

**AMENDMENT NO. 2 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**

THIS AMENDMENT No. 2 (“Amendment No. 2”) is made and entered into as of March 18, 2016 (the “Effective Date”) by and between **VIRGINIA ELECTRIC AND POWER COMPANY**, a Virginia public service corporation (“Dominion Virginia Power”), and **VIRGINIA ENERGY PURCHASING GOVERNMENTAL ASSOCIATION**, a joint powers association representing member units of political subdivisions of the Commonwealth of Virginia (“VEPGA”). This Amendment No. 2 revises 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* made and entered into on August 1, 2014 (“Agreement”), as initially amended by Amendment No. 1 made and entered into as of March 24, 2015. Dominion Virginia Power and VEPGA shall be referred to hereafter collectively as the “Parties.”

RECITALS

WHEREAS, the Agreement in Section C, subsection 2 addresses VEPGA generation rate adjustment clauses Rider B-CM for the Biomass Conversions, Rider BW-CM for the Brunswick County Power Station, Rider R-CM for the Bear Garden Generating Facility, Rider S-CM for the Virginia City Hybrid Energy Center, and Rider W-CM for the Warren County Power Station (collectively referred to as the “VEPGA Generation RACs”) and directs Dominion Virginia Power to notify VEPGA by January 25, 2016 of the updated revenue requirements for the VEPGA Generation RACs to become effective for usage on and after July 1, 2016, with costs for the VEPGA Generation RACs to be allocated among VEPGA rate schedules using VEPGA’s choice of the following methods: 1) an allocation methodology of 50% energy and 50% demand or 2) an across-the-board percentage change in each of the VEPGA Generation RACs; and

WHEREAS, the Agreement in Section C, subsection 3 addresses VEPGA transmission rate adjustment clause Rider T-CM and directs Dominion Virginia Power to notify VEPGA by January 25, 2016 of the updated revenue requirement for VEPGA Rider T-CM to become effective for usage on and after July 1, 2016; and

WHEREAS, the Agreement in Section D addresses VEPGA fuel rates and charges and directs Dominion Virginia Power to notify VEPGA by January 25, 2016 of the fuel rate to be included in VEPGA Fuel Charge Rider A to become effective for usage on and after July 1, 2016; and

WHEREAS, the Agreement in Section C, subsection 4 addresses new rate adjustment clauses and states that in the event Dominion Virginia Power receives SCC approval for any new rate adjustment clauses during the term of the Agreement, a comparable rate adjustment clause will be implemented in a similar manner for VEPGA, and Dominion proposes to add VEPGA Rider GV-CM for the Greenville Power Station; and

WHEREAS, the Agreement in Section L addresses the Parties' mutual agreement that VEPGA and its members will treat as confidential and utilize only for budgetary purposes the annual updates to VEPGA Riders and Fuel Information and directs that neither VEPGA nor its members will divulge the VEPGA Riders and Fuel Information to any third party, unless required to do so by law, until such time that the VEPGA Riders and Fuel Information becomes public; and

WHEREAS, the Parties have mutually agreed to implement the VEPGA Generation RACs, VEPGA Rider T-CM, VEPGA Fuel Charge Rider A, and the new VEPGA Rider GV-CM – which the SCC approved for Dominion Virginia Power's jurisdictional customers on March 29, 2016, all as set forth below in this Amendment No. 2.

NOW, THEREFORE, in consideration of the mutual covenants in this Amendment No. 2 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Attachment A** to this Amendment No. 2 sets forth the VEPGA annualized generation, transmission, and fuel rider revenue requirements to be implemented by Dominion Virginia Power to VEPGA for usage on and after July 1, 2016.
2. VEPGA chose to utilize an across-the-board percentage change to calculate the rates for VEPGA Rider B-CM, Rider BW-CM, Rider R-CM, Rider S-CM, Rider W-CM, and Rider GV-CM (“Attachment A VEPGA Generation Riders”), through Item 1, above.
3. VEPGA requested that the rate for VEPGA Fuel Charge Rider A include a deferral of \$3.77 million in projected decreased fuel costs, which shall be included in the deferral balance and incorporated into the calculation of VEPGA Fuel Charge Rider A which will become effective for usage on and after July 1, 2016.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 2 effective as of the Effective Date.

[signatures on following page]

VIRGINIA ELECTRIC AND POWER COMPANY

By: Thomas P. Wohlfarth
Thomas P. Wohlfarth
Senior Vice President—Regulatory Affairs

VIRGINIA ENERGY PURCHASING GOVERNMENTAL ASSOCIATION

By: Jerry L. Walker
Jerry L. Walker
Chairman

ATTACHMENT A, PAGE 1
 AMENDMENT NO. 2
 Virginia Electric and Power Company
 VEPGA Revenue Requirements and Total Average Rates
 To be Effective on July 1, 2016

I. Revenue Requirements Based on Forecasted 12 MO 7/01/16 - 6/30/17 Usage:

Base Rates	Revenue Requirement			Average Rate Per kWh 1/		
	Current	Proposed	Change	Current	Proposed	Change
Distribution and Generation	\$223,286,692	\$223,286,692	\$0	\$0.04751	\$0.04751	\$0.00000
Generation Riders	Current	Proposed	Change	Current	Proposed	Change
VCHEC - Rider S	\$16,811,327	\$15,956,000	(\$855,327)	\$0.00358	\$0.00339	(\$0.00018)
Rear Garden - Rider R	\$5,076,271	\$4,610,000	(\$466,271)	\$0.00108	\$0.00098	(\$0.00010)
Warren County - Rider W	\$9,917,633	\$7,375,000	(\$2,542,633)	\$0.00211	\$0.00157	(\$0.00054)
Biomass - Rider B	\$969,418	\$2,113,000	\$1,143,582	\$0.00021	\$0.00045	\$0.00024
Brunswick County - Rider BW	\$7,403,787	\$7,352,000	(\$51,787)	\$0.00158	\$0.00156	(\$0.00001)
Greensville County - Rider GV	\$0	\$2,734,000	\$2,734,000	\$0.00000	\$0.00058	\$0.00058
Total	\$40,178,436	\$40,140,000	(\$38,436)	\$0.00855	\$0.00854	(\$0.00001)
Transmission Rider	Current	Proposed	Change	Current	Proposed	Change
Transmission Rider - Rider T	\$37,514,829	\$35,948,730	(\$1,566,099)	\$0.00798	\$0.00765	(\$0.00033)
Fuel Riders	Current	Proposed	Change	Current	Proposed	Change
Rider A - Fuel Rider	\$106,596,000	\$106,596,000	\$0	\$0.02268	\$0.02268	\$0.00000

II. Average Rates Based on Forecasted 12 MO 7/01/16 - 6/30/17 Usage:

Revenue	Forecasted & Current (Aug 15-Jun 16) Rates			Total Revenue	2016 Change	2016 Change
	Base Rate Revenue 1/	G&T Rider Revenue 2/	Fuel Revenue 3/			
kWh Sales 4,700,000,000	\$223,286,692	\$77,693,265	\$106,596,000	\$407,575,957		
Average Rates \$/kWh	Base Rate Revenue 1/	G&T Rider Revenue 2/	Fuel Revenue 3/	Total Revenue	2016 Change	2016 Change
kWh Sales 4,700,000,000	\$0.04751	\$0.01653	\$0.02268	\$0.08672	(\$0.00034)	-0.39%

1/ Based on 2013 annualized revenue as stated in 2014 Attachment A Amendment No. 4.
 2/ Based on forecasted 7/16-6/17 sales. Includes Transmission and All Generation Riders.
 3/ Based on forecasted 7/16-6/17 kWh sales.

From 2014 Attachment A - Amendment No. 4

2014 Contract Neg D&G Forecast Sales -	4,813,072,842
2014 Contract Neg D&G Revenue -	\$228,658,535
Avg Rate	\$0.04751

ATTACHMENT A, PAGE 2
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 FROM VIRGINIA ELECTRIC AND POWER COMPANY
 (RIDERS EFFECTIVE JULY 1, 2016)

RATE SCHEDULE	RIDER T-CM	RIDER S-CM	RIDER R-CM	RIDER W-CM	RIDER B-CM	RIDER BW-CM	RIDER GV-CM	RIDER A-CM
PUBLIC AUTHORITY								
SCHEDULE 100	\$0.00860 /kWh	\$0.00397 /kWh	\$0.00114 /kWh	\$0.00184 /kWh	\$0.00052 /kWh	\$0.00183 /kWh	\$0.00068 /kWh	0.02268 /kWh
SCHEDULE 110	\$0.00860 /kWh	\$0.00397 /kWh	\$0.00114 /kWh	\$0.00184 /kWh	\$0.00052 /kWh	\$0.00183 /kWh	\$0.00068 /kWh	0.02268 /kWh
SCHEDULE 120	\$0.01090 /kWh	\$0.00397 /kWh	\$0.00114 /kWh	\$0.00184 /kWh	\$0.00052 /kWh	\$0.00183 /kWh	\$0.00068 /kWh	0.02268 /kWh
SCHEDULE 130	\$2.579 /kW	\$1.183 /kW	\$0.342 /kW	\$0.546 /kW	\$0.157 /kW	\$0.545 /kW	\$0.203 /kW	0.02268 /kWh
SCHEDULE 131	\$2.579 /kW	\$1.183 /kW	\$0.342 /kW	\$0.546 /kW	\$0.157 /kW	\$0.545 /kW	\$0.203 /kW	0.02268 /kWh
SCHEDULE 132	\$2.579 /kW	\$0.00368 /kW	\$0.00106 /kW	\$0.00170 /kW	\$0.00050 /kW	\$0.00170 /kW	\$0.00063 /kWh	0.02268 /kWh
SCHEDULE 133	\$2.579 /kW	\$0.00368 /kW	\$0.00106 /kW	\$0.00170 /kW	\$0.00050 /kW	\$0.00170 /kW	\$0.00063 /kWh	0.02268 /kWh
SCHEDULE 134	\$2.579 /kW	\$1.183 /kW	\$0.342 /kW	\$0.546 /kW	\$0.157 /kW	\$0.545 /kW	\$0.203 /kW	0.02268 /kWh
TRAFFIC								
SCHEDULE 102	\$0.00840 /kWh	\$0.00397 /kWh	\$0.00114 /kWh	\$0.00184 /kWh	\$0.00052 /kWh	\$0.00183 /kWh	\$0.00068 /kWh	0.02268 /kWh
OUTDOOR LIGHTING								
SCHEDULE 150	\$0.00697 /kWh	\$0.00397 /kWh	\$0.00114 /kWh	\$0.00184 /kWh	\$0.00052 /kWh	\$0.00183 /kWh	\$0.00068 /kWh	0.02268 /kWh
SCHEDULE 151	\$0.00697 /kWh	\$0.00397 /kWh	\$0.00114 /kWh	\$0.00184 /kWh	\$0.00052 /kWh	\$0.00183 /kWh	\$0.00068 /kWh	0.02268 /kWh
SCHEDULE 154	\$0.00697 /kWh	\$0.00397 /kWh	\$0.00114 /kWh	\$0.00184 /kWh	\$0.00052 /kWh	\$0.00183 /kWh	\$0.00068 /kWh	0.02268 /kWh
SCHEDULE SMH	\$0.00697 /kWh	\$0.00397 /kWh	\$0.00114 /kWh	\$0.00184 /kWh	\$0.00052 /kWh	\$0.00183 /kWh	\$0.00068 /kWh	0.02268 /kWh
SCHEDULE SSL	\$0.00697 /kWh	\$0.00397 /kWh	\$0.00114 /kWh	\$0.00184 /kWh	\$0.00052 /kWh	\$0.00183 /kWh	\$0.00068 /kWh	0.02268 /kWh
TOTAL COUNTY/MUNI REVENUE REQUIREMENT	\$35,948,730	\$15,956,000	\$4,610,000	\$7,375,000	\$2,113,000	\$7,352,000	\$2,734,000	N/A

FUEL CHARGE RIDER A

MUNICIPAL AND COUNTY

The charge for service under Rate Schedules 100, 102, 110, 120, 130, 131, 132, 133, 134, 150, 151, 154, SMH, and SSL shall be increased by 2.268 cents per kilowatthour.

RIDER B-CM

MUNICIPAL AND COUNTY

BIOMASS CONVERSIONS

The following Rate Schedules shall be increased by the applicable cents per kilowatt-hour and/or dollars per kilowatt charge.

Rate Schedule	Cents per kWh Charge ¹	\$ per kW Charge
<u>Miscellaneous Light and Power</u>		
100	0.052¢/kWh	
110	0.052¢/kWh	
120	0.052¢/kWh	
130		\$0.157/kW ²
131		\$0.157/kW ²
132	0.050¢/kWh	
133	0.050¢/kWh	
134		\$0.157/kW ³
<u>Traffic</u>		
102	0.052¢/kWh	
<u>Street Lighting</u>		
150	0.052¢/kWh	
151	0.052¢/kWh	
154	0.052¢/kWh	
SMH	0.052¢/kWh	
SSL	0.052¢/kWh	

¹Applied to all Electricity Supply kWh billed under this Rate Schedule

²Applied to kW of Electricity Supply Demand

³Applied to On-peak Electricity Supply Demand

RIDER BW-CM

MUNICIPAL AND COUNTY

BRUNSWICK COUNTY POWER STATION

The following Rate Schedules shall be increased by the applicable cents per kilowatt-hour and/or dollars per kilowatt charge.

Rate Schedule	Cents per kWh Charge ¹	\$ per kW Charge
<u>Miscellaneous Light and Power</u>		
100	0.183¢/kWh	
110	0.183¢/kWh	
120	0.183¢/kWh	
130		\$0.545/kW ²
131		\$0.545/kW ²
132	0.170¢/kWh	
133	0.170¢/kWh	
134		\$0.545/kW ³
<u>Traffic</u>		
102	0.183¢/kWh	
<u>Street Lighting</u>		
150	0.183¢/kWh	
151	0.183¢/kWh	
154	0.183¢/kWh	
SMH	0.183¢/kWh	
SSL	0.183¢/kWh	

¹Applied to all Electricity Supply kWh billed under this Rate Schedule

²Applied to kW of Electricity Supply Demand

³Applied to On-peak Electricity Supply Demand

RIDER GV-CM

MUNICIPAL AND COUNTY

GREENSVILLE POWER STATION

The following Rate Schedules shall be increased by the applicable cents per kilowatt-hour and/or dollars per kilowatt charge.

Rate Schedule	Cents per kWh Charge ¹	\$ per kW Charge
<u>Miscellaneous Light and Power</u>		
100	0.068¢/kWh	
110	0.068¢/kWh	
120	0.068¢/kWh	
130		\$0.203/kW ²
131		\$0.203/kW ²
132	0.063¢/kWh	
133	0.063¢/kWh	
134		\$0.203/kW ³
<u>Traffic</u>		
102	0.068¢/kWh	
<u>Street Lighting</u>		
150	0.068¢/kWh	
151	0.068¢/kWh	
154	0.068¢/kWh	
SMH	0.068¢/kWh	
SSL	0.068¢/kWh	

¹Applied to all Electricity Supply kWh billed under this Rate Schedule

²Applied to kW of Electricity Supply Demand

³Applied to On-peak Electricity Supply Demand

RIDER R-CM

MUNICIPAL AND COUNTY

BEAR GARDEN GENERATING STATION

The following Rate Schedules shall be increased by the applicable cents per kilowatt-hour and/or dollars per kilowatt charge.

Rate Schedule	Cents per kWh Charge ¹	\$ per kW Charge
<u>Miscellaneous Light and Power</u>		
100	0.114¢/kWh	
110	0.114¢/kWh	
120	0.114¢/kWh	
130		\$0.342/kW ²
131		\$0.342/kW ²
132	0.106¢/kWh	
133	0.106¢/kWh	
134		\$0.342/kW ³
<u>Traffic</u>		
102	0.114¢/kWh	
<u>Street Lighting</u>		
150	0.114¢/kWh	
151	0.114¢/kWh	
154	0.114¢/kWh	
SMH	0.114¢/kWh	
SSL	0.114¢/kWh	

¹Applied to all Electricity Supply kWh billed under this Rate Schedule

²Applied to kW of Electricity Supply Demand

³Applied to On-peak Electricity Supply Demand

RIDER S-CM

MUNICIPAL AND COUNTY

VIRGINIA CITY HYBRID ENERGY CENTER

The following Rate Schedules shall be increased by the applicable cents per kilowatt-hour and/or dollars per kilowatt charge.

Rate Schedule	Cents per kWh Charge ¹	\$ per kW Charge
<u>Miscellaneous Light and Power</u>		
100	0.397¢/kWh	
110	0.397¢/kWh	
120	0.397¢/kWh	
130		\$1.183/kW ²
131		\$1.183/kW ²
132	0.368¢/kWh	
133	0.368¢/kWh	
134		\$1.183/kW ³
<u>Traffic</u>		
102	0.397¢/kWh	
<u>Street Lighting</u>		
150	0.397¢/kWh	
151	0.397¢/kWh	
154	0.397¢/kWh	
SMH	0.397¢/kWh	
SSL	0.397¢/kWh	

¹Applied to all Electricity Supply kWh billed under this Rate Schedule

²Applied to kW of Electricity Supply Demand

³Applied to On-peak Electricity Supply Demand

RIDER T-CM

MUNICIPAL AND COUNTY

TRANSMISSION

The following Rate Schedules shall be increased by the applicable cents per kilowatt-hour and/or dollars per kilowatt charge.

Rate Schedule	Cents per kWh Charge ¹	\$ per kW Charge
<u>Miscellaneous Light and Power</u>		
100	0.860¢/kWh	
110	0.860¢/kWh	
120	1.090¢/kWh	
130		\$2.579/kW ²
131		\$2.579/kW ²
132		\$2.579/kW ³
133		\$2.579/kW ³
134		\$2.579/kW ⁴
<u>Traffic</u>		
102	0.840¢/kWh	
<u>Street Lighting</u>		
150	0.697¢/kWh	
151	0.697¢/kWh	
154	0.697¢/kWh	
SMH	0.697¢/kWh	
SSL	0.697¢/kWh	

¹Applied to all Electricity Supply kWh billed under this Rate Schedule

²Applied to kW of Electricity Supply Demand

³Applied to kW of Electricity Supply Contract Demand

⁴Applied to On-peak Electricity Supply Demand

RIDER W-CM

MUNICIPAL AND COUNTY

WARREN COUNTY POWER STATION

The following Rate Schedules shall be increased by the applicable cents per kilowatt-hour and/or dollars per kilowatt charge.

Rate Schedule	Cents per kWh Charge ¹	\$ per kW Charge
<u>Miscellaneous Light and Power</u>		
100	0.184¢/kWh	
110	0.184¢/kWh	
120	0.184¢/kWh	
130		\$0.546/kW ²
131		\$0.546/kW ²
132	0.170¢/kWh	
133	0.170¢/kWh	
134		\$0.546/kW ³
<u>Traffic</u>		
102	0.184¢/kWh	
<u>Street Lighting</u>		
150	0.184¢/kWh	
151	0.184¢/kWh	
154	0.184¢/kWh	
SMH	0.184¢/kWh	
SSL	0.184¢/kWh	

¹Applied to all Electricity Supply kWh billed under this Rate Schedule

²Applied to kW of Electricity Supply Demand

³Applied to On-peak Electricity Supply Demand