the costs of trenching and backfilling are shared by another utility, the Company's charge for providing underground Electric Service will be reduced by the average reduction in cost to the Company resulting therefrom;
 - b. Within any development for which underground Electric Service has been installed, only underground Electric Service will be provided by the Company and it will be pursuant to the non-residential provisions of Section XXII of the Company's Virginia Jurisdictional *Terms and Conditions and Schedules for the Provision of Electric Service*, upon the effective date of the Agreement.
 - c. To the extent a Customer's franchise agreement encompasses payments for conversions from overhead to underground, the provisions of such franchise agreement shall control.

D. Customer Requests for All Other Electric Line Extensions

Upon the effective date of the Agreement, all of the applicable non-residential provisions in the currently effective version of Section XXII – Electric Line Extensions and Installations (“Section XXII”) of the Company's Virginia Jurisdictional *Terms and Conditions and Schedules for the Provision of Electric Service* are applicable to requests not listed in Subsections XII.C.1., XII.C.2., XII.C.3., and XII.C.4, above. This Section XII.D addresses underground Electric Service for all Customer requests with the exception of those service requests described in Subsection XII.C, above.

XII. ELECTRIC LINE EXTENSIONS (Continued)**G. Projects**

1. With respect to any projects requested by the Customer for which it may be required to pay the Company under Subsections XII.A, XII.B, XII.C, or XII.D of the Terms and Conditions, if requested by the Customer, the Company will endeavor within two weeks of such request, to meet with the Customer and to set reasonable timeframes for the Company's key milestones for the project.
2. The Company shall provide the Customer – upon request – with the following:
 - a. A construction sketch of the proposed design;
 - b. Regarding flat-charge projects, the Company will provide VEPGA with any cost-plus-type reports that are available for flat-charge projects, upon the Customer's request, usually for audit purposes. The Company also will provide VEPGA with a listing of reports available upon the Customer's request, for posting on VEPGA's website.
3. The Cost Estimate shall include a summary listing of the work included in the project and an itemized estimate showing all labor, material, and equipment, and other cost items necessary for construction of the project as provided in the Company's Work Request Compatible Unit Cost Estimate or equivalent. Cost Estimates provided by the Company shall be detailed sufficiently to show separately the Civil Construction portion and the electrical aspects of the project and any credit for salvage.
4. As is present practice, the Company and the Customer will agree on a reasonable timeframe for Cost Estimates based on the scope of the project. The JAC will address the issue of completing construction in a timely manner.
5. If requested by the Customer, the Company shall provide a conceptual design of a proposed project involving converting existing overhead services to underground which the Customer may use for planning purposes to consider how or whether it will continue with the project. The Company may charge the Customer for any reasonable costs incurred in furnishing an estimate hereunder regardless of whether or by whom a project is constructed.
6. The Cost Estimate shall remain valid for 90 days. If the Customer does not act on the Cost Estimate within 90 days but subsequently desires to act on the Cost Estimate, any subsequent updates to the Cost Estimate will be limited to revisions necessary to account for changes in the cost of Materials and or labor; for any changes in the field conditions; or the Customer's changes in the project's scope. In the event that the Company cancels the project in its system, due to no response from the Customer within 90 days, the Company will notify the Customer by letter of the project's cancellation.