

VA. S.C.C. TARIFF NO. 25

SCHEDULE COGEN/SPP
(Cogeneration and/or Small Power Production Service)
(continued)

MONTHLY PAYMENTS FOR CAPACITY AND ENERGY DELIVERIES

The capacity credit, in kilowatts (kW) shall be determined by summing the QF's output during peak period hours, defined as 7 A.M. to 11 P.M. Monday through Friday excluding NERC holidays, in the billing period and dividing such calculation by the number of peak period hours in such billing period. Provided, that for any peak period hour in which the QF's actual output exceeds the Eligibility Amount, the Eligibility Amount shall be used in such calculation. The Eligibility Amount will be determined based upon the QF's average output during PJM 5 Coincident Peaks during the three previous PJM planning years and values of zero will be used for any years that are prior to commercial operation of the QF.

The rate to be applied to the capacity credit during the billing month shall be the applicable Final Zonal Capacity Price, stated in \$/MW day, multiplied by the number of days in the billing month.

COGEN/SPP Facilities Up To 100 kW

For COGEN/SPP facilities that do not have interval metering, the rate to be applied to the electrical energy delivered to the company shall be the average PJM Day Ahead (DA) Total Locational Marginal Price (LMP) for the applicable PJM Load Zone less the applicable average PJM Operating Reserve Balancing Charge for the billing month. For COGEN/SPP facilities with interval metering, the hourly rate to be applied to the hourly electrical energy delivered to the Company shall be the hourly PJM Day Ahead Total LMP rate for the applicable PJM Load Zone less the applicable hourly PJM Operating Reserve Balancing Charge. The energy payment will be the sum of the hourly calculations for the billing month.

The PJM energy rates shall be adjusted for losses to the delivery level using the following factors:

Secondary	1.05980
Primary	1.02723

COGEN/SPP Facilities Greater Than 100 kW

The hourly price to be paid for the electrical energy delivered to the Company shall be based on the closest suitable and appropriate PJM node or an aggregate of multiple nodes as solely determined by the Company and may be changed by the Company as a result of changing transmission and grid conditions, such as new transmission and/or distribution grid configurations, or power flow changes. The payment shall be based on the customer's day ahead hourly schedule multiplied by the PJM DA node(s) LMP, further adjusted for real time deviation(s). The real time deviation is the difference between the customer's day ahead generation schedule and the actual hourly output of the COGEN/SPP facility. This deviation will be multiplied by the PJM node(s) real time hourly price and charged or credited to the customer's payment. The customer shall also pay for applicable PJM Operating Reserve Balancing Charges.

No loss factor shall be applied to the above unless the customer requests and pays for a line loss study to establish any losses mitigated by the Company.

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SCHEDULE COGEN/SPP
(Cogeneration and/or Small Power Production Service)
(continued)

Payments will be made to the customer by check for energy and capacity metered during a month within 30 days after PJM publishes the hourly real-time energy prices for that month. These payments will be recorded in the Federal Energy Regulatory Commission's Uniform System of Accounts under Account 555, Purchased Power, and will be recorded in subaccounts. The company reserves the right to apply amounts owed to the customer to any unpaid balance owed to the Company for electric service provided.

TERM

Contracts under this Schedule shall be made for a period not less than one year.

Except in instances where the Company has significant investment in local facilities or other special agreements with the customer, qualifying customers may elect to take service from a qualified Energy Service Provider pursuant to the terms and conditions of the applicable Open Access Distribution Schedule as specified in the Use of Energy by Customer provision of the Terms and Conditions of Standard Service.

SPECIAL TERMS AND CONDITIONS

This Schedule is subject to the Company's Terms and Conditions of Standard Service.

VA. S.C.C. TARIFF NO. 25

SCHEDULE S.B.S.
(Standby Service)

AVAILABILITY OF SERVICE

This Schedule is available to customers who take Standard Service from the Company and are requesting standby electric service for power production facilities, including renewable energy cogeneration facilities, designed to supply some or all of their electricity requirements, which operate in parallel with the Company's system without adversely affecting the operation of equipment and service of the Company and its customers, and without presenting safety hazards to the Company and customer personnel. The customer shall contract for one or more of the following services:

Supplemental Service

Service provided to the customer to supplement the customer's power production facilities which will enable either or both sources of supply to be utilized for all or any part of the customer's total requirement.

Backup Service

Service provided to the customer when the customer's power production facilities are unavailable due to unscheduled maintenance.

Maintenance Service

Service provided to the customer when the customer's power production facilities are unavailable due to scheduled maintenance which has been approved in advance by the Company.

The Company reserves the right to limit total backup and maintenance contract capacity for all customers served under this tariff.

CONDITIONS AND LIMITATIONS OF STANDBY SERVICE AVAILABILITY

The conditions and limitations include, but are not limited to, the available capacity of the Company's facilities, the possibility of causing any undue interference with the Company's obligations to provide service to any of its other customers and the extent to which such backup and/or maintenance service will impose a burden on the Company's system or any system interconnected with the Company.

The provision for the Company providing backup and/or maintenance service to the customer is conditionally provided on the assumption that the customer installs, operates and maintains suitable and sufficient equipment, as reasonably specified by the Company, to protect the customer's facilities and the Company's system from damages resulting from such parallel operation, and upon the further condition that the Company shall not be liable to the customer for any loss, cost, damage, or expense which the customer may suffer by reason of damage to or destruction of any property, including the loss of use thereof, arising out of or in any manner connected with such parallel operation, unless such loss, cost, damage, or expense is caused by the negligence of the Company, its agents, or employees, and upon further condition that the customer shall not be liable to the Company for any loss, cost, damage or expense which the Company may suffer by reason of damage to or destruction of any property, including the loss of use thereof, arising out of, or in any manner connected with such parallel operation, unless such loss, cost, damage, or expense is caused by the negligence of the customer, its agents, or employees.

If the customer has not signed a supplemental service contract, the customer will be billed for all supplemental demand in excess of either backup and/or maintenance contract capacities on the appropriate supplemental service schedule and shall thereafter be subject to the terms and conditions of said supplemental service schedule.

Detents shall be used on the necessary metering to prevent reverse rotation.

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SCHEDULE S.B.S.
(Standby Service)
(continued)

MONTHLY CHARGES FOR STANDBY SERVICE

Supplemental Service

The customer shall contract for a specific amount of supplemental contract capacity according to the provisions of the applicable firm service Standard Schedule (hereinafter referred to as supplemental schedule). Any demand or energy not identified as backup or maintenance service shall be considered supplemental service and billed according to the applicable Standard Schedule.

Backup Service1. Determination of Backup Contract Capacity

The backup contract capacity in kilowatts (kW) shall be initially established by mutual agreement between the customer and the Company for electrical capacity sufficient to meet the maximum backup requirements which the Company is expected to supply.

The customer shall specify the desired backup contract capacity to the nearest 50 kW as well as the desired service reliability as specified under the Monthly Backup Charge. Changes in the backup contract capacity are subject to the provisions set forth in the Term of Contract.

2. Backup Service Notification Requirement

Whenever backup service is needed, the customer shall verbally notify the Company within one (1) hour. Such notification shall be confirmed in writing within five (5) working days and shall specify the time and date such use commenced and termination date. If such notification is not received, the customer shall be subject to an increase in contract capacity in accordance with the provisions of the Standard Schedule under which the customer receives supplemental service and such backup demand shall be considered supplemental demand and billed accordingly.

3. Backup Demand Determination

Whenever backup service is supplied to the customer for use during forced outages, the customer's integrated kW demand shall be adjusted by subtracting the amount of backup contract capacity supplied by the Company. In no event shall the adjusted demand be less than zero (0). The monthly billing demand under the supplemental service schedule shall be the maximum adjusted integrated demand. If both backup and maintenance service are utilized during the same billing period, the customer's integrated demands will be adjusted for both in the appropriate period. Whenever the customer's maximum integrated demand at any time during the billing period exceeds the total of the supplemental service contract capacity and the specific request for backup and/or maintenance service, the excess demand shall be considered as supplemental demand in the determination of the billing demands under the appropriate supplemental service schedule.

4. Backup Service Energy Determination

Whenever backup service is utilized, backup energy shall be calculated as the lesser of a) the backup contract capacity multiplied by the number of hours of backup use or b) total metered energy. Metered energy for purposes of billing under the appropriate supplemental schedule shall be derived by subtracting the backup energy from the total metered energy for the billing month.

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**SCHEDULE S.B.S.
(Standby Service)
(continued)**

MONTHLY CHARGES FOR STANDBY SERVICE (Cont'd)5. Monthly Back-up Charge

	Service Voltage			
	Secondary ¢/kWh	Primary ¢/kWh	Subtransmission ¢/kWh	Transmission ¢/kWh
Generation Energy Charge	0.566	0.552	0.544	0.537

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges. Each kilowatt of demand billed is subject to all applicable riders and surcharges.

Service Voltage	Demand Charge				
	% Forced Outage Rate	Maximum Outage Hours	Generation \$/kW	Distribution \$/kW	Total \$/kW
Service Reliability Level A					
Secondary	5	438	0.77	0.00	0.77
Primary	5	438	0.75	0.00	0.75
Subtransmission	5	438	0.74	0.00	0.74
Transmission	5	438	0.72	0.00	0.72
Service Reliability Level B					
Secondary	10	876	1.54	0.00	1.54
Primary	10	876	1.50	0.00	1.50
Subtransmission	10	876	1.47	0.00	1.47
Transmission	10	876	1.45	0.00	1.45

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**SCHEDULE S.B.S.
(Standby Service)
(continued)**

MONTHLY CHARGES FOR STANDBY SERVICE (Cont'd)

Service Voltage	% Forced Outage Rate	Maximum Outage Hours	Generation \$/kW	Distribution \$/kW	Total \$/kW
Service Reliability Level C					
Secondary	15	1,314	2.30	0.00	2.30
Primary	15	1,314	2.24	0.00	2.24
Subtransmission	15	1,314	2.21	0.00	2.21
Transmission	15	1,314	2.17	0.00	2.17
Service Reliability Level D					
Secondary	20	1,752	3.07	0.00	3.07
Primary	20	1,752	2.99	0.00	2.99
Subtransmission	20	1,752	2.94	0.00	2.94
Transmission	20	1,752	2.90	0.00	2.90
Service Reliability Level E					
Secondary	25	2,190	3.84	0.00	3.84
Primary	25	2,190	3.74	0.00	3.74
Subtransmission	25	2,190	3.68	0.00	3.68
Transmission	25	2,190	3.62	0.00	3.62
Service Reliability Level F					
Secondary	30	2,628	4.61	0.00	4.61
Primary	30	2,628	4.49	0.00	4.49
Subtransmission	30	2,628	4.41	0.00	4.41
Transmission	30	2,628	4.34	0.00	4.34

The total monthly backup charge is equal to the selected monthly backup demand charge times the backup contract capacity. Whenever the allowed outage hours for the respective reliability level selected by the customer are exceeded during the contract year, the customer's unadjusted integrated demands shall be used for billing purposes under the appropriate supplemental schedule for the remainder of the contract year.

**Issued: January 25, 2015
Pursuant to Final Order
Dated: November 26, 2014
Case PUE-2014-00026**

Effective: January 25, 2015

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**SCHEDULE S.B.S.
(Standby Service)
(continued)****MONTHLY CHARGES FOR STANDBY SERVICE (Cont'd)**Maintenance Service**1. Determination of Maintenance Contract Capacity**

The customer may contract for maintenance service by giving at least six (6) months' advance written request as specified in the Term of Contract. Such notice shall specify the amount to the nearest fifty (50) kW not to exceed the customer's maximum maintenance service requirements during planned maintenance outages, and the effective date for the amount of contracted maintenance service.

2. Maintenance Service Notification Requirement

A major maintenance outage shall be considered as any maintenance service request greater than 5,000 kW and may be scheduled at a time consented to by the Company. Written notice shall be provided by the customer at least 180 days in advance of such scheduled outages or a lesser period by mutual agreement and shall specify the kW amount of maintenance service required, as well as the dates and times such use will commence and terminate. A major maintenance service request shall not exceed the kW capacity of the customer's power production facilities as listed in the customer's service contract.

A minor maintenance outage shall be considered as any maintenance service request of 5,000 kW or less and may be scheduled at a time consented to by the Company. Written notice shall be provided by the customer at least thirty (30) days in advance of such outage or a lesser period by mutual agreement.

If such notification is not received, the customer shall be subject to an increase in supplemental service contract capacity according to the provisions of the supplemental service schedule under which the customer is served and such maintenance service demand shall be considered as supplemental load in the determination of the billing demands.

3. Major Maintenance Service Limitation

The customer shall be limited to one major maintenance outage of 30-days duration for each generator listed in the customer's service contract in each contract year. Additional major maintenance outages or outages exceeding 30-days duration may be requested by the customer and shall be subject to approval by the Company. At the time in which any such additional or prolonged maintenance occurs, the customer shall provide to the Company notarized verification that energy provided under this provision is for maintenance use only.

4. Maintenance Service Demand Determination

Whenever a specific request for maintenance service is made by the customer, the customer's integrated demands will be adjusted by subtracting the maintenance service requested in the hours specified by the customer. The monthly billing demands under the supplemental service schedule shall be the maximum adjusted integrated demands.

If both backup and maintenance service are utilized during the same billing period, the customer's integrated demands will be adjusted for both in the appropriate hours. In no event shall the adjusted demand be less than zero (0).

Whenever the maximum integrated demand at any time during the billing period exceeds the total of the supplemental contract capacity and the specific request for maintenance and/or back-up service, the excess demand shall be considered as supplemental load in the determination of the billing demands.

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**SCHEDULE S.B.S.
(Standby Service)
(continued)**

MONTHLY CHARGES FOR STANDBY SERVICE (Cont'd)**5. Maintenance Service Energy Determination**

Whenever maintenance service is used, maintenance energy shall be calculated as the lesser of a) the kW of maintenance service requested multiplied by the number of hours of maintenance use or b) total metered energy. Metered energy for purposes of billing under the appropriate supplemental service schedule shall be derived by subtracting the maintenance energy from the total metered energy for the billing period.

6. Monthly Maintenance Service Charge

In addition to the monthly charges established under the supplemental service schedule, the customer shall pay the Company for maintenance energy as follows:
For each kWh of maintenance energy taken:

	Generation	Distribution	Total
Secondary (¢/kWh)	0.936	0.000	0.936
Primary (¢/kWh)	0.913	0.000	0.913
Subtransmission (¢/kWh)	0.900	0.000	0.900
Transmission (¢/kWh)	0.886	0.000	0.886

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges. Each kilowatt of demand billed is subject to all applicable riders and surcharges.

Local Facilities Charge

Charges to cover interconnection costs (including but not limited to suitable meters, relays and protective apparatus) incurred by the Company shall be determined by the Company and shall be collected from the customer. Such charges shall include the total installed cost of all local facilities. In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such charges. The customer shall make a one-time payment for the Local Facilities Charge at the time of the installation of the required additional facilities, or, at his option, up to thirty-six (36) consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company's most recent issue of long-term debt. If the customer elects the installment payment option, the Company may require a reasonable security deposit. This provision applies also to customers with Standby Contract capacities less than 100kW.

Transmission Charge

The total Transmission charge for service under this schedule is equal to the backup contract capacity times the backup % Forced Outage Rate times the Transmission demand charge for electric service under the Standard Schedule under which the customer receives electric service.

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**SCHEDULE S.B.S.
(Standby Service)
(continued)****SPECIAL PROVISION FOR CUSTOMERS WITH STANDBY CONTRACT CAPACITIES OF LESS THAN 100 kW**

Customers requesting standby service (backup and/or maintenance) with contract capacities of less than 100 kW shall execute a special contract form for a minimum of one (1) year. Contract standby capacity in kilowatts shall be set equal to the capacity of the customer's largest power production facility.

TERM

Contracts under this Schedule will be made for an initial period of not less than one (1) year and shall continue thereafter until either party has given six (6) months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for initial periods longer than one (1) year.

A 6-months' advance written request is required for any change in supplemental, backup, or maintenance service requirements, except for the initial standby service contract. All changes in the standby service contract shall be effective on the contract anniversary date. The Company shall either concur in writing or inform the customer of any conditions or limitations associated with the customer's request within sixty (60) days.

Except in instances where the Company has significant investment in local facilities or other special agreements with the customer, qualifying customers may elect to take service from a qualified Energy Service Provider pursuant to the terms and conditions of the applicable Open Access Distribution Schedule as specified in the Use of Energy by Customer provision of the Terms and Conditions of Standard Service.

SPECIAL TERMS AND CONDITIONS

At its discretion, the Company may require that Company-owned metering be installed to monitor the customer's generation.

The Company reserves the right to inspect the customer's relays and protective equipment at all reasonable times.

Customers taking service under this Standard Schedule who desire to transfer to firm full requirements will be required to give the Company written notice of at least thirty-six (36) months. The Company reserves the right to reduce the notice period requirement dependent upon individual circumstances.

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SCHEDULE A.F.S.
(Alternate Feed Service)**AVAILABILITY OF SERVICE**

Available for electric service to general service customers who take Standard Service from the Company and who request the Company to provide an alternate service from existing distribution facilities which is in addition to their principal service, provided that the Company has available capacity in existing distribution facilities adjacent to the customer's requested delivery point.

Each customer electing to take service under this Schedule shall contract for a definite amount of electrical capacity in kilowatts, which shall be sufficient to meet the customer's normal maximum demand.

MONTHLY RATE

In addition to all monthly charges for the customer's principle service as determined under the appropriate Standard Schedule, the customer shall pay the following:

For each kW of contract capacity or highest demand established during the last 11 months, whichever is greater	<u>Distribution</u> \$1.25 /kW
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PAYMENT

Bills are due upon presentation. Any amount due and not received by mail, checkless payment plan, electronic payment plan, or at authorized payment agents of the Company within twenty (20) days of the bill preparation date shall be subject to a delayed payment charge of 1½%. This charge shall not be applicable to local consumer utility taxes.

TERM

Written agreements may be required pursuant to the Extension of Service provision of the Company's Standard Terms and Conditions of Service.

SPECIAL TERMS AND CONDITIONS

The customer shall be responsible for supplying any switching apparatus and facilities which are required in order for the installation to conform to the Company's construction standards and requirements. In those cases where the Company supplies the switching apparatus to conform to the Company's standards and requirements, the customer shall be responsible for the total cost of the switching apparatus, its installation, maintenance, and any future replacement costs.

In the event existing alternate distribution facilities adjacent to the customer's requested delivery point are not adequate, and the Company is able to construct additional facilities to meet this need, a Contribution in Aid-of-Construction may be required for such additional facilities pursuant to the Extension of Service provision of the Company's Terms and Conditions of Standard Service.

Customers currently receiving duplicate service and not paying the monthly A.F.S. rate will cease receiving such service when the Company's existing facilities no longer have sufficient excess capacity available to provide this service. Customers desiring to continue receiving alternate feed service may do so only under the terms and conditions of Schedule A.F.S.

VA. S.C.C. TARIFF NO. 25
RESIDENTIAL
UNDERGROUND INSTALLATION PLAN

The following terms and conditions shall govern underground installation service in Virginia:

I. DEFINITIONS

The following words and terms, when used in this Plan, shall have the meaning indicated:

- A. Apartment - A dwelling unit not owned by the tenant which is part of a multi-unit structure.
- B. Applicant - the developer, owner, builder, or other person, partnership, association, corporation or governmental agency applying for the installation of an underground electric distribution system or service lateral. The applicant must own the land on which the underground service is to be installed.
- C. Average Front Lot Width - the sum of the front lot widths for all lots in a subdivision, manufactured home park, or mobile home park, divided by the number of lots in the subdivision or park.
- D. Commission - Virginia State Corporation Commission.
- E. Company - Appalachian Power Company.
- F. Condominium - individual ownership of a dwelling unit (not including land) in a multi-unit structure.
- G. Cost Difference - the amount by which the cost of providing underground facilities exceeds the cost of providing comparable overhead facilities, which in no event shall be less than zero.
- H. Distribution System - electric service facilities consisting of primary and secondary conductors, laterals, transformers and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.
- I. Manufactured Home - a dwelling unit with wheels removed, installed on permanent foundation, and connected to utility facilities such as water, sewer, and electric.
- J. Mobile Home - a dwelling unit with wheels attached.
- K. Primary/Secondary - combination of primary and secondary conductors, pad-mounted transformers and other equipment for primary and secondary such as pad-mounted switches, pedestals or enclosures.
- L. Service Laterals - underground-type conductors from either the attachment on a pole or a junction point on the primary/secondary system to the metering point or attachment with the applicant's equipment.
- M. Subdivision - a tract of land which is divided into two or more contiguous, established and defined lots for the construction of residential buildings as shown on plot plans which include lot dimensions. Such plot plans shall, if required by law, be approved by and recorded with appropriate governmental authorities.
- N. Townhouse - individually-owned dwelling unit, including land, separated by fire walls.
- O. Underground Agreement - the Application and Agreement for Underground Service entered into between the Company and the applicant.

VA. S.C.C. TARIFF NO. 25

**RESIDENTIAL
UNDERGROUND INSTALLATION PLAN
(continued)****II. GENERAL****A. Distribution System**

1. Facilities normally will be installed in the most economical manner. If the applicant's particular requirements result in a cost to the Company, which exceed those normally incurred in providing service at the most economical means, then in addition to the charges contained in this Plan, as filed with the Commission, the applicant shall pay a CIAC (Contribution in Aid of Construction) reimbursing the company for any such additional costs which result from the applicant's particular requirements. The customer shall also reimburse the Company for all state and federal income taxes associated with the CIAC and any other charges described below.

B. Trenching and Backfilling

1. Cost of primary/secondary and service lateral includes trenching and backfilling.
2. Primary trench shall be a minimum of 40 inches deep, +/- 4 inches from the final grade and at least six inches wide. Secondary trench shall be a minimum of 28 inches deep, +/- 4 inches from the final grade and at least six inches wide. After cables are in place, they shall be covered with six inches of rock-free soil before final backfill. Where the cable is to be laid in a rock cut, four inches of rock-free soil is to be provided as a bedding.
3. Company normally will do the necessary trenching and backfilling and shall install the electrical conductors and related facilities.
4. When, by mutual agreement, the applicant provides trenching and backfilling or when the costs of trenching and backfilling are shared by another utility, the Company's charge for providing underground service will be reduced by the resulting reduction in cost to the Company, based upon the average contract unit price for such work in the Company's Virginia service area.
5. When applicant agrees to perform trenching and backfilling, applicant may be required to install suitable conduit as defined by the Company, for the entire length of the UG primary/secondary/service extension.
6. When excavation permit fees, if any, are assessed to the Company by a local governmental entity, the Company's charge for providing underground service will be increased by the resulting cost to the Company.

C. Conduit

1. Company shall provide and install conduit for street crossings and on Company poles where required.
2. Applicant shall provide and install two inch (or larger where required) PVC, metal, or other approved conduit from the meter down into the trench in which the service lateral is to be located. In addition to the requirements specified in Section B 5 above, when the Company performs the trenching and backfilling, applicant shall provide suitable conduit as defined by the Company for areas located beneath a sidewalk, driveway, parking lot, patio, and/or in the areas to be used for such purposes.

D. Repair or Replacement of Existing Facilities

1. Upgrading Company-owned Residential Underground Service Laterals.

When it becomes necessary, due to increased load, to upgrade Company-owned residential underground service laterals to provide the applicant with adequate service, the Company shall replace each such service lateral and charge the applicant the cost difference between overhead and underground in accordance with Paragraph IV.

VA. S.C.C. TARIFF NO. 25
RESIDENTIAL
UNDERGROUND INSTALLATION PLAN
(continued)

II. GENERAL (Cont'd)

2. Replacement of Deteriorated or Failed Company-owned Residential Underground Service Laterals.

When it becomes necessary to repair or replace Company-owned residential underground service laterals, due to deterioration or any other cause except an increase in load or the negligence of the applicant, his agents or employees, the Company shall repair or replace the service laterals at no cost to the applicant.

3. Replacement of Existing Useful Overhead Facilities.

Underground primary/secondary and/or service laterals will be provided by the Company in place of existing overhead facilities upon payment to the Company by the applicant of an amount equal to the sum of a. and b. below:

- a. An amount determined in accordance with the applicable provisions for initial service as outlined in the Plan.
- b. An amount equal to the original cost of the overhead facilities to be removed, plus the estimated cost of removing such overhead facilities, less credits for the estimated amount of depreciation accrued on such facilities, and the estimated salvage value of the material removed; provided that in no case shall the credits exceed the original of the costs of the facilities.

E. Obstructions

The applicant must remove all obstructions from the route along which the primary/secondary and/or service lateral will be installed and provide continuing access to the Company for operation, maintenance or replacement of these facilities. The Company shall not be responsible for the condition of shrubs, trees, grass, sidewalks, driveways, patios or any other obstructions requiring protection from the Company's equipment during installation and maintenance of the underground facilities. The applicant shall be responsible for all such items and shall also reseed the trench cover where required.

F. Abnormal Conditions

1. In the event street, curbs, driveways, or other obstructions have been installed prior to the installation of the underground facilities, or in the event terrain conditions, slope of easement, or depth of trench required to eliminate potential conflicts with anticipated grade cuts render an easement strip not usable by trenchers normally utilized by the Company or its contractors, the amount payable to the Company by the applicant shall be the appropriate charges contained in this Plan, plus all additional costs resulting from these requirements or abnormal conditions.
2. In the event rock, shale or other such conditions are encountered, the applicant shall pay the costs incurred by the Company in excess of the labor contract costs to trench and backfill in earth which the Company would otherwise incur in the absence of such abnormal conditions.

G. Payment

The applicant shall pay the Company the appropriate charges as determined under this plan on the date of execution of the Underground Agreement plus any additional charges which may be applicable at the time underground facilities are installed. Charges for abnormal conditions under Section II.F. will be adjusted after underground facilities are installed based upon actual cost to the Company.

VA. S.C.C. TARIFF NO. 25

**RESIDENTIAL
UNDERGROUND INSTALLATION PLAN
(continued)**

III. INITIAL UNDERGROUND PRIMARY DISTRIBUTION TO SERVE SUBDIVISIONS, MANUFACTURED HOME PARKS AND MOBILE HOME PARKS

Underground single phase primary/secondary 120/240V service including a combination of primary, secondary, pad-mounted transformers, and necessary accessories and appurtenances, excluding service laterals, shall be provided upon payment to the Company of the appropriate amounts set forth below:

Average Front Lot Width (feet)	Charge per Lot
0-75	\$375.00
76-125	\$500.00
126-175	\$750.00
176-225	\$1,000.00
226-250	\$1,250.00
Over 250'	To be estimated for each subdivision

Where rock, obstructions, etc., are encountered, the applicant shall be charged the additional expense in accordance with the provisions of Paragraph II. F.

IV. INITIAL UNDERGROUND SERVICE LATERALS TO SERVE INDIVIDUAL DWELLINGS

Underground single phase, 120/240V service laterals, shall be provided upon payment to the Company of the designated amount(s) set forth below. Note that the calculation of charges for any necessary facilities to accommodate lots of abnormal depth are covered in Section V.

A. Underground Service from Underground System

Lateral Length	APCO Trench & Backfill
$\leq 200'$ & ≤ 350 A1	\$2.00 per lineal foot
All Others	Cost Difference

The Company shall determine the appropriate wire size based on the customer's load and the service distance required.

B. Underground Service from Overhead System

Lateral Length	APCO Trench & Backfill
$\leq 200'$ & ≤ 350 A1	\$300.00 plus \$2.00 per lineal foot
All Others	Cost Difference

The Company shall determine the appropriate wire size based on the customer's load and the service distance required.

C. Abnormal Conditions

Where rock, obstructions, etc., are encountered, the applicant shall be charged the additional expense in accordance with the provisions of Paragraph II. F.

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RESIDENTIAL
UNDERGROUND INSTALLATION PLAN
(continued)

V. INITIAL UNDERGROUND DISTRIBUTION FACILITIES TO SERVE DUPLEXES, INDIVIDUALLY METERED APARTMENTS, CONDOMINIUMS, TOWNHOUSE UNITS AND INDIVIDUAL DWELLINGS NOT INCLUDED AS PART OF A SUBDIVISION

Underground single phase primary/secondary 120/240V service including a combination of primary, secondary, service laterals, pad-mounted transformers and necessary accessories and appurtenances shall be provided upon payment to the Company by the applicant of the estimated total cost difference between overhead and underground, including costs associated with rock excavation, obstructions, difficult locations, etc., as more fully described in Paragraph II. F.

VI. INSTALLATION OF UNDERGROUND FACILITIES

The Company will schedule the installation of underground facilities based on the successful completion of the following requirements:

- a. Signed underground agreement
- b. In certain circumstances, the aid to construction payment
- c. Customer conduits are installed and identified (as applicable)
- d. Property pins are installed and lot numbers are clearly identified
- e. Property is within 4" of final grade where underground facilities are to be installed
- f. Curb and gutter are installed (as applicable)
- g. Public Utility Easement has been cleared and is acceptable for future access of mechanized equipment
- h. Evidence of construction of permanent residence (well and septic or central water and sewer lines and foundation)
- i. Permanent or current only inspection

VA. S.C.C. TARIFF NO. 25
COMMERCIAL & INDUSTRIAL
UNDERGROUND INSTALLATION PLAN

The following terms and conditions shall govern underground installation service in Virginia. In addition, the customer shall reimburse the Company for all state and federal income taxes associated with the charges described in this section:

I. DEFINITIONS

The following words and terms, when used in this Plan, shall have the meaning indicated:

- A. Applicant - the developer, owner, builder, or other person, partnership, association, corporation or governmental agency applying for the installation of an underground electric distribution system or service lateral. The applicant must own the land on which the underground service is to be installed.
- B. Commission - Virginia State Corporation Commission.
- C. Company - Appalachian Power Company.
- D. Cost Difference - the amount by which the cost of providing underground facilities exceeds the cost of providing comparable overhead facilities, which in no event shall be less than zero.
- E. Distribution System - electric service facilities consisting of primary and secondary cables, laterals, transformers and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.
- F. Network Distribution System - a nominal 208Y/120 volt secondary grid system supplied from more than one primary feeder such that the loss of any one feeder will not adversely affect the secondary grid.
- G. Service Lateral - underground-type conductor from either the attachment on a pole or a junction point on the primary/secondary system to the metering point or attachment with the applicant's equipment.
- H. Underground Agreement - the Application and Agreement for Underground Service entered into between the Company and the applicant.

II. General

A. Distribution System

- 1. Service will be provided from one distribution circuit unless the load dictates two circuits to meet single contingency planning criteria as determined by the Company.
- 2. If dual service is requested by the applicant (when load can be served from one supply circuit) the applicant shall be charged a CIAC representing the cost of providing the second circuit.
- 3. Where dual service is requested by the applicant, an automatic switch is required. The applicant will install and own the automatic switch in most installations. In those cases where it is determined that the Company must own the switch, the added cost of the switch shall be charged to the applicant as a contribution in aid of construction (CIAC).

VA. S.C.C. TARIFF NO. 25
COMMERCIAL & INDUSTRIAL
UNDERGROUND INSTALLATION PLAN
(continued)

II. General (Cont'd)

B. Trenching, Backfilling and Facilities

1. Cost of primary/secondary and service lateral includes trenching and backfilling.
2. Primary trench shall be a minimum of 40 inches deep, +/- 4 inches from the final grade, and at least six inches wide. Secondary trench shall be a minimum of 28 inches deep, +/- 4 inches from the final grade, and at least six inches wide. After cables are in place, they shall be covered with six inches of rock-free soil before final backfill. Where the cable is to be laid in a rock cut, four inches of rock-free soil is to be provided as a bedding.
3. When, by mutual agreement, the applicant provides trenching and backfilling and /or can perform such other work as construction of manholes, transformer pads, primary duct lines, etc., in a manner which meets the Company's specifications and construction schedules, or when the costs of trenching and backfilling are shared by another utility, the Company's charge for providing underground service will be reduced by the resulting reduction in cost to the Company, based upon the average contract unit price for such work in the Company's Virginia service area.
4. When applicant agrees to perform trenching and backfilling, applicant shall be required to install suitable conduit as defined by the Company, for the entire length of the underground primary/secondary/service extension, except for exemption of Schedule S.G.S. underground services when the Company determines that service conductor may be direct buried.
5. When excavation permit fees, if any, are assessed to the Company by a local governmental entity, the Company's charge for providing underground service will be increased by the resulting cost to the Company.

C. Conduit & Vaults

1. Applicant shall provide and install two inch (or larger where required) PVC, metal, or other approved conduit from the meter down into the trench in which the service lateral is to be located. In addition to the requirements specified in Section B 4 above, when the Company performs the trenching and backfilling, applicant shall provide suitable conduit as defined by the Company for areas located beneath a sidewalk, driveway, parking lot, and/or in the areas to be used for such purposes.
2. If transformer vaults are required, the applicant will provide, at his own expense, a vault suitable for Company equipment.

D. Repair or Replacement of Existing Facilities

1. Upgrading Company-owned Underground Service Laterals.
When it becomes necessary, due to increased load, to upgrade Company-owned underground service laterals to provide the applicant with adequate service, the Company shall replace each such service lateral and charge the applicant the cost difference between overhead and underground facilities.
2. Replacement of Deteriorated or Failed Company-owned Underground Service Laterals.
When it becomes necessary to repair or replace Company-owned underground service laterals, due to deterioration or any other cause except an increase in load or the negligence of the applicant, his agents or employees, the Company shall repair or replace the service laterals at no cost to the applicant.

VA. S.C.C. TARIFF NO. 25
COMMERCIAL & INDUSTRIAL
UNDERGROUND INSTALLATION PLAN
(continued)

II. General (Cont'd)

3. Replacement of Existing Useful Overhead or Underground Facilities.

Underground facilities will be provided by the Company in place of existing overhead or underground useful facilities upon payment to the Company by the applicant of an amount equal to the sum of a. and b. below:

- a. An amount determined in accordance with the applicable provisions for initial service as outlined in this Plan.
- b. An amount equal to the original cost of the overhead or underground facilities to be removed, plus the estimated cost of removing such facilities, less credits for the estimated amount of depreciation accrued on such facilities and the estimated salvage value of the material removed; provided that in no case shall the credits exceed the costs of the facilities removed.

E. Obstructions

The applicant must remove all obstructions from the route along which the underground facilities will be installed and provide continuing access to the Company for operation, maintenance or replacement of these facilities. The Company shall not be responsible for the condition of shrubs, trees, grass, sidewalks, driveways, parking areas or any other obstructions requiring protection from the Company's equipment during installation and maintenance of the underground facilities. The applicant shall be responsible for all such items and shall also reseed the trench cover where required.

F. Abnormal Conditions

1. In the event street, curbs, driveways, or other obstructions have been installed prior to the installation of the underground facilities, or in the event terrain conditions, slope of easement, or depth of trench required to eliminate potential conflicts with anticipated grade cuts render an easement strip not usable by trenchers normally utilized by the Company or its contractors, the amount payable to the Company by the applicant shall be the appropriate charges contained in this Plan, plus all additional costs resulting from these requirements or abnormal conditions.
2. In the event rock, shale, or other such conditions are encountered, the applicant shall pay the costs incurred by the Company in excess of the labor contract costs to trench and backfill in earth which the Company would otherwise incur in the absence of such abnormal conditions.

G. Payment

At the time of the execution of the underground agreement, the applicant shall pay the Company the charges determined in accordance with this Plan.

VA. S.C.C. TARIFF NO. 25
COMMERCIAL & INDUSTRIAL
UNDERGROUND INSTALLATION PLAN
(continued)

III. Initial Underground Service to Commercial, Governmental, or Industrial Buildings Including Schools and Master-Metered Multi-Family Buildings

A. Applicant shall pay the Company the amount by which the cost of underground facilities exceeds the cost of the equivalent overhead facilities. In addition to these estimated costs, the applicant shall pay the actual cost incurred by the Company for abnormal conditions noted in II.F. Furthermore, the Extension of Service section in the then current Terms and Conditions of Service may require a contribution from the applicant.

B. Abnormal Conditions

Where rock, obstructions, etc., are encountered, the applicant shall be charged the additional expenses in accordance with the provision of paragraph II.F.

IV. Underground Services Supplied From Network Distribution System Installed in Municipal Streets and Alleys

This service shall be evaluated in the same manner as an Overhead service using the Extension of Service paragraph in the current Terms and Conditions of Standard Service.

V. Initial Service Supplied From Underground Distribution Systems Other Than Network Systems in Municipal Streets and Alleys

This service shall be evaluated in the same manner as an overhead service using the Extension of Service paragraph in the current Terms and Conditions of Standard Service. Company will provide the distribution system under the appropriate agreement negotiated with the responsible governmental body. Facilities such as conductors, trenching, conduit, transformers, etc., designed for a specific customer from the connection to the existing distribution system to the delivery point shall be included in the cost of local facilities for providing service.

VI. Installation of Underground Facilities

The Company will schedule the installation of underground facilities based on the successful completion of the following requirements:

- a. Signed underground agreement
- b. In certain circumstances, the aid to construction payment
- c. Customer conduits are installed and identified (as applicable)
- d. Property pins are installed and lot numbers are clearly identified
- e. Property is within 4" of final grade where underground facilities are to be installed
- f. Curb and gutter are installed (as applicable)
- g. Public Utility Easement has been cleared and is acceptable for future access of mechanized equipment
- h. Evidence of construction of permanent residence (well and septic or central water and sewer lines and foundation)
- i. Permanent or current only inspection

VA. S.C.C. TARIFF NO. 25
SCHEDULE VWS
(VOLUNTARY WIND SERVICE)

APPLICABILITY OF SERVICE

Applicable throughout the entire Virginia service territory of the Company.

AVAILABILITY OF SERVICE

Available for electric service to general service customers with normal maximum electrical capacity requirements greater than 1,000 kW who take Standard Service from the Company under Schedule L.P.S.. This rate schedule is voluntary and is available to customers under the terms, conditions and character of service set forth below.

AVAILABILITY OF WIND RESOURCES

The availability of wind resources for providing service under this rate schedule is limited to the Virginia-allocated output purchased by Appalachian Power Company pursuant to the Power Purchase Agreement between Appalachian Power Company and the Beech Ridge wind facility located in Greenbriar, West Virginia and the Virginia-allocated output purchased by Appalachian Power Company pursuant to the Purchase Power Agreement between Appalachian Power Company and the Grand Ridge wind facility located in LaSalle County, Illinois. The wind resources associated with these agreements are referred to herein as the "Generating Facilities". As a result of the limited availability of wind resources under this rate schedule, the Company reserves the right to refuse service to customers applying for service, if, in the Company's judgment, an adequate level of energy is not expected to be available from the Generating Facilities.

CHARACTER OF SERVICE

Prior to receiving service under this schedule, the customer must execute a Service Agreement with the Company under which the Company agrees to meet the customer's total energy needs, or a portion of energy needs so designated by the customer, with energy obtained from the Virginia-allocated share of the output from the Generating Facilities. In the event that the Company is unable to acquire sufficient energy from the Generating Facilities to meet its obligations under Service Agreements that have been established for service under this rate schedule, the Company will meet its obligation from the Virginia-allocated share of the Company's then-existing purchase power agreements with other wind generation facilities, but only to the extent that energy associated with such agreements is available for such use.

ANNUAL BALANCING OF SOURCE AND USE

The Company will monitor monthly wind source amounts compared to the customer's energy requirements agreed to under the Service Agreement. The Company does not guarantee that the customer's energy requirements will be met from the Generating Facilities in each hour of service in each month. The Company will, on an annual basis, meet the Customer's contracted energy requirements from the energy obtained from the Generating Facilities to the extent possible.

MONTHLY CHARGE

The Customers will take service in accordance with the rates, terms and conditions of service set forth in Rate Schedule L.P.S. T.O.D, including all applicable current and future riders. Upon execution of the Service Agreement required under the "Character of Service" section herein, customers will not be subject to the generation-based Base Rate Energy Charge contained in L.P.S, nor to the Fuel Factor Rider. The customer will be subject to a rate for energy from the Generating Facilities as established by the Customer and the Company and as set forth in the Service Agreement. In no event shall the monthly charges under the Service Agreement be less than the monthly charges that would be applicable under Rate Schedule L.P.S.

TERM

The term of contract for service to a Customer under this Rate Schedule shall be as set forth in the Service Agreement with the Customer.

TERMS AND CONDITIONS OF SERVICE

Customers voluntarily taking service under this Rate Schedule remain customers under Rate Schedule L.P.S. and, except as provided herein, are subject to all provisions of Rate Schedule L.P.S. and the Company's Terms and Conditions of Standard Service.

VA. S.C.C. TARIFF NO. 25

**OPTIONAL RIDER R.P.R.
(Renewable Power Rider)****AVAILABILITY OF SERVICE**

Available to customers taking service under the Company's metered rate schedules.

Participation in this program shall be limited by the availability to the Company of renewable energy certificates (RECs) associated with power purchased from the Summersville Hydro project, a certified Low Impact Facility from which the Company purchases power. If the annual total of all kWh under this Rider equals or exceeds 10% of Appalachian Power Company's Virginia retail jurisdictional share of projected RECs to be procured on an annual basis by Appalachian Power Company from the Summersville Hydro Project, the Company shall suspend the availability of this Rider to new participants.

CONDITIONS OF SERVICE

Customers who wish to support the development of electricity generated by renewable energy resources may agree to purchase each month a specific number of fixed blocks of 100 kWh or may purchase an amount equivalent to the customer's entire monthly energy (kWh) consumption. Renewable energy shall be defined in accordance with § 56-577 of the Code of Virginia.

MONTHLY RATE

In addition to the monthly charges determined according to the Company's rate schedule under which the customer takes service, the customer shall participate in the Renewable Power Rider under one of the following options:

Block Purchase Option: \$1.50 for each 100 kWh block nominated
All Usage Purchase Option: \$0.015/kWh consumed

TERM

Customers eligible for this Rider may participate by notifying the Company. Customers may terminate service under this Rider by notifying the Company with at least thirty (30) days prior notice.

SPECIAL TERMS AND CONDITONS

This Rider is subject to the Company's Standard Terms and Conditions of Service.

VA. S.C.C. TARIFF NO. 25

**OPTIONAL RIDER D.I.R.
(Distribution Interconnection Rider)****APPLICABILITY**

This Rider is applicable to any customer with cogeneration, small power production facilities, and/or other on-site facilities producing electrical energy (including emergency standby facilities) who wishes to operate such facilities in parallel with the Company's distribution system at standard nominal voltages. This rider is not applicable to customer generators operating pursuant to the Virginia State Corporation Commission's regulations governing Net Energy Metering or the interconnection and parallel operation of facilities which the Federal Energy Regulatory Commission has determined to be subject to its jurisdiction. A customer who wishes to interconnect generating facilities at the Company's standard subtransmission and transmission voltages or who wishes to participate in wholesale markets must comply with PJM's interconnection procedures.

The Company shall interconnect generation on its distribution system in accordance with Chapter 314 of the Virginia Administrative Code (20 VAC 5-314-10 et seq.), Regulations Governing Interconnection of Small Electrical Generators (Commission Rules). A copy of the Commission Rules will be provided to customers upon request. No more than twenty (20) MW of a facility's capacity will be interconnected at any point in time at the point of common coupling with Company's distribution system.

TECHNICAL REQUIREMENTS

The Company will provide a copy of its technical requirements upon request. A customer wishing to interconnect generating facilities with the Company's system is required to install a lockable, accessible, load breaking manual disconnect switch in accordance with the Company's technical requirements. The Company's technical requirements may be amended from time to time.

Prior to interconnection with the Company's system, the customer must ensure compliance with local, state, and federal laws and regulations including all applicable easements and permits and §§56-265.2 and 56-580 of the Code of Virginia.

APPLICATION

A customer seeking interconnection and parallel operation of generation facilities with Company's distribution system must complete and submit the application for interconnection available from the Company upon request. All interconnection applications shall be processed by the Company in a nondiscriminatory manner. The Company shall promptly provide the customer a written notice of the Company's receipt of the application within three business days after the application has been received by the Company's personnel designated on the application form. Should an application be found to be incomplete, the Company must provide written notice within 10 days of receipt of the application by the Company's personnel that the application is not complete together with a description of the information needed to complete the application and a statement that processing of the application cannot begin until the information is received.

The Company shall charge each customer that applies for interconnection service a non-refundable application fee as set forth in the Commission Rules. Fees for customer applications for interconnection of facilities is \$100 for facilities of 500 kW or less and \$500 for all others.

VA. S.C.C. TARIFF NO. 25

**OPTIONAL RIDER D.I.R.
(Distribution Interconnection Rider)****APPLICATION (Continued)**

Site control documentation must be submitted with the application and may be demonstrated through:

- Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing a generating facility;
- An option to purchase or acquire a leasehold site for such purposes;
- An exclusive or other business relationship between the customer and the entity having the right to sell, lease, or grant the customer the right to possess or occupy a site for such purpose; or
- An existing permanent service metered account with the Company at the site and in the name of the customer.

STUDIES

The Company may require a supplemental review, feasibility study, system impact study, and/or a facilities study prior to interconnection. In instances where such studies are required, the scope of such studies shall be based on the characteristics of the particular generation facility to be interconnected and the Company's system at the specific proposed location. By agreement between the Company and the customer, studies related to interconnection of the generation facility may be conducted by a qualified third party. The cost of such analysis will be the responsibility of the Customer. For studies conducted by the Company, a cost estimate will be provided and agreed to by the Customer prior to the Company performing the analysis. Any such study conducted by the Company shall be shared with the customer.

CONSTRUCTION OR UPGRADE FEES

If the interconnection requires construction or an upgrade of the Company's system, the Company will assess the customer the actual cost, including all applicable taxes, of such construction or upgrade. Payment terms for such construction or upgrade will be agreed to and specified in the construction contract. The Company and the customer may negotiate for alternatives in order to reduce any costs or taxes applicable thereto.

CONNECTION

Operation of the customer's facility may not begin until a licensed electrician has certified that the disconnect switch and the generating facility have been installed in accordance with manufacturer's specifications as well as all applicable provisions of the National Electrical Code.

Prior to interconnection, the Company will provide notice to the Customer of its approval to connect. Customers with facilities greater than 500 kW must enter into an agreement for interconnection prior to connecting.

METERING

Any metering necessitated by the use of the generating facility and any additional Company metering requested by the Customer and agreed to by the Company shall be provided by the Company at the customer's expense in accordance with Commission requirements or the Company's specifications.

**Issued: January 25, 2015
Pursuant to Final Order
Dated: November 26, 2014
Case PUE-2014-00026**

Effective: January 25, 2015

VA. S.C.C. TARIFF NO. 25

**OPTIONAL RIDER D.I.R.
(Distribution Interconnection Rider)****METERING (Continued)**

The Customer shall be responsible for the Company's reasonable and necessary cost of the purchase, installation, operation, maintenance, testing, repair and replacement of metering and telemetering equipment.

LIABILITY INSURANCE

For generating facilities with a rated capacity not exceeding 10 kW, the Customer at its own expense, shall secure and maintain in effect during the term of the interconnection agreement liability insurance with a combined single limit for bodily injury and property damage of not less than \$100,000 for each occurrence.

For generating facilities with a rated capacity exceeding 10 kW but not exceeding 500 kW, the Customer at its own expense, shall secure and maintain in effect during the term of the interconnection agreement liability insurance with a combined single limit for bodily injury and property damage of not less than \$300,000 for each occurrence.

For generating facilities with a rated capacity exceeding 500 kW but not exceeding 2,000 kW, the Customer at its own expense, shall secure and maintain in effect during the term of the interconnection agreement liability insurance with a combined single limit for bodily injury and property damage of not less than \$2 million for each occurrence.

For generating facilities with a rated capacity exceeding 2,000 kW, the Customer at its own expense, shall secure and maintain in effect during the term of the interconnection agreement liability insurance with a combined single limit for bodily injury and property damage which shall be determined on a case-by-case basis and shall reflect the size of the installation and the potential for distribution system damage.

Certificate of insurance evidencing the requisite coverage and provision shall be furnished to the Company prior to the date of interconnection. The Company may periodically obtain proof of current insurance coverage from the Customer in order to verify continuing proper liability insurance coverage.

SPECIAL TERMS AND CONDITIONS OF SERVICE

This Rider is subject to the Company's Terms and Conditions of Service and all provisions of the standard service schedule under which the customer takes service. If applicable, the customer shall also take the appropriate service under the provisions of Schedule COGEN/SPP (Cogeneration and/or Small Power Production Service), and/or Schedule S.B.S. (Standby Service).

VA. S.C.C. TARIFF NO. 25

**OPTIONAL RIDER E.D.R.
(Economic Development Rider)****AVAILABILITY OF SERVICE**

In order to encourage economic development in the Company's service area, limited-term reductions in billing demands described herein are offered to qualifying new and existing retail customers who make application for service under this Rider.

Service under this Rider is intended for specific types of commercial and industrial customers whose operations, by their nature, will promote sustained economic development based on plant and facilities investment and job creation. Availability is limited to customers on a first-come, first-served basis for loads aggregating 250 MW. This Rider is available to commercial and industrial customers served under Standard Tariff L.P.S. who meet the following requirements:

- (1) A new customer must have a billing demand of 1,000 kW or more. An existing customer must increase billing demand by 1,000 kW or more over the maximum billing demand during the 24 months prior to the date of the application by the customer for service under this Rider (Base Maximum Billing Demand).
- (2) A new customer, or the expansion by an existing customer, must result in the creation of new jobs maintained over the contract term at the service location. Company reserves the right to verify job counts. Failure to demonstrate the creation of new employment positions and to maintain the employment during the contract term will result in the termination of the contract or agreement addendum for service under this Rider.
- (3) The customer must demonstrate to the Company's satisfaction that, absent the availability of this Rider, the qualifying new or increased demand would be located outside of the Company's service territory or would not be placed in service due to poor operating economics.

TERMS AND CONDITIONS

- (1) To receive service under this Rider, the customer shall make written application to the Company with sufficient information contained therein to determine the customer's eligibility for service.
- (2) For new customers, billing demands for which deductions will be applicable under this Rider shall be for service at a new service location and not merely the result of a change of ownership. Relocation of the delivery point of the Company's service, moving existing equipment from another AEP-served location or load transfers from another AEP-served location do not qualify as a new service location.
- (3) For existing customers, billing demands for which deductions will be applicable under this Rider shall be the result of an increase in business activity and not merely the result of resumption of normal operations following a force majeure, strike, equipment failure, renovation or refurbishment, or other such abnormal operating condition. In the event that such an occurrence has taken place during the 24-month period prior to the date of the application by the customer for service under this Rider, the monthly billing demands during the 24-month period shall be adjusted as appropriate to eliminate the effects of such occurrence.
- (4) All demand adjustments offered under this Rider shall be applicable for a maximum of five years.
- (5) The existing local facilities of the Company must be deemed adequate, in the judgment of the Company, to supply the new or expanded electrical capacity requirements of the customer. If construction of new or expanded local facilities by the Company is required; the customer may be required to make a contribution-in-aid of construction for the installed cost of such facilities pursuant to the provisions of the Company's Terms and Conditions of Service.

VA. S.C.C. TARIFF NO. 25

**OPTIONAL RIDER E.D.R.
(Economic Development Rider)
(continued)****DETERMINATION OF MONTHLY ADJUSTED BILLING DEMAND**

The qualifying incremental billing demand shall be determined as the amount by which the billing demand, as determined according to Tariff L.P.S. for the current billing period without this Rider, exceeds the Base Maximum Billing Demand. Such incremental billing demand shall be considered to be zero, however, unless it is at least 1,000 kW for new customers or existing customers.

The monthly adjusted billing demand under this Rider shall be the billing demand as determined according to Tariff L.P.S. for the current billing period without this Rider less the product of the qualifying incremental billing demand and the applicable Adjustment Factor.

No Adjustment Factors shall be applied to any portion of minimum billing demands as calculated under Tariff L.P.S.

DETERMINATION OF ADJUSTMENT FACTOR

Standard New Development Customers – customers meeting all availability and terms and conditions above shall contract for service for a period of five (5) years with an Adjustment Factor of twenty-five percent (25%).

Urban Redevelopment Customers – customers meeting all availability and terms and conditions above, and that (1) are locating a new business in an existing building that has been unoccupied and/or has remained dormant for two or more years as determined by the Company, and (2) taking delivery at one point that does not require significant distribution or transmission system investment, other than the connection of service, shall contract for service for a period of five (5) years with an Adjustment Factor of thirty percent (30%).

Brownfield Redevelopment Customers – customers meeting all availability and terms and conditions above, and that (1) are locating a new business in qualifying Brownfield redevelopment areas, as defined under Virginia or Federal law, (2) are served by existing APCo service lines, and (3) have been vacant for more than two years, shall contract for service for a period of five (5) years with an Adjustment Factor of thirty-five percent (35%).

The appropriate adjustment factor shall be applicable over a period of 60 consecutive billing months beginning with the first such month following the end of the start-up period. The start-up period shall commence with the effective date of the contract addendum for service under this Rider and shall terminate by mutual agreement between the Company and the customer.

In no event shall the start-up period exceed 12 months.

TERMS OF CONTRACT

A contract or agreement addendum for service under this Rider, in addition to service under Tariff L.P.S., shall be executed by the customer and the Company for the time period which includes the start-up period and the three-year period immediately following the end of the start-up period. The contract addendum shall specify the Base Maximum Billing Demand, the anticipated total demand, the Adjustment Factor and related provisions to be applicable under this Rider, and the effective date for the contract addendum.

The customer may discontinue service under this Rider before the end of the contract or agreement addendum only by reimbursing the Company for any demand adjustments received under this Rider billed at the applicable rate.

SPECIAL TERMS AND CONDITIONS

Except as otherwise provided in this Rider, written agreements shall remain subject to all of the provisions of the applicable tariff. This Rider is subject to the Company's Terms and Conditions of Service.

VA. S.C.C. TARIFF NO. 25

**OPTIONAL RIDER N.M.S.
(Net Metering Service Rider)****AVAILABILITY OF SERVICE**

Available for new or existing customers who take Standard Service from the Company, own and operate, or contract with other persons to own or operate, or both, or has contracted with other persons to own or operate, or both; an eligible renewable fuel generator or agricultural renewable fuel generator as further defined below designed to operate in parallel with the Company's system and request Net Metering Service (NMS) from the Company. NMS Customers must take service under Standard Schedule R.S., Standard Schedule S.W.S., Standard Schedule S.G.S., Standard Schedule M.G.S., Standard Schedule G.S., Standard Schedule L.G.S., or Standard Schedule L.P.S. Those Customers who utilize time-of-day provisions must have service that has two or more time-of-use tiers for energy-based charges and an electricity supply demand charge. The total capacity of all NMS Customers shall be limited to 1% of the Company's Virginia peak load forecast for load served under the Company's Standard Schedules, and shall be available to customers with eligible Generators on a first come, first serve basis. In the event a prospective net metering customer has submitted a notification form required by Rule 20 VAC5-315-30 ("Interconnection Form") and that customer's interconnection would cause the Company to exceed the "Renewable Generator Limit", the Company will provide the proper notification to the customer and the Commission's Division of Energy Regulation

DEFINITIONS

The following terms shall solely be used to define the applicability of Rider N.M.S in conjunction with additional terms defined in accordance with Rule 20 VAC 5-315-20.

"Agricultural net metering customer " means a customer that operates an electrical generating facility consisting of one or more Agricultural renewable fuel generators having an aggregate generation capacity of not more than 500 kilowatts as part of an agricultural business under a net metering service arrangement. An agricultural net metering customer may be served by multiple meters of one utility that are located at separate but contiguous sites and that may be aggregated into one account. This account shall be served under the appropriate tariff.

"Agricultural renewable fuel generator" means one or more electrical generators that comply with all the following requirements:

- (a) Uses as its sole energy source solar power, wind power, or aerobic or anaerobic digester gas;
- (b) Is located on land owned or controlled by the agricultural business;
- (c) Is connected to the agricultural net metering customer's wiring on the agricultural net metering customer's side of the agricultural net metering customer's interconnection with the distributor;
- (d) Is interconnected and operated in parallel with an electric company's distribution facilities; and
- (e) Is used primarily to provide energy to metered accounts of the agricultural business.

"Billing period credit" means, for a non time-of-use net metering customer, the quantity of electricity generated and fed back into the electric grid by the customer's Generator or Generators in excess of the electricity supplied to the customer over the billing period. For time-of-use net metering customers, billing period credits are determined separately for each time-of-use tier.

"Customer" means a Net metering customer or an Agricultural net metering customer.

"Excess generation" means the amount of electrical energy generated in excess of the electrical energy consumed by the customer over the course of the net metering period. For time-of-use net metering customers, excess generation is determined separately for each time-of-use tier.

"Generator" means an electrical generating facility consisting of one or more renewable fuel generators or one or more agricultural renewable fuel generators that meet the criteria under the definition of "net metering customer" and "agricultural net metering customer, respectively.

VA. S.C.C. TARIFF NO. 25

OPTIONAL RIDER N.M.S.
(Net Metering Service Rider)

DEFINITIONS-Cont.

"Net metering customer " means a customer owning and operating, or contracting with other persons to own or operate, or both, a Renewable fuel generator under a net metering service arrangement.

"Net metering period" means such successive 12-month period beginning with the first meter reading date following the final interconnection of a customer's generating facility consisting of one or more Generators with the electric distribution company's distribution facilities.

"Net metering service" means providing retail electric service to a customer operating an agricultural renewable fuel generating facility or a net metering customer operating a renewable fuel generating facility and measuring the difference, over the net metering period, between electricity supplied to the customer from the electric grid and the electricity generated and fed back to the electric grid by the customer.

"Person" means any individual, sole proprietorship, corporation, limited liability company, partnership, association, company, business, trust, joint venture, or other private legal entity and the Commonwealth or any city, county, town, or other political subdivision of the Commonwealth.

"Renewable Energy Certificate (REC)" represents the renewable energy attributes associated with the production of one megawatt-hour (MWh) of electrical energy by a Generator.

"Renewable fuel generator" is an electrical generating facility which complies with all of the following requirements:

- (a) has an alternating current capacity less than or equal to 20kW for residential customers taking service under the appropriate Standard Schedule and not more than 500kW for customers taking service under the appropriate non-residential Standard Schedule;
- (b) uses as its total source of fuel, renewable energy, as defined in § 56-576 of the Code of Virginia. "Renewable energy" currently means energy derived from sunlight, wind, falling water, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas or nuclear power. Renewable energy shall also include the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass;
- (c) the Net metering customer's facility is located on the customer's premises and is connected to the Net metering customer's wiring on the Net metering customer's side of the interconnection with the Company;
- (d) is designed and installed to operate in parallel with the Company's system without adversely affecting the operation of equipment and service of the Company and its customers and without presenting safety hazards to Company and customer personnel; and
- (e) is intended primarily to offset all or part of the Net metering customer's own electricity requirements.

CONDITIONS OF SERVICE

A. Notification

1. For a Generator with an alternating current capacity of 25 kW or less, the customer shall submit the commission-approved Interconnection Form to the Company at least thirty (30) days prior to the date the customer intends to interconnect the Generator to the Company's facilities. For a Generator with an alternating current capacity greater than 25 kW, the customer shall submit the approved Interconnection Form to the Company at least sixty (60) days prior to the date the customer intends to interconnect the Generator to the Company's facilities. The submission may either be directly to the Company or by registered mail with return receipt. All sections, including appropriate signatures, of the Interconnection Form must be completed for the notification to be valid. All equipment necessary to complete the interconnection of the generating facility shall have been installed prior to such notification. For Generators with capacities greater than 25 kW, the prospective customer should contact the Company prior to making financial commitments. If mailed, the date of notification shall be the third day following the mailing of the Interconnection Form. The Company shall provide a copy of the Interconnection Form to the customer upon request.

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OPTIONAL RIDER N.M.S.
(Net Metering Service Rider)

CONDITIONS OF SERVICE-Cont.

2. The Company shall, within thirty (30) days of the date of notification for Generators with an alternating capacity of 25 kW or less, and within sixty (60) days of the date of notification for Generators with an alternating capacity greater than 25 kW, either return to the customer a copy of the valid Interconnection Notification form or return any incomplete form. Within this period, the Company shall also make a determination whether there is cause to file a request for waiver with the VA. S.C.C. The Company shall also provide the customer with contemporaneous notice if it files a request for waiver with the VA. S.C.C. The customer shall not interconnect with the Company's facilities until the VA. S.C.C. has addressed the waiver and the customer must then comply with any conditions as a result of the VA. S.C.C.'s action. A request for waiver shall extend the time during which the Company may determine whether the customer has satisfied all of the requirements for interconnection of its Generator. If the Company determines that the Interconnection Notification form was incomplete or that any of the other requirements for interconnection were not satisfied, the customer shall submit another completed Interconnection Notification form and notify the Company once the customer has completed all work necessary to satisfy the deficiencies prior to interconnection. This notification requirement shall not replace or supersede any other applicable waiting period, or require interconnection authorization when other applicable law, rule, regulation or code would permit authorization to be withheld or delayed.

3. The customer shall immediately notify the Company of any changes in the ownership of, operational responsibility for, or contact information for the Generator.

B. Conditions of Interconnection

1. Generation equipment shall be installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code. Generation equipment and installations shall comply with all applicable safety and performance standards of the National Electrical Code, the Institute of Electrical and Electronic Engineers and accredited testing laboratories in accordance with IEEE Standard 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems, July 2003.

In addition, non-static inverter-connected Generator equipment and installations shall comply with the Company's Interconnection Guidelines. The Company shall provide a copy of its Interconnection Guidelines to the customer upon request.

2. In the case of Generators with an alternating current capacity greater than 25 kW, the following requirements shall be met before interconnection may occur:
 - a. Electric Distribution Facilities and Customer Impact Limitations. A Generator shall not be permitted to interconnect to the Company's distribution facilities if the interconnection would reasonably lead to damage of any of the Company's facilities or would reasonably lead to voltage regulation or power quality problems at other customer revenue meters due to the incremental effect of the Company's electric distribution system, unless the customer reimburses the Company for its cost to modify any facilities needed to accommodate the interconnection. In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such reimbursement.
 - b. Secondary, Service and Service Entrance Limitations. The capacity of the Generator shall be less than the capacity of the Company-owned secondary, service, and service entrance cable connected to the point of interconnection, unless the customer reimburses the Company for its cost to modify any facilities needed to accommodate the interconnection. In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such reimbursement.
 - c. Transformer Loading Limitations. The Generator shall not have the ability to overload the Company's transformer, or any transformer winding, beyond manufacturer or nameplate ratings, unless the customer reimburses the Company for its costs to modify any facilities needed to accommodate the interconnection. In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such reimbursement.

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**OPTIONAL RIDER N.M.S.
(Net Metering Service Rider)
(continued)****CONDITIONS OF SERVICE-Cont.**

- d. **Integration With Company Facilities Grounding.** The grounding scheme of each Generator shall comply with IEEE 1547, Standard for Interconnecting Distributed Resources With Electric Power Systems, July 2003, and shall be consistent with the grounding scheme used by the Company. If requested by a prospective customer, the Company shall assist the customer in selecting a grounding scheme the coordinates with the Company's distribution system.
- e. **Balance Limitation.** The Generator shall not create a voltage imbalance of more than 3.0% at any other customer's revenue meter if the Company's transformer, with the secondary connected to the point of interconnection, is a three-phase transformer, unless the customer reimburses the Company for its cost to modify any facilities needed to accommodate the interconnection. In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such reimbursement.
3. The customer is required to maintain liability insurance which provides coverage in the event of losses or damages arising from the use of the customer's Generator. If the customer's generator does not exceed 10 kW, then such coverage shall be in the amount of at least \$100,000 for the liability of the insured against loss arising out of the operation of a generation facility. If the customer's Generator exceeds 10 kW, then such coverage shall be in the amount of at least \$300,000 for the liability of the insured against loss arising out of the use of a generation facility. The customer must submit evidence of such insurance to the Company with the Interconnection Notification form.

The Company's receipt of evidence of liability insurance does not imply an endorsement of the terms and conditions of the coverage.

4. Following Notification by the customer, the Company shall have the right to inspect and test the Generator equipment and installation prior to interconnection. The nature and extent of these tests shall be determined solely by the Company. The Company reserves the right to conduct additional tests and inspections and to install additional equipment or meters at any time following interconnection of the Generator.
5. The Generator installation must have a visibly open, lockable, manual disconnect switch at each of the facility's generators which is accessible by the Company and clearly labeled. A licensed electrician must certify via the Interconnection Form that the disconnection switch has been installed properly. Alternatively, if the Customer or licensed Virginia Class A or B general contractor installs the customer's generator or generators, the signed final electrical inspection can be used in lieu of the licensed electrician's certification. The Company reserves the right to install any additional equipment, including controls and meters, at the facility.
6. The Customer shall periodically maintain and test the Generator in accordance with the manufacturer's specifications and all applicable safety and performance standards. The customer shall notify the Company at least fourteen (14) days prior to making any material changes to the Generator facility or installation, including, but not necessarily limited to, any modification to the equipment or protective equipment settings or disconnection of the renewable fuel generator from the Company's system, excluding temporary disconnects for routine maintenance. Following a notification of disconnection of the renewable fuel generator, the customer must again complete the notification process specified above prior to any subsequent reconnection.

In addition, the Customer shall notify the Company immediately regarding either any damage to the Generator facility or safety-related emergency disconnections.

7. Interconnection authorization is not transferable or assignable to other persons or service locations.

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**OPTIONAL RIDER N.M.S.
(Net Metering Service Rider)
(continued)****FACILITIES CHARGES**

The Customer is responsible for all equipment and installation costs of the Generator facility.

The Company shall inspect the inverter settings of a static inverter-connected generator with capacity in excess of 10 kW prior to interconnection. The Customer shall pay \$50 to the Company for each generator that requires inspection.

The Company shall inspect the protective equipment settings of a non-static inverter-connected generator prior to interconnection. The Customer shall pay \$50 to the Company for each generator that requires inspection.

The Customer shall pay to the Company any additional charges, as determined by the Company, for equipment, labor, metering, testing or inspections requested by the customer. In addition, the Customer shall reimburse the Company for all state and federal income taxes associated with such additional charges.

METERING

Net metered energy shall be measured in accordance with standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both directions.

In instances where a Customer has requested, and where the Company would not have otherwise installed, metering equipment that is intended to be read off-site, the Company may charge the Customer its actual cost of installing any additional equipment necessary to implement net metering service.

A time-of-use Customer shall bear the incremental metering costs associated with Net Metering.

Agricultural net metering customers shall be responsible for the cost of additional metering equipment necessary to accomplish account aggregation.

Any incremental metering costs associated with measuring the total output of the Generator for the purposes of receiving Renewable Energy Certificates shall be installed at the Customer's expense.

METER AGGREGATION

Only Agricultural net metering customers are eligible for meter aggregation. An Agricultural net metering customer may, but need not, apply to the Company to aggregate into one account the load of multiple meters located at separate but contiguous sites the customer uses for its agricultural business. The applicant must provide to the Company deeds, plats, leases, or other evidence satisfactory to Company to show that the meters the customer desires to aggregate are (1) on the same or contiguous sites and (2) that the customer uses the affected sites for its Agricultural business. After the applicant has demonstrated to Company's reasonable satisfaction that it qualifies for meter aggregation, the Company will determine the applicable Standard Schedule for the aggregated meters. To do so, Company will determine the coincident peak demand recorded or estimated over the most recent 12 months on the meters to be aggregated and assign the aggregated meters to the applicable Standard Schedule for the aggregated coincident peak demand. If any of the existing meters to be aggregated is not capable of recording demand data, Company will work in good faith with the customer to estimate a peak demand for the facilities on the customer's side of each such meter. To the extent the customer's requested meter aggregation requires Company to replace or enhance an existing meter with a meter with increased capabilities, e.g., replacing a non-demand recording meter with a meter capable of recording demand data, the Company will charge customer for the entire cost of the meter replacement or enhancement, for which payment in full will be due to Company on the due date of the bill on which the charge first appears. This condition applies only to meter replacements or enhancements required to achieve a customer's requested meter aggregation; it does not apply to the cost of any meter replacements or enhancements necessary solely to implement net metering. If the actual demand and consumption warrant

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**OPTIONAL RIDER N.M.S.
(Net Metering Service Rider)
(continued)****METER AGGREGATION- (cont.)**

a revision after the installation of demand recording meters the Company will reassess the applicable Standard Schedule for the aggregated meters.

Upon aggregating meters according to the applying customer's request as described above, the Company will bill the customer for monthly coincident demand and total energy consumption across the aggregated meters as though the aggregated meters were a single meter under the appropriate Standard Schedule and this Rider NMS. The highest-voltage service supplied to any of the aggregated meters will be the voltage used to determine the appropriate Standard Schedule for all the aggregated meters and the applicable charges under that rate schedule. For example, a customer aggregating two secondary-level services and one primary-level service will be billed for primary-level basic service, demand, and energy charges for all three aggregated meters under the appropriate rate schedule. After Company aggregates meters according to the customer's request, a customer may not remove a meter from a requested aggregation unless the customer ceases to take service at that location or ceases to qualify as an agricultural net metering customer. A customer may add qualifying meters to an existing aggregation upon application to Company showing sufficient evidence to qualify for aggregation as described above. An agricultural net metering customer who aggregates meters must notify Company within 90 days of any outage of the customers generating facility and provide reasonable evidence of the customer's efforts to restore the generating facility to service in a timely manner. Company will use good faith to determine if the customer's efforts are reasonably likely to restore the facility to service in a timely manner. If Company determines in its sole discretion that the customer is not making reasonable efforts to restore the facility to service in a timely manner, Company will discontinue the customer's meter aggregation and net metering service effective immediately, and will bill the customer at the standard rate schedules individually applicable to the meters.

MONTHLY CHARGES

All monthly charges shall be in accordance with the Standard Schedule under which the customer takes service. Such charges shall be based on the customer's net energy for the billing period, to the extent that the net energy exceeds zero. To the extent that a non-time of use customer's net energy is zero or negative during the billing period, the customer shall pay only the non-usage sensitive charges, including any applicable standby charges, of the standard Schedule. To the extent that a time-of-use customer's net energy is zero or negative during the billing period, the customer shall pay only the demand charge or charges, non-usage sensitive charges, and any applicable standby charges of the standard Schedule. The customer shall receive no compensation from the Company for Excess Generation during the billing period. The Excess generation during the billing period shall be carried forward and credited against positive energy usage (by tiers, in the case of time-of-use customers) in subsequent billing periods.

The Net Metering Period shall be defined as each successive 12-month period beginning with the first meter reading date following the date of interconnection of the renewable fuel generator with the Company's facilities. Any Excess generation at the end of a Net Metering Period shall be carried forward to the next Net Metering Period only to the extent that the Excess generation does not exceed the customer's billed consumption for the current net metering period, adjusted to exclude accumulated billing period credits carried forward and applied from the previous Net Metering Period (recognizing tiers for time-of-use customers).

Upon written request of the customer, the Company and the customer shall enter into a power purchase agreement for the customer's Excess generation for one or more Net Metering Periods. For Net Metering Periods beginning on or after January 1, 2009, the written request of the customer must be submitted prior to the beginning of the Net Metering Period. The power purchase agreement shall be consistent with the Commission's Rules Governing Net Energy Metering (20 VAC 5-315-50 et seq.) and will obligate the Company to purchase the customer's negative net energy for requested Net Metering Periods at a price equal to the PJM Interconnection, L.L.C. (PJM) day-ahead annual, simple average LMP (locational marginal price) in the case of time-of-use customers the simple average of hourly LMP's by tiers, for the AEP Zone, as published by the PJM Market Monitoring Unit, for the most recent calendar year ending on or before the end of each Net Metering Period. The Company shall make full payment annually to the customer within 30 days following the latter of the end of the Net Metering Period or the date of the PJM Market Monitoring Unit's publication of the previous calendar year's AEP Zone day-ahead annual, simple average LMP, or hourly LMP as appropriate.

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**OPTIONAL RIDER N.M.S.
(Net Metering Service Rider)
(continued)**

Excess generation is not transferable, and the Customer, absent a signed power purchase agreement as outlined above, shall receive no compensation from the Company for any Excess generation upon termination of service from the Company, or upon the customer's choice of a qualified ESP.

RENEWABLE ENERGY CREDITS

A Customer owns any renewable energy certificates associated with the total output of its Generator.

The Company is only obligated to purchase a Customer's RECs if the Customer has exercised its one time option at the time of signing a power purchase agreement with the Company to include a provision requiring the purchase by the Company of all generated RECs over the duration of the power purchase agreement.

Payment for all whole RECs purchased by the Company during a Net Metering Period in accordance with the purchase power agreement shall be made at the same time as the payment for any Excess generation.

The Company will post a credit to the Customer's account. or the Customer may elect a direct payment.

Any fractional REC remaining shall not receive immediate payment, but, may be carried forward to subsequent net metering periods for the duration of the power purchase agreement.

The rate of the payment by the Company for a Customer's RECs shall be the daily unweighted average of the "CR" component of Virginia Electric and Power Company's Virginia jurisdiction Rider G tariff in effect over the period for which the rate of payment for the excess generation is determined.

SPECIAL TERMS AND CONDITIONS

This Schedule is subject to the Company's Terms and Conditions of Standard Service.

VA. S.C.C. TARIFF NO. 25

OPTIONAL RIDER PSEDR
(Peak Shaving and Emergency Demand Response Rider)
(Effective April 1, 2014 this Rider is Closed to New Customers)

AVAILABILITY OF SERVICE

This demand response program is available on a voluntary basis to non-residential customers who are taking firm Standard Service from the Company and who are not participating in a demand response program either directly through PJM or through a Curtailment Service Provider (CSP). Program participants must have the ability to curtail load under the provisions under this Schedule. Each customer electing to participate in the program shall contract for a definite amount of PSEDR capacity, not to exceed the customer's normal demand capable of being curtailed.

The Company reserves the right to limit the aggregate amount of capacity contracted for under this Schedule to 500 MW. Program enrollment requests will be taken in the order received. The customer's PSEDR capacity under this Schedule will be enrolled in the PJM Interconnection, L.L.C. (PJM) Demand Response Program through the Company.

CONDITIONS OF SERVICE

- (1) Capacity contracted under this Rider qualifies for inclusion in the PJM Demand Response Program as of the effective date. The Company reserves the right to make changes to this Rider in order to continue to qualify under the PJM Demand Response Program, or otherwise, as appropriate.
- (2) The Company reserves the right to call for (request) customers to curtail their PSEDR load when an Emergency Mandatory Load Management Reduction Action has been issued by PJM.
- (3) The Company reserves the right to call for (request) customers to curtail their PSEDR load when, in the sole judgment of the Company, conditions exist that require the Company to take steps to reduce load.
- (4) The Company will endeavor to provide as much advance notice as possible of curtailments under this Rider including an estimate of the duration of such curtailments. However, the customer's PSEDR load shall be curtailed within ninety (90) minutes if so requested.
- (5) In no event shall the customer be subject to PSEDR load curtailment under the provisions of this Rider for more than ten (10) emergency interruptions resulting from PJM requests during any delivery year. A delivery year is defined as June 1 through May 31. Each interruption shall last no more than six (6) hours. The customer must agree to be subject to emergency PSEDR curtailments of up to six (6) consecutive hours' duration for each curtailment event, on weekdays between 12 noon and 8 p.m., Eastern Time, for the months May through September and between 2 p.m. and 10 p.m., Eastern Time, for the months October through April.
- (6) The Company may not request more than ten (10) load management interruptions during any delivery year. Curtailment requests for load management purposes can be made at any time of day and on any day of the week. Each interruption shall last no more than six (6) hours. The customer must agree to be subject to curtailments of up to six (6) consecutive hours' duration for each curtailment event.
- (7) The Company will inform the customer regarding the communication process for notices to curtail. The customer is ultimately responsible for receiving and acting upon a curtailment notification from the Company. The customer is not responsible in the event the Company fails to properly issue a curtailment notification.
- (8) An interval meter is required. If the customer does not have one, the Company will install one at no cost to the customer.
- (9) During each delivery year the Company will conduct a test and verify the customer's ability to curtail as required by PJM. However, if a curtailment event is called by PJM prior to the test, then the event shall be considered the test for the delivery year. The Company reserves the right to re-test all customers if the Company does not achieve the minimum 75% compliance testing standards for all of the Company's PSEDR customers as required by PJM. Additionally, the Company reserves the right to re-test individual customers that fail to comply during a test. These tests must be conducted for one hour on a weekday between 12 noon and 8 p.m., Eastern Time, from June 1 through September 30 during the delivery year.

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OPTIONAL RIDER PSEDR
(Peak Shaving and Emergency Demand Response Rider)

CONDITIONS OF SERVICE (Cont'd)

- (10) If the customer fails to comply with the provisions of curtailment under this Rider, the Company and the customer will discuss methods to comply during future events. If the problem cannot be resolved to the Company's satisfaction, the Company reserves the right to terminate the customer's participation in the program.
- (11) The minimum PSEDR capacity contracted for under this Rider will be 100 kW. Entities with multiple electric service accounts may aggregate those individual accounts to meet the 100 kW minimum capacity requirement; however, the PSEDR capacity committed for each individual account shall not be less than 50 kW and no more than one account may be 100 kW or greater.
- (12) **NO RESPONSIBILITY OR LIABILITY OF ANY KIND SHALL ATTACH TO OR BE INCURRED BY THE COMPANY OR THE AEP SYSTEM FOR, OR ON ACCOUNT OF, ANY LOSS, COST, EXPENSE, OR DAMAGE CAUSED BY OR RESULTING FROM, EITHER DIRECTLY OR INDIRECTLY, ANY CURTAILMENT OF SERVICE UNDER THE PROVISIONS OF THIS RIDER.**

CUSTOMER BASELINE LOAD CALCULATION

A Customer Baseline Load (CBL) will be calculated for each hour corresponding to each curtailment event hour. Normally, the CBL will be calculated for each hour as the average corresponding hourly demands from the highest four (4) out of the five (5) most recent similar non-event days in the period preceding the relevant curtailment event. The highest load days are defined as the similar days (Weekday, Saturday, Sunday/Holiday as defined by PJM) with the highest energy consumption spanning the curtailment event hours. In cases where the normal calculation does not provide a reasonable representation of normal load conditions, the Company and the customer may develop an alternative CBL calculation that more accurately reflects the customer's normal consumption pattern.

CURTAILED DEMAND

The customer's Curtailed Demand shall be determined based upon the method of measurement chosen by the customer. The customer may choose one of two methods to measure the curtailed demand: 1) Guaranteed Load Drop (GLD) or 2) Firm Service Level (FSL). The method chosen shall remain in effect for the entire contract period.

(1) GUARANTEED LOAD DROP METHOD

- (a) Each customer must designate a Guaranteed Load Drop (GLD), which amount shall be the minimum demand reduction that the customer will provide for each hour during a curtailment event or during a curtailment test.
- (b) If the customer fails to fully comply with a request for curtailment under the provisions of this Rider or does not reduce load to below the CBL by the full GLD, a non-compliance charge shall apply. For this purpose, Actual Load Drop (ALD) is defined as the difference between the customer's CBL and their actual hourly load. If in any hour of a curtailment event the ALD is less than the GLD, the Non-Compliance Demand shall be equal to the difference between the GLD and the ALD. Otherwise, the Non-Compliance Demand shall be zero (0).

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OPTIONAL RIDER PSEDR
(Peak Shaving and Emergency Demand Response Rider)**CURTAILED DEMAND (Cont'd)****(2) FIRM SERVICE LEVEL (FSL) METHOD**

- (a) Firm Service Level Peak Load Contribution (PLC) – The customer's PLC will be calculated each year as the average of its load during PJM's five (5) highest daily peak loads during the twelve (12) month period ended on the most recent October 31, adjusted to add-back any load curtailments requested by the Company during those five (5) hours. The customer's PLC shall be adjusted for any material change in the customer's operations, including a change in the hours of operation, that have occurred since the previous twelve (12) month period ended on the most recent October 31, and have increased or decreased the customer's load available for curtailment.
- (b) Available Curtailable Demand (ACD) - The customer must designate an ACD, defined as the difference between the PLC and the Firm Service Level (FSL). The FSL is the demand to which the customer agrees to reduce load to or below for each hour during a curtailment event.
- (c) If the customer fails to fully comply with a request for curtailment under the provisions of this Rider, then the Non-Compliance Charge shall apply. If a customer is operating at or below their designated FSL during an event, it will be understood that they have no PSEDR capacity available with which to comply and will not be charged a non-compliance penalty. If in any hour of a curtailment event the metered demand is above the FSL, the Non-Compliance Demand shall be equal to the difference between the customer's metered demand and the FSL. Otherwise the Non-Compliance Demand shall be zero (0).

CURTAILED ENERGY

The Curtailed Energy shall be determined for each curtailment event hour, defined as the difference between the customer's CBL for that hour and the customer's metered load for that hour.

CURTAILMENT CREDITS

The **Curtailment Energy Credit** shall be 90% of the AEP East Load Zone hourly Real-Time Locational Marginal Price (LMP) established by PJM (including congestion and marginal losses) for each curtailment event hour.

The **Curtailment Demand Credit** shall be calculated in \$/kW-month as the greater of (a) the four-year average PJM Reliability Pricing Model (RPM) Base Residual Auction Clearing price for the applicable locational delivery area, calculated using the preceding delivery year, the delivery year and the subsequent two (2) delivery years and (b) 70% of the applicable RPM Net Cost of New Entry (Net CONE) for the current delivery year.

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OPTIONAL RIDER PSEDR
(Peak Shaving and Emergency Demand Response Rider)

CURTAILMENT CREDITS (Cont'd)

The Curtailment Demand Credit for the June 1, 2014 through May 31, 2015 delivery year is as follows:

<u>Delivery Year</u>	<u>RPM Clearing Price (\$/MW-day) (a)</u>	<u>2014/2015 Net CONE (\$/MW-day)</u>	<u>70% of Net CONE (\$/MW- day) (b)</u>	<u>Greater of (a) and (b) (\$/MW- day)</u>	<u>Curtailment Demand Credit * (\$/kW-month)</u>
June 1, 2013 to May 31, 2014	\$27.73				
June 1, 2014 to May 31, 2015	\$125.47				
June 1, 2015 to May 31, 2016	\$118.54				
June 1, 2016 to May 31, 2017	\$59.37				
Four-Year Average	\$82.78				
Amount		\$342.23	\$239.56	\$239.56	\$7.287

* Curtailment Demand Credit in \$/kW-month calculated as \$/MW-day times 365 divided by 12,000.

MONTHLY DEMAND CREDIT

The Monthly Demand Credit shall be applicable to each month the customer is served under this Rider, regardless of whether or not there are any curtailment events during the month.

1. GUARANTEED LOAD DROP METHOD - The Monthly Demand Credit shall be equal to the product of the GLD and the Curtailment Demand Credit.
2. FIRM SERVICE LEVEL METHOD - The Monthly Demand Credit shall be equal to the product of the ACD and the Curtailment Demand Credit.

MONTHLY EVENT CREDIT

An Event Credit shall be calculated for each event hour equal to the product of the Curtailed Energy for that hour and the Curtailment Energy Credit for that hour. The Monthly Event Credit shall be the sum of the hourly Event Credits for all events occurring in the calendar month, but shall not exceed the portion of the customer's monthly bill that is computed on a per kWh basis under the applicable Standard Schedule for the same billing month. The customer shall not receive Event Credit for any curtailment events to the extent that the customer's PSEDR capacity is already reduced due to a planned or unplanned outage as a result of vacation, renovation, repair, refurbishment, force majeure, strike, economic conditions, or any situation other than the customer's normal operating conditions. Event Credits will not be withheld if the customer's PSEDR capacity is already reduced as a result of customer actions taken in anticipation of a curtailment.

VA. S.C.C. TARIFF NO. 25

OPTIONAL RIDER PSEDR
(Peak Shaving and Emergency Demand Response Rider)**ANNUAL NON-COMPLIANCE CHARGE**

Charges for non-compliance will be based on the customer's Non-Compliance Demand which reflects any failure by the customer to fully comply with requests for curtailment under the provisions of this Rider during the delivery year. The Annual Non-Compliance Charge will be computed at the completion of the May delivery month. The Annual Non-Compliance Charge shall be equal to the average Non-Compliance Demand during all curtailment event hours times 110% of the Curtailment Demand Credit times 12.

In the event that the Annual Non-Compliance Charge is greater than zero, such charge shall be assessed as a uniform offset to the Customer Credits spread evenly over the subsequent delivery year.

CUSTOMER CREDIT

The net amount of the Monthly Demand Credit, Monthly Event Credit and Annual Non-Compliance Charge will be provided to the customer within 60 days after the end of the delivery month. A customer may request the aggregation of individual customer account credits into a single credit.

TERM

Contracts under this Rider shall be made for an initial period of four (4) delivery years and shall remain in effect until either party provides three (3) years' written notice prior to March 1 of its intention to discontinue participation in the program for the fourth delivery year beginning after the notice is provided. Written notice deadlines through March 1, 2017 are as follows:

<u>Written Notice Deadline</u>	<u>Effective Date of End of Participation</u>
March 1, 2014	June 1, 2017
March 1, 2015	June 1, 2018
March 1, 2016	June 1, 2019
March 1, 2017	June 1, 2020

SPECIAL TERMS AND CONDITIONS

Customer specific information, including, but not limited to PSEDR contract capacity, shall remain confidential.

If a new peak demand is set by the customer in the hour following a curtailment event due to the customer resuming the level of activity prior to the curtailment, the customer may request, in writing, that the customer's billing demand be adjusted to disregard that new peak. The Company will promptly evaluate all such requests and approve reasonable requests. In specific circumstances and subject to reasonable conditions, the Company may approve requests in advance.

VA. S.C.C. TARIFF NO. 25

EXHIBIT OF APPLICABLE RIDERS BY STANDARD SCHEDULE

The table below is provided solely for informational purposes.

RIDER APPLICABILITY TO STANDARD SCHEDULES								
Standard Schedule	Rider S.U.T.	Rider E.R.C.R.S	Rider F.F.R	Rider T-R.A.C.	Rider E-R.A.C.	Rider R.P.S. R.A.C.	Rider G-R.A.C.	Rider B.R.C.R.
Residential - Standard (011,012,013,014,015)	App	App	App	App	App	App	App	App
Residential - Employee (020,051,054)	App	App	App	App	App	App	App	App
Residential - TOD (030,031,032)	App	App	App	App	App	App	App	App
SWS (222)	App	App	App	App	App	App	App	App
SGS - (231,233,234,213,281)	App	App	App	App	App	App	App	App
SGS - LMTOD (225,226)	App	App	App	App	App	App	App	App
MGS - Standard (215)	App	App	App	App	App	App	App	App
GS-TOD-Secondary (229,230)	App	App	App	App	App	App	App	App
MGS - Primary (217)	App	App	App	App	App	App	App	App
GS-TOD-Primary (227)	App	App	App	App	App	App	App	App
MGS - Subtransmission (236)	App	App	App	App	App	App	App	App
MGS - Transmission (239)	App	App	App	App	App	App	App	App
LGS - Secondary (378,380)	App	App	App	App	App	App	App	App
GS-Secondary-(261)-Block 1	App	App	App	App	App	App	App	App
Block 2	App	App	App	App	App	App	App	App
GS-Primary-(263)-Block 1	App	App	App	App	App	App	App	App
Block 2	App	App	App	App	App	App	App	App
GS-Subtrans.-(265)-Block 1	App	App	App	App	App	App	App	App
Block 2	App	App	App	App	App	App	App	App
GS-Transmission-(267)-Block 1	App	App	App	App	App	App	App	App
Block 2	App	App	App	App	App	App	App	App
LGS - Primary (379,381,385)	App	App	App	App	App	App	App	App
LGS - Subtransmission (382)	App	App	App	App	App	App	App	App
LGS - Transmission (386)	App	App	App	App	App	App	App	App
LGS-TOD-Secondary (337)	App	App	App	App	App	App	App	App
LGS-TOD-Primary (339)	App	App	App	App	App	App	App	App
LPS - Secondary (302)	App	App	App	App	App	App	App	App
LPS - Primary (306)	App	App	App	App	App	Not App	App	App
LPS - Subtrans (308) excl. ATOD	App	App	App	App	App	Not App	App	App
Schedule ATOD - (309)	App	App	App	App	App	Not App	App	App
LPS - Transmission (310)	App	App	App	App	App	Not App	App	App
OL (093 to 143)	App	App	App	App	App	App	App	Not App

Key: App-The specific rider is applicable to the Standard Schedule listed.

Not App- The specific rider is not applicable to the Standard Schedule listed.

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Pursuant to Final Order

Dated: November 26, 2014

Case No. PUE-2014-00026

Effective: January 25, 2015

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VA. S.C.C. TARIFF NO. 25

RIDER S.U.T.
(Sales and Use Tax Rider)

Effective January 1, 2015, a Sales and Use Tax surcharge of 0.012¢/kWh will be applied to all customer bills rendered under the applicable Schedules or Special Contracts.

The current surcharge shall remain in effect through December 31, 2015. Prior to the beginning of each subsequent year, the Company will update the amount of the surcharge to reflect the estimated sales and use tax it expects to incur for that year plus any true-up amounts from the prior period.

VA. S.C.C. TARIFF NO. 25

RIDER E.R.C.R.S.
(Environmental and Reliability Cost Recovery Surcharge)

AVAILABILITY OF SERVICE

Effective with service rendered on and after February 1, 2013, an Incremental Environmental Compliance and Transmission & Distribution System Reliability Cost Recovery Surcharge (ERCRS) will be applied for all standard and O.A.D. customer bills rendered under the applicable Standard Schedules or special contracts. As a result, the ERCRS shall effectively be calculated by multiplying the kWh's of energy and kw's of demand exclusive of fuel, by the following functional Environmental & Reliability (E&R) Factors:

Appalachian Power Company								
Summary of Demand and Energy Surcharges								
	E&R per kWh Factors			E&R per kW Factors				
	Gen	Tran	Dist	Total	Gen	Tran	Dist	Total
Residential - Standard (011,012,013,014,015)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Residential - Employee (020,051,054)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Residential - TOD (030,031,032)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
SWS (222)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
SGS - (231,233,234,213,281)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
SGS - LMTOD (225,226)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
MGS - Standard (215)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
GS-TOD Secondary(229,230)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
MGS - Primary (217)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
GS-TOD Primary(227)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
MGS - Subtransmission (236)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
MGS - Transmission (239)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LGS - Secondary (378,380)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
GS-Secondary-(261)-Block 1	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Block 2	0.00000	0.00000	0.00000	0.00000				
GS-Primary-(263)-Block 1	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Block 2	0.00000	0.00000	0.00000	0.00000				
GS-Subtrans.-(265)-Block 1	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Block 2	0.00000	0.00000	0.00000	0.00000				
GS-Transmission-(267)-Block 1	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Block 2	0.00000	0.00000	0.00000	0.00000				
LGS-TOD-Secondary (337)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LGS-TOD-Primary (339)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LGS - Primary (379,381,385)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LGS - Subtransmission (382)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LGS - Transmission (386)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LPS - Secondary (302)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LPS - Primary (306)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LPS - Subtrans (308) excl. ATOD	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Schedule ATOD - (309)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LPS - Transmission (310)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
OL (093 to 143)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

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Pursuant to Final Order
Dated: December 20, 2011
Case PUE-2009-00039

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VA. S.C.C. TARIFF NO. 25

**RIDER F.F.R.
(Fuel Factor Rider)**

AVAILABILITY OF SERVICE

A Fuel Factor Rider will be applied to all standard customer service rendered under the Applicable Schedules or special contracts. The Fuel Factor Rider shall be calculated by multiplying the customer's kWh by 2.953¢ per kilowatt-hour.

The Fuel Factor Rider shall remain in effect until such time as modified by the Commission.

VA. S.C.C. TARIFF NO. 25

RIDER T-R.A.C.
(Transmission Rate Adjustment Clause Rider)

AVAILABILITY OF SERVICE

The Transmission Rate Adjustment Clause Rider (T-RAC) will be applied on a service rendered basis to all standard customer bills under the applicable Standard Schedules or special contracts. The T-RAC shall be calculated by multiplying the kWh's of energy and kW's of demand by the rates below.

Appalachian Power Company			
Summary of Demand and Energy Rates			
	Energy T-RAC per kWh	Demand T-RAC per kW	T-RAC Per Off- Peak Excess kW
Residential (011,012,013,014,015,020,051,054)	\$0.00388		
Residential - TOD (030,031,032)	On-Peak: \$0.00916		
	Off-Peak: \$0.00063		
SWS (222)	\$0.00492		
SGS - (231,233,234,213,281)	\$0.00406		
SGS - LMTOD (225,226)	On-Peak: \$0.00765		
	Off-Peak: \$0.00077		
MGS - Secondary (215)	\$0.00291	\$0.25	\$0.08
GS-TOD Secondary (229,230)	On-Peak: \$0.00437		
	Off-Peak: \$0.00139		
MGS - Primary (217)	\$0.00285	\$0.24	\$0.07
GS-TOD Primary (227)	On-Peak: \$0.00429		
	Off-Peak: \$0.00136		
MGS - Subtransmission (236)	\$0.00281	\$0.24	\$0.08
MGS - Transmission (239)	\$0.00276	\$0.24	\$0.08
GS-Secondary (261)	Block 1 \$0.00265	\$0.25	\$0.23
	Block 2 \$0.00104		
GS-Primary (263)	Block 1 \$0.00271	\$0.24	\$0.22
	Block 2 \$0.00104		
GS-Subtransmission (265)	Block 1 \$0.00282	\$0.24	\$0.22
	Block 2 \$0.00107		
GS-Transmission (267)	Block 1 \$0.00276	\$0.24	\$0.22
	Block 2 \$0.00105		
LGS - Secondary (378,380)	\$0.00111	\$0.77	\$0.12
LGS - Primary (379,381,385)	\$0.00108	\$0.75	\$0.12
LGS - Subtransmission (382)	\$0.00107	\$0.74	\$0.12
LGS - Transmission (386)	\$0.00105	\$0.73	\$0.11
LGS - TOD Secondary (337)	On-Peak \$0.00437		
	Off-Peak \$0.00139		
LGS - TOD Primary (339)	On-Peak \$0.00429		
	Off-Peak \$0.00136		
LPS - Secondary (302)	\$0.00039	\$1.08	\$0.12
LPS - Primary (306)	\$0.00038	\$1.06	\$0.12
LPS - Subtransmission (308) (309)	\$0.00037	\$1.04	\$0.12
LPS - Transmission (310)	\$0.00037	\$1.02	\$0.11
OL (093 to 136)	\$0.00093		

VA. S.C.C. TARIFF NO. 25

RIDER E-R.A.C.
(Environmental Rate Adjustment Clause Rider)

AVAILABILITY OF SERVICE

Effective with bills rendered on and after January 24, 2014, an Environmental Compliance Rate Adjustment Clause Rider (E-RAC) will apply for all standard customer bills rendered under the applicable Standard Schedules or special contracts. As a result, the E-RAC shall effectively be calculated by multiplying the kWh of energy and kW of demand, by the following rates:

Summary of Demand and Energy Surcharges			
	Energy (\$ per kWh)	Demand (\$ per kW)	Demand (Off-Peak Excess) (\$ per kW)
Residential - (011,012,013,014,015, 020,051,054)	0.00307		
	0.00713		
Residential - TOD (030,031,032)	0.00050		
SWS (222)	0.00347		
SGS - (231,233,234,213,281)	0.00272		
	0.00541		
SGS - LMTOD (225,226)	0.00050		
MGS - Standard (215)	0.00242	0.14	0.06
GS-TOD-Secondary (229,230)	On Peak 0.00437		
	Off Peak 0.00083		
MGS - Primary (217)	0.00235	0.14	0.06
GS-TOD-Primary(227)	On Peak 0.00424		
	Off Peak 0.00080		
MGS - Subtransmission (236)	0.00232	0.13	0.06
MGS - Transmission (239)	0.00228	0.13	0.06
LGS - Secondary (378,380)	0.00092	0.52	0.08
GS-Secondary-(261)-Block 1	0.00242	0.14	0.06
Block 2	0.00092		
GS-Primary-(263)-Block 1	0.00235	0.14	0.06
Block 2	0.00089		
GS-Subtrans.-(265)-Block 1	0.00232	0.13	0.06
Block 2	0.00088		
GS-Transmission-(267)-Block 1	0.00228	0.13	0.06
Block 2	0.00087		
LGS - Primary (379,381,385)	0.00089	0.51	0.08
LGS - Subtransmission (382)	0.00088	0.50	0.08
LGS - Transmission (386)	0.00087	0.49	0.08
LPS - Secondary (302)	0.00000	1.00	0.08
LPS - Primary (306)	0.00000	0.97	0.08
LGS-TOD Secondary (337)	On Peak 0.00437		
	Off Peak 0.00083		
LGS-TOD-Primary (227)	On Peak 0.00424		
	Off Peak 0.00080		
LPS - Subtrans (308 & 309)	0.00000	0.96	0.08
LPS - Transmission (310)	0.00000	0.95	0.08
OL (093 to 143)	0.00090		

These factors will remain in effect through February 11, 2015.

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Pursuant to Final Orders

Dated: November 25, 2013 & November 26, 2014

Case No. PUE-2013-00010 & PUE-2014-00026

Effective: January 25, 2015

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VA. S.C.C. TARIFF NO. 25

RIDER R.P.S. – R.A.C.
(Renewable Portfolio Standard Rate Adjustment Clause Rider)

AVAILABILITY OF SERVICE

Effective with service rendered on or after August 1, 2013, the rates in this Renewable Portfolio Standard (RPS) Rider will be applied to all customer bills, except those served under L.P.S.- at primary, subtransmission or transmission voltages, rendered under the applicable Standard Schedules or Special Contracts. The RPS shall be calculated by multiplying the kWh's of energy by the rates below:

Schedule	Energy Rate per kWh
Residential (011,012,013,014,015,020,030,031,032,051,054)	\$0.00078
SWS (222)	\$0.00090
SGS (213,225,226,231,233,234,281)	\$0.00060
MGS – Standard (215)	\$0.00074
MGS - Primary (217)	\$0.00072
MGS - Subtransmission (236)	\$0.00071
MGS - Transmission (239)	\$0.00070
GS – Secondary (261)	Block 1 \$0.00114 Block 2 \$0.00088
GS – Primary (263)	Block 1 \$0.00111 Block 2 \$0.00085
GS – Subtransmission (265)	Block 1 \$0.00109 Block 2 \$0.00084
GS – Transmission (267)	Block 1 \$0.00108 Block 2 \$0.00083
GS-TOD - Secondary (229,230)	\$0.00074
GS-TOD - Primary (227)	\$0.00072
LGS - Secondary (378,380)	\$0.00048
LGS - Primary (379,381,385)	\$0.00047
LGS - Subtransmission (382)	\$0.00046
LGS – Transmission (386)	\$0.00045
LPS – Secondary (302)	\$0.00053
LGS-TOD -Secondary (337)	\$0.00074
LGS-TOD - Primary (339)	\$0.00072
LPS - Primary (306)	\$0.00000
LPS - Subtransmission (308,309)	\$0.00000
LPS - Transmission (310)	\$0.00000
OL (093-143)	\$0.00015

This RPS rider shall remain in effect through January 31, 2015. Thereafter, the energy rate will be \$0.00000 until modified by the Commission.

VA. S.C.C. TARIFF NO. 25

RIDER G-R.A.C.
(Generation Rate Adjustment Clause Rider)

AVAILABILITY OF SERVICE

Effective with service rendered on and after February 15, 2014, the demand and energy G-RAC surcharge factors shown below will apply for all standard customer bills under the applicable Standard Schedules or special contracts. As a result, the G-RAC shall effectively be calculated by multiplying the kWh of energy and kW of demand, by the following rates:

Summary of Going Level Demand and Energy Surcharges			
	Energy per kWh	Demand per kW	Demand per kW (Off-Peak Excess)
	Generation in (\$)	Generation in (\$)	
Residential - (011,012,013,014,015,020,051,054)	0.00247		
Residential - TOD (030,031,032)	On-Peak-0.00573		
	Off-Peak-0.00040		
SWS (222)	0.00281		
SGS - (231,233,234,213,281)	0.00217		
SGS - LMTOD (225,226)	On-Peak-0.00430		
	Off-Peak-0.00040		
MGS - Secondary (215)	0.00190	0.13	0.05
GS-TOD Secondary (229,230)	On-Peak-0.00351		
	Off-Peak-0.00066		
MGS - Primary (217)	0.00184	0.13	0.05
GS-TOD Primary (227)	On Peak-0.00340		
	Off-Peak-0.00064		
MGS - Subtransmission (236)	0.00182	0.12	0.05
MGS - Transmission (239)	0.00179	0.12	0.05
LGS - Secondary (378,380)	0.00062	0.45	0.07
GS-Secondary-(261)-Block 1 Block 2	0.00190	0.13	0.05
	0.00062		
GS-Primary-(263)-Block 1 Block 2	0.00184	0.13	0.05
	0.00060		
GS-Subtransmission-(265)-Block 1 Block 2	0.00182	0.12	0.05
	0.00059		
GS-Transmission-(267)-Block 1 Block 2	0.00179	0.12	0.05
	0.00059		
LGS - Primary (379,381,385)	0.00060	0.44	0.07
LGS - Subtransmission (382)	0.00059	0.43	0.07
LGS - Transmission (386)	0.00059	0.42	0.07
LPS - Secondary (302)	0.00016	0.68	0.07
LGS-TOD Secondary (337)	On-Peak-0.00351		
	Off-Peak-0.00066		
LGS-TOD Primary (339)	On Peak-0.00340		
	Off-Peak-0.00064		
LPS - Primary (306)	0.00016	0.67	0.07
LPS - Subtransmission (308, 309)	0.00015	0.66	0.07
LPS - Transmission (310)	0.00015	0.64	0.07
OL (093 to 137)	0.00059		

These factors are incorporated into the G-RAC surcharges billed to customers as set forth on sheet 58. These G-RAC factors will remain in effect until such time as modified by the Commission.

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Case No. PUE-2013-00009

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VA. S.C.C. TARIFF NO. 25

RIDER G-R.A.C.
(Generation Rate Adjustment Clause Rider)

AVAILABILITY OF SERVICE

Effective with service rendered on and after February 15, 2014, the demand and energy G-RAC surcharge factors shown below are designed to recover a prior period under recovery of G-RAC costs, and will apply for all standard customer bills under the applicable Standard Schedules or special contracts. As a result, the G-RAC shall effectively be calculated by multiplying the kWh of energy and kW of demand, by the following rates:

Summary of Under Recovery Demand and Energy Surcharges			
	Energy per kWh	Demand per kW	Demand per kW (Off-Peak Excess)
	Generation in (\$)	Generation in (\$)	
Residential - (011,012,013,014,015,020,051,054)	0.00081		
Residential - TOD (030,031,032)	On-Peak-0.00189		
	Off-Peak-0.00013		
SWS (222)	0.00092		
SGS - (231,233,234,213,281)	0.00071		
SGS - LMTOD (225,226)	On-Peak-0.00141		
	Off-Peak-0.00013		
MGS - Secondary (215)	0.00063	0.04	0.02
GS-TOD Secondary (229,230)	On-Peak-0.00115		
	Off-Peak-0.00022		
MGS - Primary (217)	0.00061	0.04	0.02
GS-TOD Primary (227)	On Peak-0.00111		
	Off-Peak-0.00021		
MGS - Subtransmission (236)	0.00060	0.04	0.02
MGS - Transmission (239)	0.00059	0.04	0.02
LGS - Secondary (378,380)	0.00020	0.15	0.02
GS-Secondary-(261)-Block 1	0.00063	0.04	0.02
Block 2	0.00020		
GS-Primary-(263)-Block 1	0.00061	0.04	0.02
Block 2	0.00020		
GS-Subtransmission-(265)-Block 1	0.00060	0.04	0.02
Block 2	0.00019		
GS-Transmission-(267)-Block 1	0.00059	0.04	0.02
Block 2	0.00019		
LGS - Primary (379,381,385)	0.00019	0.15	0.02
LGS - Subtransmission (382)	0.00019	0.14	0.02
LGS - Transmission (386)	0.00019	0.14	0.02
LGS-TOD Secondary (337)	On-Peak-0.00115		
	Off-Peak-0.00022		
LGS-TOD Primary (339)	On Peak-0.00111		
	Off-Peak-0.00021		
LPS - Secondary (302)	0.00005	0.22	0.02
LPS - Primary (306)	0.00005	0.21	0.02
LPS - Subtransmission (308, 309)	0.00005	0.21	0.02
LPS - Transmission (310)	0.00005	0.21	0.02
OL (093 to 137)	0.00019		

These G-RAC factors are incorporated into the G-RAC surcharges billed to customers as set forth on Sheet 58. These G-RAC factors will remain in effect through February 14, 2015.

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VA. S.C.C. TARIFF NO. 25

RIDER G-R.A.C.
(Generation Rate Adjustment Clause Rider)

AVAILABILITY OF SERVICE

Effective with service rendered on and after February 15, 2014, the demand and energy G-RAC surcharges factors shown below will be billed for all standard customer bills under the applicable Standard Schedules or special contracts. As a result, the G-RAC shall effectively be calculated by multiplying the kWh of energy and kW of demand, by the following rates:

Summary of Total G-RAC Demand and Energy Surcharges			
	Energy per kWh	Demand per kW	Demand per kW (Off-Peak Excess)
	Generation in (\$)	Generation in (\$)	
Residential - (011,012,013,014,015,020,051,054)	0.00328		
Residential - TOD (030,031,032)	On-Peak-0.00762		
	Off-Peak-0.00053		
SWS (222)	0.00373		
SGS - (231,233,234,213,281)	0.00288		
SGS - LMTOD (225,226)	On-Peak-0.00571		
	Off-Peak-0.00053		
MGS - Secondary (215)	0.00253	0.17	0.07
GS-TOD Secondary (229,230)	On-Peak-0.00466		
	Off-Peak-0.00088		
MGS - Primary (217)	0.00245	0.17	0.07
GS-TOD Primary (227)	On Peak-0.00451		
	Off-Peak-0.00085		
MGS - Subtransmission (236)	0.00242	0.16	0.07
MGS - Transmission (239)	0.00238	0.16	0.07
LGS - Secondary (378,380)	0.00082	0.60	0.09
GS-Secondary-(261)-Block 1	0.00253	0.17	0.07
Block 2	0.00082		
GS-Primary-(263)-Block 1	0.00245	0.17	0.07
Block 2	0.00080		
GS-Subtransmission-(265)-Block 1	0.00242	0.16	0.07
Block 2	0.00078		
GS-Transmission-(267)-Block 1	0.00238	0.16	0.07
Block 2	0.00078		
LGS - Primary (379,381,385)	0.00079	0.59	0.09
LGS - Subtransmission (382)	0.00078	0.57	0.09
LGS - Transmission (386)	0.00078	0.56	0.09
LGS-TOD Secondary (337)	On-Peak-0.00466		
	Off-Peak-0.00088		
LGS-TOD Primary (339)	On Peak-0.00451		
	Off-Peak-0.00085		
LPS - Secondary (302)	0.00021	0.90	0.09
LPS - Primary (306)	0.00021	0.88	0.09
LPS - Subtransmission (308, 309)	0.00020	0.87	0.09
LPS - Transmission (310)	0.00020	0.85	0.09
OL (093 to 137)	0.00078		

These G-RAC factors represent the sum of G-RAC factors shown on First Revised Sheet No. 56 and Sheet No. 57. These factors will be billed to customers and remain in effect through February 14, 2015

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Pursuant to Final Order

Dated: December 17, 2013

Case No. PUE-2013-00009

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VA. S.C.C. TARIFF NO. 25

RIDER B.R.C.R.
(Biennial Review Credit Rider)

AVAILABILITY OF SERVICE

Applicable to customer's that consumed energy from the Company during the calendar years 2012 and 2013. Rider B.R.C.R. will be used for calculating the customer credits based on usage from January 1, 2012 through and including December 31, 2013.

In accordance with the Commission's Final Order in Case No. PUE-2014-00026, customer credits will begin billing on January 25, 2015, and will be applied over a period of six (6) months. Once the customer credits have been applied for six (6) months, Rider B.R.C.R. will no longer be effective.

Schedule	Energy Rate per kWh*
Residential (011,012,013,014,015,020,030,031,032,051,054)	(\$0.0002779)
SWS (222)	(\$0.0003097)
SGS (213,225,226,231,233,234,281)	(\$0.0001905)
MGS – Standard (215)	(\$0.0002397)
MGS - Primary (217)	(\$0.0002397)
MGS - Subtransmission (236)	(\$0.0002397)
MGS - Transmission (239)	(\$0.0002397)
GS – Secondary (261)	(\$0.0002397)
GS – Primary (263)	(\$0.0002397)
GS – Subtransmission (265)	(\$0.0002397)
GS – Transmission (267)	(\$0.0002397)
GS-TOD - Secondary (229,230)	(\$0.0002397)
GS-TOD - Primary (227)	(\$0.0002397)
LGS - Secondary (378,380)	(\$0.0001975)
LGS - Primary (379,381,385)	(\$0.0001975)
LGS - Subtransmission (382)	(\$0.0001975)
LGS – Transmission (386)	(\$0.0001975)
LPS – Secondary (302)	(\$0.0000971)
LGS-TOD -Secondary (337)	(\$0.0002397)
LGS-TOD - Primary (339)	(\$0.0002397)
LPS - Primary (306)	(\$0.0000971)
LPS - Subtransmission (308,309)	(\$0.0000971)
LPS - Transmission (310)	(\$0.0000971)
OL (093-143)	\$0.0000000

*kWh is based on customer's 2012 & 2013 usage.

Issued: January 25, 2015
Pursuant to Final Order
Dated: November 26, 2014
Case PUE-2014-00026

Effective: January 25, 2015

OBM and Cholla Energy
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