

**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 AMENDED AND RESTATED AGREEMENT (this “Agreement”) is made and entered into effective August 1, 2019 (the “Effective Date”), by and between the **VIRGINIA ENERGY PURCHASING GOVERNMENTAL ASSOCIATION**, a joint powers association representing member units of political subdivisions of the Commonwealth of Virginia (“VEPGA”), and **VIRGINIA ELECTRIC AND POWER COMPANY**, a Virginia public service corporation (“Dominion Energy Virginia” or the “Company”). VEPGA and Dominion Energy Virginia may hereafter be referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on August 1, 2014, the Parties entered into the *Amended and Restated Agreement for the Provision of Electric Service to the Municipalities and Counties of the Commonwealth of Virginia from Virginia Electric and Power Company* (the “2014 Agreement”) wherein VEPGA agreed, among other things, to bind its members to select Dominion Energy Virginia as their sole provider of retail electric service for the duration of the 2014 Agreement, and to the rates, terms and conditions of the 2011 Agreement; and

WHEREAS, the 2014 Agreement was originally set to expire on June 30, 2018; and

WHEREAS, on May 7, 2018, the Parties mutually agreed in Amendment No. 4 to the 2014 Agreement to extend the term of the 2014 Agreement from June 30, 2018 through and including June 30, 2019, and on June 30, 2019 the Parties mutually agreed in Amendment No. 9 to the 2014 Agreement to extend the term of the 2014 Agreement from June 30, 2019 through and including July 31, 2019. As such, the Parties agreed that all terms of the 2014 Agreement and its Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Amendment No. 5, Amendment No. 6, Amendment No. 7, Amendment No. 8, and Amendment No. 9 – including all rates of Amendment No. 9 – would remain in effect through and including July 31, 2019. The Parties intend that VEPGA’s annualized base, fuel, and other rider revenue requirements set forth in Amendment No. 9 of the 2014 Agreement remain in effect through and including June 30, 2020 under the provisions of this Agreement; and

WHEREAS, the Parties signed an Agreement in Principle Letter (the “Agreement in Principle Letter”), dated July 31, 2019.

WHEREAS, in the Agreement in Principle Letter, the Parties agreed that the provisions and terms set forth therein would be incorporated into this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties contract and agree as follows:

A. PURCHASE AND SALE

1. EXCLUSIVE PROVIDER OF ELECTRIC SERVICE

VEPGA covenants and agrees that it will take all actions necessary to bind its members (a) to select Dominion Energy Virginia as their sole provider of retail electric service (as set forth in Section A.2, below) for the duration of the Term of this Agreement (as defined in Section B. below), and (b) to the rates, terms and conditions of this Agreement. It is understood and agreed, however, that VEPGA will not bind its members with respect to matters addressed now in any addenda or account-specific subjects under the 2014 Agreement or in the future in any addenda or account-specific

subjects under this Agreement; such addenda or account-specific subjects may include selection of rate schedules, determination of applicable accounts, contract minimum specifications, or terms of service unique to specific connection points.

Any addenda or account-specific subjects addressed in conjunction with the 2014 Agreement and its Amendments No. 1, No. 2, No. 3, No. 4, No. 5, No. 6, No. 7, No. 8, and No. 9 shall remain in effect except that on and after August 1, 2019, any references to the 2014 Agreement and its Amendments No. 1, No. 2, No. 3, No. 4, No. 5, No. 6, No. 7, No. 8, and No. 9 shall, as appropriate, be deemed to encompass this Agreement. Nothing in this Agreement shall be construed as precluding Dominion Energy Virginia or the Customer (as defined in Section 2 of this Agreement) from entering into a separate contract for services of a special nature.

2. PURCHASES FROM THE COMPANY

Each of VEPGA's members that have been bound pursuant to Section A.1, above, of this Agreement (the "Customer") will purchase from Dominion Energy Virginia, and Dominion Energy Virginia will sell to the Customer, pursuant to the provisions of this Agreement, to the Terms and Conditions for the Provision of Electric Service to Municipalities and Counties, attached hereto as **Attachment A** (for Terms and Conditions effective August 1, 2019), and to the Rate Schedules attached hereto as **Attachment B** (for rate schedules effective August 1, 2019), and made a part hereof, the services requested by the Customer (including the service being furnished on the Effective Date) within the territory served by the Company in the Commonwealth of Virginia. VEPGA members as of the Effective Date are listed on **Attachment C** to this Agreement.

For purposes of this Agreement, "electric service" includes the provision by Dominion Energy Virginia to the Customer of electric delivery service, electricity supply service, related utility services, and – where applicable – the interconnection of electric generators with the Company.

3. Purchases from the Customer

The Company will purchase electricity from the Customer's generating facilities under a separate agreement in accordance with the Public Utility Regulatory Policies Act of 1978 (PURPA) and the federal and Virginia rules that implement PURPA, if the generating unit qualifies for such treatment. The Customer may participate in any formal Company solicitation for capacity and energy based on the Company's needs. The Customer also may contract for the sale of electricity to the Company in accordance with the availability, pricing, and terms and conditions of the Company's Virginia Jurisdictional Rate Schedule 19 and applicable terms and conditions of contracts for the sale of electricity to the Company, except that sales of electric service from Dominion Energy Virginia to the Customer shall be made in accordance with this Agreement. The Company's Virginia Schedule 19 is on file with the State Corporation Commission of

Virginia (“SCC”) as part of the Company’s Terms and Conditions and Schedules for the Provision of Electric Service.

Notwithstanding the preceding paragraph, if PURPA is repealed, or if other changes or modifications occur (or, prior to the Effective Date, have occurred) to the laws or rules affecting Dominion Energy Virginia’s obligations to purchase electricity or the conditions of sale related thereto, Dominion Energy Virginia shall revise its practices to be consistent with such changes and may, at its option, no longer elect to enter into agreements for the purchase of electricity from the Customer to the extent permitted by applicable law and rules.

B. TERM

The term of this Agreement (the “Term”) shall be from August 1, 2019 through and including June 30, 2022.

C. BASE RATES AND CHARGES, RATE ADJUSTMENT CLAUSE RATES AND CHARGES, AND TERMS AND CONDITIONS

1. BASE REVENUES, RATES AND CHARGES

The Parties agree that this Agreement will have the same base rates as the 2014 Contract, unless otherwise specified in this Agreement. Having base rates generally remain unchanged is part of an overall "black box" settlement that addresses all base rate issues raised or that could have been raised, including, but not limited to, return on equity ("ROE"), capital structure, allocation to VEPGA, and revenue migration associated with VEPGA Customers switching between VEPGA's traditional rate schedules.

- a. The base rate revenue requirement agreed to herein by VEPGA and Dominion Energy Virginia includes recovery of \$10.1 million for VEPGA’s allocable share of costs (depreciation and a return) of Dominion Energy Virginia’s Grid Transformation Plan (“GT Plan”) as set forth on page 2 of **Attachment D** to this Agreement. Page 1 of **Attachment D** contains a schedule of the monthly system level capital expenditures for three categories of the GT Plan: Advanced Metering Infrastructure (“AMI”), a new Customer Information Platform (“CIP”), and Grid Resiliency & Security. During the Term of this Agreement, VEPGA will be exempt from any rate adjustment clause approved by the Virginia State Corporation Commission for recovery of electric distribution grid transformation projects.
- b. If, when evaluated at the end of the Term of this Agreement, total GT Plan capital expenditures are less than \$983.7 million, which represents the Total Rate Period capital expenditures less a \$50 million collar as set forth on Page 1, Column 4 of **Attachment D**, Dominion Energy Virginia will provide a credit to VEPGA for the difference between the \$10.1 million included in VEPGA’s revenue requirement and the actual GT Plan costs (depreciation and return) allocable to VEPGA during

the three year period. Such actual costs will be calculated based on actual monthly GT Plan rate base and depreciation expense, and allocated to VEPGA based on the allocations factors set forth on Page 6 of **Attachment D**. Rate base financing costs will be calculated using an overall cost of capital of 6.997% (8.664% on a pre-tax basis). Dominion Energy Virginia will report to VEPGA on the total credits due by August 31, 2022. VEPGA and Dominion Energy Virginia will agree to a final amount by October 31, 2022. The total agreed upon credit will be returned to VEPGA through a one-year credit rider commencing on January 2, 2023, provided, however, that, at VEPGA's request, Dominion will instead implement the credit as part of a rider update on July 1, 2023.

- c. Effective August 1, 2019, certain rate schedules include other rate design changes as mutually agreed to by the Parties and as included in Attachment B.
 - d. As stated in the 2014 Agreement, Dominion Energy Virginia and VEPGA agreed to keep the nuclear decommissioning revenue requirements for VEPGA and Metropolitan Washington Airport Authority ("MWAA") in separate accounts during the term of the 2014 Agreement. During the Term of this Agreement, the Parties agree to continue to keep the VEPGA and MWAA nuclear decommissioning revenue requirements in separate accounts. As December 31, 2015 neither VEPGA's nor MWAA's nuclear decommissioning status was under-funded.
 - e. The base rates do not include any nuclear decommissioning costs, since the nuclear decommissioning status of each of the separate VEPGA and MWAA accounts is fully funded. At the termination date of this Agreement, if the Parties do not reach a mutual agreement to extend or replace this Agreement, the Parties agree to develop a mutually agreeable procedure to collect from VEPGA and/or MWAA any under-funded amounts, as determined by a decommissioning funding analysis, as of the end of the Term of this Agreement. The Company will contribute any additional nuclear decommissioning funds collected from VEPGA and/or MWAA to the decommissioning fund under the VEPGA and/or MWAA account, as applicable.
 - f. Future electric service agreements between VEPGA and Dominion Energy Virginia will include the separate under-funded amounts in the VEPGA and MWAA nuclear decommissioning accounts until such time that VEPGA authorizes Dominion Energy Virginia to combine the VEPGA and MWAA nuclear decommissioning funding levels. Until that notification is received, Dominion Energy Virginia will continue to track VEPGA's and MWAA's nuclear decommissioning funds separately.
2. **BIOMASS CONVERSIONS, BRUNSWICK COUNTY, BEAR GARDEN, VIRGINIA CITY HYBRID ENERGY CENTER, WARREN COUNTY, GREENSVILLE, US-2 AND US-3 RATE ADJUSTMENT CLAUSES**

- a. The following VEPGA rate adjustment clauses, which recover Dominion Energy Virginia's costs associated with the Biomass Conversions (Rider B-CM); the Brunswick County Power Station (Rider BW-CM); the Bear Garden Generating Facility (Rider R-CM); the Virginia City Hybrid Energy Center (Rider S-CM); the Warren County Power Station (Rider W-CM), the Greenville Power Station (Rider GV-CM), Rider US-2-CM, and Rider US-3-CM were present in the 2014 Agreement. Collectively, the aforementioned rate adjustment clauses may be referred to elsewhere in this Agreement as "**Current Generation RACs.**"
- b. Pursuant to Amendment No. 9 of the 2014 Agreement, the rates for VEPGA's Current Generation RACs were effective from July 1, 2019 to July 31, 2019, and such rates carry forward and are effective to Customers in this Agreement from August 1, 2019 to June 30, 2020. These rates are based on the annualized revenue requirements set forth on **Attachment E-1** to this Agreement and are set forth on the rider schedules included as **Attachment E-2** to this Agreement.
- c. The Current Generation RACs are designed on a per-kilowatt-hour or per-kilowatt-basis, depending upon the rate schedule.
- d. The initial rates for the Current Generation RACs are effective for usage on and after July 1, 2019 (via Amendment No. 9 to the 2014 Agreement and via this Agreement) and are based on the revenue requirements set forth in **Attachment E-1** to this Agreement.
- e. Beginning in 2020 and continuing during 2021 and 2022, the Current Generation RACs shall be determined in accordance with all of the following:
 - 1) The revenue requirements for the Current Generation RACs will be consistent with revenue requirements for the Company's Riders B, BW, R, S, W, GV, US-2, and US-3 filed with the SCC for the Company's Virginia Jurisdictional customers and ultimately trued-up using their most recent SCC Final Orders for Riders B, BW, R, S, W, GV, US-2, and US-3; and
 - 2) The SCC-approved ROE, plus any statutory enhancement, for the Company's Virginia Jurisdictional Riders B, BW, R, S, W, GV, US-2, and US-3; and
 - 3) The SCC-approved capital structure for the Company's Virginia Jurisdictional Riders B, BW, R, S, W, GV, US-2, and US-3; and
 - 4) The applicable allocation factor, which may include the average and excess demand allocation factor less 0.10%, to the extent the average and excess demand allocation factor is used in whole or in part to allocate generation riders for Jurisdictional customers..

- f. The revenue requirement for each of VEPGA's Generation Riders will be comprised of projected costs for a rate year of twelve months, and an annual deferral and true-up mechanism for the prior calendar year, consistent with the annual update for Virginia Jurisdictional Riders.
- g. Beginning in 2020 and continuing during 2021 and 2022, Dominion Energy Virginia agrees to notify VEPGA in writing by January 25 of each year of the updated revenue requirements for the Current Generation RACs to become effective for billing to VEPGA at the same levels on the following July 1, pursuant to the provisions of Section L., below. Such riders shall go into effect subject to any adjustment, consistent with this Agreement and based upon agreement of the Parties resulting from changes identified from an audit by VEPGA should VEPGA choose to perform such an audit.
- h. **Attachment E-3** shows the specifics of future filings for Riders B, BW, R, S, W, GV, US-2, and US-3.
- i. Costs for the Current Generation RACs will be allocated among VEPGA's rate schedules using VEPGA's choice of the following methods:
 - 1) An allocation methodology of fifty percent (50%) energy and fifty percent (50%) demand to spread such costs among VEPGA rate classes, or
 - 2) An across-the-board percentage change in each of the VEPGA Generation RACs.

In lieu of the methodologies in Sections C.2.i.1) and C.2.i.2), above, the Parties may use a methodology that is mutually agreeable to the Parties.

- l. Beginning on January 25, 2020 and continuing each January 25 thereafter during the Term of this Agreement, Dominion Energy Virginia will provide VEPGA with workpapers showing the derivation of the Average and Excess Cost Allocation Factor that is used in determining the revenue requirements for VEPGA's Generation RACs.

3. TRANSMISSION RATE ADJUSTMENT CLAUSE

A rate adjustment clause to recover Dominion Energy Virginia's costs associated with transmission ("Transmission RAC") was present in the 2014 Agreement and is billed to VEPGA by Dominion Energy Virginia through VEPGA Rider T-CM, as described below:

- a. Pursuant to Amendment No. 9 of the 2014 Agreement, the rates for VEPGA's Transmission RAC were effective from July 1, 2019 to July 31, 2019, and such

rates carry forward and are effective to Customers in this Agreement from August 1, 2019 to June 30, 2020. These rates are based on the annualized revenue requirements set forth on **Attachment E-1** to this Agreement and are set forth on the rider schedules included as **Attachment E-2** to this Agreement. Implementation of these rates is based on the Parties' agreement to bank an amount totaling \$12.0 million, which reflects VEPGA's decision to have a higher Rider T-CM rate for July 1, 2019 through June 30, 2020 rather than to immediately implement all possible savings as included in Dominion's January 25, 2019 rider proposal.

- b. VEPGA's Rider T-CM is designed on a per-kilowatt-hour or a per-kilowatt-basis, depending on the rate schedule.
- c. The VEPGA Rider T-CM revenue requirement is consistent generally in methodology with the combination of the revenue requirements for the Company's Virginia Jurisdictional former Rider T, which is now "combined" with the Company's Virginia Jurisdictional base rates, and the Company's Virginia Jurisdictional Rider T-1 revenue requirement to be filed with the SCC each year during the Term of this Agreement.
- d. The allocation factors for VEPGA Rider T-CM shall be, during the Term, consistent with the allocation of the Network Integrated Transmission Service or NITS costs, regional transmission facility upgrade costs, and other costs as approved by the SCC for the Company's Virginia Jurisdictional Rider T-1 and former Rider T.
- e. The Parties agree to capture any differences between the VEPGA Rider T-CM rates and the annual update approved by the SCC for the Company's Virginia Jurisdictional Customers in VEPGA's Rider T-CM deferral mechanism.
- f. Beginning in 2020 and continuing during 2021 and 2022, Dominion Energy Virginia agrees to notify VEPGA in writing by January 25 of each year of the updated revenue requirement for VEPGA Rider T-CM to become effective for billing to VEPGA at the same level on the following July 1, pursuant to the provisions of Section L., below.
- g. During the Term of this Agreement, the VEPGA Rider T-CM revenue requirement will be comprised of projected costs for each rate year September 1 through August 31; an update of certain costs incurred for each period January 1 through August 31; and an annual deferral and true-up mechanism for the prior calendar year, consistent with the annual update for the Company's Virginia Jurisdictional customers.
- h. **Attachment E-3** shows the specifics of the Company's future Virginia Jurisdictional Rider T-1 filings.

4. DISTRIBUTION RATE ADJUSTMENT CLAUSES

Rate adjustment clauses to recover Dominion Energy Virginia's costs associated with its Strategic Underground Program were present in the 2014 Agreement and are billed to VEPGA by Dominion Energy Virginia through Rider U Phase 1-CM and Rider U Phase 2-CM, as described below:

- a. Pursuant to Amendment No. 9 of the 2014 Agreement, the rates for Rider U Phase 1-CM and Rider U Phase 2-CM were effective from July 1, 2019 to July 31, 2019, and such rates carry forward and are effective to Customers in this Agreement from August 1, 2019 to June 30, 2020. These rates are based on the annualized revenue requirements set forth on **Attachment E-1** to this Agreement and are set forth on the rider schedules included as **Attachment E-2** to this Agreement.
- b. Rider U Phase 1-CM and Rider U Phase 2-CM are designed on a per-kilowatt-hour or a per-kilowatt-basis, depending on the rate schedule.
- c. The Rider U Phase 1-CM and Rider U Phase 2-CM revenue requirement is consistent generally in methodology with the revenue requirements for the Company's Rider U Phase I and Rider U Phase 2 filed with the SCC for the Company's Virginia Jurisdictional customers and ultimately trued-up using their most recent SCC Final Orders for Phase I and Rider U Phase 2.
- d. The applicable allocation factors for Rider U Phase 1-CM and Rider U Phase 2-CM shall be, during the Term, consistent with the allocation used for the Company's Rider U Phase I and Rider U Phase 2 filed with the SCC for the Company's Virginia Jurisdictional customers and ultimately trued-up using their most recent SCC Final Orders for Phase I and Rider U Phase 2.
- e. Beginning in 2020 and continuing during 2021 and 2022, Dominion Energy Virginia agrees to notify VEPGA in writing by January 25 of each year of the updated revenue requirement for Rider U Phase I-CM and Rider U Phase 2-CM to become effective for billing to VEPGA at the same level on the following July 1, pursuant to the provisions of Section L., below.
- f. **Attachment E-3** shows the specifics of the Company's future Virginia Jurisdictional Rider U filings.

5. FUTURE RATE ADJUSTMENT CLAUSES

In the event the Company receives SCC approval for any new rate adjustment clauses during the Term of this Agreement, a comparable rate adjustment clause will be implemented in a similar manner for VEPGA, except as provided below:

- a. After SCC approval of any future rate adjustment clauses, the Company agrees to provide notice to VEPGA prior to the next January 25 of the revenue requirement for VEPGA that will become effective for billing to VEPGA at this same level on the following July 1, pursuant to the provisions of Section L., below.
- b. Future VEPGA-specific rate adjustment clauses will be updated in the same manner approved by the SCC for the Company’s Virginia Jurisdictional customers.
- c. The ROE for any future VEPGA-specific rate adjustment clause to become effective during the Term of this Agreement shall be the SCC-approved ROE, plus any SCC-approved statutory enhancement, for the Company’s corresponding Virginia Jurisdictional rate adjustment clause.
- d. The capital structure for any future VEPGA-specific rate adjustment clause to become effective during the Term of this Agreement shall be the SCC-approved capital structure for the Company’s corresponding Virginia Jurisdictional rate adjustment clause.
- e. The applicable allocation factors for any future VEPGA-specific rate adjustment clause to become effective during the Term of this Agreement are shown in the table below:

Future VEPGA RAC Allocation Methodology	
Type of RAC	Allocation Factors
Generation	The applicable allocation factor, which may include the average and excess demand allocation factor less 0.10%, to the extent the average and excess demand allocation factor is used in whole or in part to allocate generation riders for Jurisdictional customers
Transmission	Same as the SCC approves for the corresponding Virginia Jurisdictional RAC
Other	Same as the SCC approves for the corresponding Virginia Jurisdictional RAC

- f. The revenue requirement for any future VEPGA-specific Rider to become effective during the term of the 2019 Contract shall take into account any special circumstances and/or arrangements that may be unique to VEPGA to which the parties both agree.
- g. As set forth in Section C. 1.a of this Agreement, during the Term of this Agreement, VEPGA will be exempt from any rate adjustment clause approved by

the Virginia State Corporation Commission for recovery of electric distribution grid transformation projects. Dominion Energy Virginia and VEPGA mutually agree that, except for replacement /supplement PJM (or successor RTO) Demand Response Programs as specified in Section G 5 of this Agreement, VEPGA chooses to opt-out of and will not be subject to rate adjustment clauses related to the Company's renewable portfolio standard program and its demand-side management programs, during the Term of this Agreement.

- h. Costs for any future generation rate adjustment clauses will be allocated among VEPGA rate schedules using VEPGA's choice of the following methods:
 - 1) An allocation methodology of fifty percent (50%) energy and fifty percent (50%) demand to spread such costs among VEPGA rate classes, or
 - 2) An across-the-board percentage change in each of the VEPGA Generation RACs.

In lieu of the methodologies in Sections C.5.h.1) and C.4.h.2), above, the Parties may use a methodology that is mutually agreeable to the Parties.

- i. All rate adjustment clauses shall go into effect subject to any adjustment, consistent with this Agreement and based upon agreement of the Parties resulting from changes identified from an audit by VEPGA, should VEPGA choose to perform such an audit.
- j. Beginning on January 25, 2020 and continuing each January 25 thereafter during the Term of this Agreement, Dominion Energy Virginia will provide VEPGA with workpapers showing the derivation of the Average and Excess Cost Allocation Factor that is used in determining the revenue requirements for any future VEPGA generation rate adjustment clause(s).

D. FUEL RATES AND CHARGES

- 1. Pursuant to Amendment No. 9 of the 2014 Agreement, VEPGA's fuel rate was effective from July 1, 2019 to July 31, 2019, and such rate carries forward and is effective to Customers in this Agreement from August 1, 2019 to June 30, 2020. This rate is based on the annualized revenue requirement set forth on **Attachment E-1** to this Agreement and is set forth on the rider schedule included as **Attachment E-2** to this Agreement. Implementation of this rate is based on the Parties' agreement to bank an amount totaling \$7,678,510 for the fuel rider charge, which reflects VEPGA's decision to have a higher fuel rider charge for July 1, 2019 through June 30, 2020 rather than to immediately implement all possible savings as included in Dominion's January 25, 2019 rider proposal.

2. A zero-base annual fuel factor recovers VEPGA's fuel expenses and is subject to deferred accounting. Annual true-ups of any over- or under-recovery of the prior year's expenses are done during the next annual period for any over- or under-recovery balance.
3. Beginning in 2020 and continuing during 2021 and 2022, Dominion Energy Virginia agrees to notify VEPGA by January 25 of each year of the fuel rate to be included in VEPGA's Fuel Charge Rider A at this same level on the following July 1, pursuant to the provisions of Section L., below.
4. VEPGA's annual fuel factor is established pursuant to the SCC's Definitional Framework for Virginia Electric and Power Company Fuel Expenses (as it may change from time to time and as it is applied to the Company's Virginia Jurisdictional customers). VEPGA's annual fuel factor is adjusted to account for differences between Customers and the Company's Virginia Jurisdictional customers due to differences in loss factors when determining allocation factors.
5. VEPGA's annual fuel factor is subject to adjustment based on adjustments to the Company's Virginia Jurisdictional fuel factor pursuant to review by the SCC of such jurisdictional fuel factor. VEPGA's annual fuel factor is subject to adjustment based upon agreement of the Parties resulting from changes identified from an annual audit of the VEPGA fuel factor consistent with past practices, should VEPGA choose to perform such an annual audit.
6. Dominion Energy Virginia will continue to provide monthly data to VEPGA consistent as feasible with past practices, which includes actual fuel cost allocated to VEPGA members for the prior month, as well as the current amount in the local government deferral fuel account.

E. JOINT ACTION COMMITTEE

1. Dominion Energy Virginia and the VEPGA Board agree to address a number of issues through a joint action committee ("JAC"). The JAC shall be composed of employees of local governments who represent the collective interests of local governments under the direction of the VEPGA Board and Dominion Energy Virginia employees. The Parties agree to undertake involvement in the JAC in good faith, with the overall objective of effecting positive changes in the related procedures of Dominion Energy Virginia and the Customers that improve service to the Customers while improving the Company's ability to provide good service.
2. The parties to the JAC agree to assign representatives who are knowledgeable in the various areas addressed and are in a position to bring about change within their organizations. Neither the VEPGA Board nor the Company is committed to bring members to the table that are not matched by the faithful attendance of commensurate resources from the other. It is understood that the VEPGA representatives cannot mandate changes that VEPGA members are committed to follow. Nonetheless, the

VEPGA representatives shall be empowered to commit with Dominion Energy Virginia to a standardized set of procedures whereby problems encountered by Customers arising from their failure to follow the standardized procedures established by the JAC shall be interpreted by the VEPGA Board as problems incumbent on the particular Customer to correct.

3. The JAC (and/or any subcommittees as the JAC may establish) shall address the following issues:
 - a. The process of estimating, communicating cost, receipt of payment, scheduling, and constructing new services, primarily new street lights.
 - b. The adequate and timely maintenance of street lights.
 - c. The establishment of monthly billing or adjustments to billing in relation to items a. and b., above. This also will include discontinuation of billing for removed street lights.
 - d. The process of estimating, communicating cost, making payment, scheduling, communicating change orders, and constructing private work projects such as line relocations and the conversion of overhead lines to underground. This also will include initiatives to improve the information available to local governments regarding the actually incurred cost of projects where the local government's final charges depend on the actual project cost incurred by Dominion Energy Virginia.
 - e. Other initiatives as the JAC may collectively decide to undertake.

F. OTHER MATTERS ADDRESSED IN THIS AGREEMENT

1. Streetlight Repair Enhancement

The Company will work closely with its local employees and streetlight contractors to provide – on an as-needed basis – proper communication, education, and training regarding the placement and removal of streetlight pole wraps. VEPGA counsel will contact a member of the Company's negotiating team should the streetlight repair issue persist at a systemic level. Should it become necessary to do so, the Company's negotiating team will elevate the issue to the Company's director - Electric Distribution Operations for resolution.

2. Standby Charges for Parallel or Standby Service

If the net metering of Customers' accounts is expanded during the Term of this Agreement and such expansion results in the Company's electing to implement new standby charges which shall be applicable to Customers' net metering accounts, the following shall occur:

- a. The Company will have the right to re-open this Agreement and the Parties will mutually agree to amend this Agreement to implement new standby charges applicable to Customers who operate an electric generator in parallel with the Company, including those Customers who request standby service;
- b. Such standby charges either will be in addition to or in lieu of this Agreement's Schedule C - Miscellaneous and Standby Charges (included in Attachment A, attached hereto and made a part of this Agreement.), standby minimum charges which apply to Customers who operate an electric generator in parallel with the Company, including those who request standby service.

3. Solar Power Purchase Agreement Pilot

- a. The Company will provide VEPGA access to the SCC's third-party power purchase agreement pilot program ("PPA Pilot") for solar- or wind-powered renewable fuel generators ("RFG") on a first-come, first-served basis. In accordance with Chapter 382 of the 2013 Virginia Acts of Assembly, the following conditions shall exist:
 - 1) The aggregated capacity of the PPA Pilot shall not exceed 50 MW;
 - 2) VEPGA's capacity under the PPA Pilot shall be limited to the available capacity remaining under the 50 MW-cap applicable to all PPA Pilot participants, which shall be available on a first-come, first-served basis to all of the Company's participating customer(s);
 - 3) The capacity of any individual RFG shall not exceed 1 MW;
 - 4) VEPGA agrees to abide by the SCC-approved guidelines for the PPA Pilot (refer to the SCC's Final Order in Case No. PUE-2013-00045);
 - 5) Any third-party power purchase agreement under the PPA Pilot shall serve only one Customer and shall not serve multiple Customers;
 - 6) All accounts for a Customer participating under one power purchase agreement in the PPA Pilot must be on contiguous property, as defined in Paragraphs XII.A and XII.B of VEPGA's Terms and Conditions, which are included in Attachment A, attached hereto and made a part of this Agreement;
 - 7) The SCC's currently approved *Regulations Governing Interconnection of Small Electrical Generators* (20 VAC 5-314), as may be revised from time to time, shall apply to the RFG;

- 8) The PPA Pilot shall be subject to SCC modification from time to time or to General Assembly directed modifications where the SCC is not administrating such PPA Pilot.
- b. Any Customer with a RFG having a capacity greater than one (1) MW will not be eligible to participate in the PPA Pilot. However, the Company will provide such Customer with other renewable options under this Agreement.

4. Renewable Options

- a. The Company will provide VEPGA with Rate Schedule RG-CM – Renewable Energy Supply Service (Experimental), as discussed in Section G below.
- b. During the Term of this Agreement, at a mutually agreed time, the Company will offer VEPGA Rate Schedule SP-CM – Solar Purchase (Experimental) on a pilot basis, provided there is sufficient funding to cover the price offered for solar generation over and above the Company’s avoided cost.
- c. The Company will provide Rider G-CM pricing and provision of information on facilities that are the sources of the RECs consistent with how Rider G-CM has been treated in previous contracts.
- d. The Company will provide VEPGA access to the pilot program for schools that generate electricity at levels that exceed the school’s consumption as set forth in Chapter 415 of the 2018 Virginia Acts of Assembly (codifying House Bill 1451 from the 2018 General Assembly session).
- e. The Company will provide VEPGA access to the pilot program for municipal net metering as set forth in Chapter 747 of the 2019 Virginia Acts of Assembly (codifying Senate Bill 1779 from the 2019 General Assembly session).
- f. These VEPGA renewable options, which are identified in Sections F.4.a, F.4.b, F.4.c, F.4.d, and F.4.e above, are in addition to the following renewable options that currently are available to VEPGA Customers in accordance with this Agreement: Rate Schedule 19 for renewable energy purchases; the Solar Partnership Program; Rider G-CM; and net metering in accordance with the applicable sections of the SCC’s currently approved *Regulations Governing Net Energy Metering* (“20 VAC 5-315 Rules”) and Future Net Metering Regulations, as defined in Section H.2.a, below. See the section entitled “Net Metering” for more details on net metering.
- g. Dominion Energy Virginia will endeavor to provide VEPGA with any new renewable options that the SCC may approve for the Company’s Virginia Jurisdictional customers during the term of this Agreement or that may be provided via developments in future General Assembly sessions.

5. VEPGA Class Cost of Service Study for Use in the Next VEPGA Contract Negotiations

In Dominion Energy Virginia's proposal for the contract negotiations for the VEPGA contract to be effective following the Term of this Agreement, the Company will provide VEPGA with a VEPGA class cost of service study for the following customer classes: (a) Miscellaneous Light & Power – Low Load Factor; (b) Miscellaneous Light & Power – High Load Factor; Schedule 130; (c) Miscellaneous Light & Power – High Load Factor Schedule 131; (d) Miscellaneous Light & Power – High Load Factor Schedule 132; (e) Miscellaneous Light & Power Schedule 134; (f) Street; and (g) Traffic.

G. VEPGA'S RATE SCHEDULES AND RIDERS

Dominion Energy Virginia and VEPGA mutually agree to the following regarding changes to the rate schedules included in Attachment B, attached hereto and made a part of this Agreement, effective for usage on and after August 1, 2019:

1. Rate Schedule 132

The Parties mutually agree that the previous Rate Schedule 132 cap of 100 active accounts will be increased to 125 active accounts during the Term of this Agreement.

Rate Schedule 132 Customers cannot elect to participate, either directly or indirectly through a third-party curtailment service provider, in any PJM Interconnection, LLC ("PJM"), or any successor regional transmission organization, Demand Response Program, or any Company-sponsored peak-shaving demand response program.

2. Rate Schedules SGCM and SGCM-1

Rate Schedule SGCM and SGCM-1 Customers will not be allowed to participate, either directly or indirectly through a third-party CSP, in any PJM Demand Response Program, or any Company-sponsored peak-shaving demand response program.

3. Rate Schedule SSL and Schedule D

VEPGA and Dominion Energy Virginia will conduct ongoing discussions concerning outdoor lighting related to the transition from High Pressure Sodium Vapor to LED, to LED offerings (including but not limited to rate tiers, fixtures, and color temperatures), to poles and related issues, and to Smart Cities/Smart Communities.

4. Rate Schedule RG-CM

The parties will work to develop VEPGA's Rate Schedule RG-CM (based on the revised schedule approved by the SCC for jurisdictional customers) to be available

on an experimental basis as a companion rate schedule to VEPGA Rate Schedule 130 and 134 Customers.

5. Additional Demand Response Programs

- a) Dominion Energy Virginia will endeavor to provide Customers with any new demand response programs that (a) the SCC may approve for the Company's Virginia Jurisdictional customers during the Term of this Agreement and (b) replace or supplement PJM, or a successor regional transmission organization, Demand Response Programs; provided, however, that VEPGA's participation in such programs will be subject to similar limitations as those imposed on the Company's Virginia Jurisdictional customers.
- b) If cost recovery for such programs continues to be through the Company's Virginia Jurisdictional "A4" transmission rate adjustment clause, the Company will allocate appropriate costs for such programs to VEPGA's Rider T-CM and VEPGA agrees to pay such cost recovery through VEPGA's Rider T-CM rates. If, however, the Company's Virginia Jurisdictional cost recovery for such programs will be through a different mechanism, the Parties agree to amend this Agreement with a mutually agreeable cost recovery methodology for Customers, prior to the Company's providing such programs to Customers.

6. Possible MBR Rate Schedule

VEPGA will determine whether any VEPGA members are interested in a VEPGA Market Based Rate (MBR-CM) rate that includes full distribution costs. If there is an interest, (a) Dominion will offer a MBR-CM for 5 MW or larger customers with other eligibility requirements that match or are broader than the other eligibility requirements for any MBR rate for Jurisdictional customers and (b) Schedule 134 will be revised on a total revenue neutral basis so that, if needed, its distribution rates match those in the MBR-CM rate.

7. Electric Vehicle Rate Schedules

Dominion Energy Virginia will work with VEPGA to develop electric vehicle rate schedules.

H. TERMS AND CONDITIONS

Dominion Energy Virginia and VEPGA mutually agree to the following regarding Terms and Conditions included in Attachment A, attached hereto, effective August 1, 2019:

1. Electric Line Extensions Plan

All of the non-residential portions of the Company's Electric Line Extensions Plan, which were approved by the SCC in the Company's 2013 Biennial Review proceeding (Case No. PUE-2013-00020), will apply to VEPGA.

2. Net Metering

- a. With the following exceptions, the Company will continue to provide net metering to Customers in accordance with (i) the existing SCC's *Regulations Governing Net Energy Metering* (the "20 VAC 5-315 Rules"), as may be changed from time to time, during the Term of this Agreement and (ii) such other law or regulation as may govern net metering for the Company's Virginia Jurisdictional customers ("Future Net Metering Regulations") on the same date as the specific Future Net Metering Regulations become effective for the Company's Virginia Jurisdictional customers under the Company's Virginia Jurisdictional *Terms and Conditions and Schedules for the Provision of Electric Service*.
- b. A Customer, who net meters ("VEPGA Net Metering Customer") will receive the benefits of and will be responsible for the costs imposed by the 20 VAC 5-315 Rules and Future Net Metering Regulations. However, the 20 VAC 5-315 Rules and Future Net Metering Regulations for which a VEPGA Net Metering Customer logically cannot qualify (e.g., being an agricultural net metering customer, as defined in the 20 VAC 5-315 Rules or receiving residential standby charges) shall not be applicable to the VEPGA Net Metering Customer. However, the appropriate standby charges that are included in Schedule C - Miscellaneous and Standby Charges, which is attached hereto and is a part of this Agreement, shall continue to be applicable to the Customer and to the VEPGA Net Metering Customer.
- c. As such, the Company will provide net metering for "totalized" accounts only for a VEPGA Net Metering Customer's accounts which are located on contiguous property, as described in Paragraphs XII.A and XII.B of VEPGA's Terms and Conditions, which are included in Attachment A, attached hereto and made a part of this Agreement. In the event that the SCC approves modifications to the Company's Virginia Jurisdictional *Terms and Conditions and Schedules for the Provision of Electric Service* Section IV, Paragraphs IV.E.1., and IV.E.2., either Party shall have the right to open this Agreement for the Parties to agree mutually to make corresponding modifications to VEPGA's Terms and Conditions Paragraphs XII.A. and XII.B., which are included in Attachment A, attached hereto and made a part of this Agreement.

3. Dominion Energy Virginia Design Errors

It can be difficult to determine during a cost-plus project which equipment items need to be added because of unforeseen circumstances versus design omissions. As such, the Company will provide Customers with an explanation for any necessary equipment

additions during the course of the project. In addition, a flat charge is an alternative for VEPGA construction projects.

4. Rate Comparisons

- a. During the Term of this Agreement, Dominion Energy Virginia will endeavor to provide rate comparisons for Customer accounts at least once every 14 months in accordance with the same criteria used for rate comparisons in the 2014 Agreement.
- b. In addition, during the Term of this Agreement, the Company will track actual revenue migration to determine the basis for revenue migration to be used in setting the change in VEPGA's distribution and generation base revenues in the subsequent agreement between VEPGA and the Company (i.e., the VEPGA electric service agreement that follows this Agreement).
- c. The Terms and Conditions will be revised to specify that when a Dominion rate comparison analysis is faulty due to bad data, pricing inputs, or technical issue, concerning a VEPGA member saving by switching rate schedules, and a VEPGA member can show that switching rates due to such rate comparison led to increased total bills, Dominion will re-bill the account as if it had not switched rate schedules, at the Customer's request. The re-billing will be applied retroactively back to the time of the rate change or for a period of 18 months, whichever is shorter. All other billing issues resulting in re-billing will be subject to the existing limitations set forth in the Terms and Conditions.

5. Tax Effect Recovery Factor

The Company and VEPGA mutually agree that language addressing TERF exemptions which are no longer applicable due to changes in federal tax law will be deleted from Section XII.H. of the Terms and Conditions.

6. Sample Load Letter

A sample load letter will be added to the Terms and Conditions.

I. PUBLIC PROCUREMENT ACT

To the extent that the Virginia Public Procurement Act, Va. Code §§ 2.2-4300 *et seq.*, is applicable to this Agreement, the Company shall comply with Va. Code §§ 2.2-4311, 2.2-4312 and 2.2-4354. Failure to comply with these provisions shall not constitute grounds for termination of this Agreement.

J. GENERAL

1. Subject to Section A.1 of this Agreement, and except as otherwise specifically agreed to in writing, this Agreement supersedes, as of its Effective Date, both the 2014 Agreement and the Agreement in Principle, between VEPGA and the Company. This Agreement shall inure to the benefit of and be binding upon the successors or assigns of each of the Parties hereof.
2. This Agreement shall be binding upon the Customer and the Company and shall not be modified by any promise, agreement or representation of any agent or employee of the Company or VEPGA except in writing and executed by such a duly authorized official or officer.
3. The obligations of the Company and the Customer for service under this Agreement are subject to appropriations by Customer's governing body to pay for such service.
4. In the event any provision, or any part or portion of any provision of this Agreement shall be declared by a court of competent jurisdiction to be unlawful, invalid, void or otherwise unenforceable, the remainder of this Agreement shall be severable and remain enforceable. Only the provision (or part or provision thereof) so declared shall be considered unlawful, invalid, void or otherwise unenforceable.

K. ACCOUNTING METHODOLOGY

VEPGA accepts that for the Term of this Agreement, Dominion Energy Virginia is continuing to include Construction Work in Progress ("CWIP") as a component of rate base for ratemaking purposes and has discontinued the accrual of Allowance for Funds Used During Construction ("AFUDC") with the exception of AFUDC accruals related to riders prior to the implementation of new riders, as per Virginia Jurisdictional rider methodology.

L. CONFIDENTIALITY OF UPDATED RIDER AND FUEL REVENUE REQUIREMENTS

The Parties understand and mutually agree that the updated riders and fuel revenue requirements information ("Riders and Fuel Information") to be provided by Dominion Energy Virginia annually by January 25 of each year, as referenced in various sections, above, is being provided to VEPGA for its members to utilize for budgetary planning purposes. It is further understood and agreed that VEPGA and its members will treat the Riders and Fuel Information as confidential and that neither VEPGA nor its members will divulge the Riders and Fuel Information to a third party, unless required by law, until such time that the Riders and Fuel Information becomes public.

M. RIDERS CARRY FORWARD TO NEXT AGREEMENT

Provided VEPGA and Dominion Energy Virginia agree to either extend this Agreement or execute a new agreement, the VEPGA Fuel Charge Rider A and the VEPGA rate adjustment clauses,

which include the Current Generation RACs, Rider U Phase 1-CM, Rider U Phase 2-CM, Rider T-CM, and any other rate adjustment clause(s) that may become effective for VEPGA (in accordance with Section C.4., above) at the beginning of a new agreement will be as based on Dominion's January 25, 2022 proposal as reviewed and agreed to by VEPGA, until such riders are subsequently updated.

At the termination date of this Agreement, if the Parties do not mutually agree to either extend this Agreement or execute a new agreement, the Parties agree to develop a mutually agreeable procedure to credit or charge for any over- or under-recoveries as of the ending date of this Agreement for VEPGA Fuel Charge Rider A and the VEPGA rate adjustment clauses, which include the Current Generation RACs, Rider U Phase 1-CM, Rider U Phase 2-CM, Rider T-CM, and any other rate adjustment clause(s) that may be effective for VEPGA in accordance with Section C.4., above.

N. RENEWABLE ENERGY PROGRAM

As Dominion Energy Virginia's renewable energy program supplier contract terminates on December 31, 2021, it may be necessary for the Company and VEPGA to re-negotiate a new fixed price for renewable energy certificates to become effective on and after January 1, 2022, under Rider G-CM. The Parties mutually agree to address any need for a revised Rider G-CM fixed price at the appropriate time during the Term of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

SIGNATURE PAGE TO FOLLOW

VIRGINIA ELECTRIC AND POWER COMPANY

BY: _____
Thomas P. Wohlfarth
Senior Vice President – Regulatory Affairs

VIRGINIA ENERGY PURCHASING GOVERNMENTAL ASSOCIATION

BY: Susan M. Hafeli
Susan M. Hafeli
Chair

VIRGINIA ELECTRIC AND POWER COMPANY

BY: Thomas P. Wohlfarth
Thomas P. Wohlfarth
Senior Vice President – Regulatory Affairs

VIRGINIA ENERGY PURCHASING GOVERNMENTAL ASSOCIATION

BY: _____
Susan M. Hafeli
Chair