
Central Virginia Electric Cooperative

Rate Schedule LPM – Large Power Market Service

Appendix A: Description of Billing Line Items

I. Fixed Load Shape Energy Charges

Central Virginia Electric Cooperative (“CVEC”) will pass through to Member, at cost, any and all invoice charges received from Member’s fixed load shape contract provider each month. Such charges will be incurred based on the fixed energy load shapes or block power purchases that Member requests that CVEC secure, and the agreed upon contract price with the contract provider.

II. Market Energy Purchases and Sales

In the event that Member’s actual hourly load, including losses, varies from the provided fixed load shape, the shortfall or excess energy will be, respectively, purchased or sold on the PJM Market at the Dominion Zone hourly Locational Marginal Price (“LMP”). Any monthly costs or credits associated with purchases or sales of Member’s energy on the PJM Market will be passed through to Member as they are incurred by CVEC.

III. Network Integration Transmission Service (“NITS”) Charges

NITS charges are calculated daily by PJM and are specific to each zone within PJM. CVEC will pass through, each month, Member’s pro-rata share of Dominion Zone NITS Charges, calculated in accordance with the PJM Open Access Transmission Tariff (“OATT”), Section 34.1 and Attachment H-16 thereto. This charge will be based on Member’s Network Service Peak Load (“NSPL”) multiplied by the applicable Dominion Zone NITS rate.

Member’s NSPL will be determined based on its kW load (including losses as determined by Virginia Electric and Power Company) at the hour of the Dominion Zone peak for the 12 months ending October 31 of the preceding year. The NSPL will be reset every January 1, or as determined by PJM.

The Dominion Zone NITS rate is posted on the PJM website, and is subject to change periodically with Virginia Electric and Power Company's rate filings. The current Dominion Zone NITS rate each month will always be used to determine NITS Charges in that month.

IV. Locational Reliability Charges

Locational Reliability Charges, also referred to as Reliability Pricing Model ("RPM") charges, are calculated daily by PJM and are specific to each zone within PJM. These charges are commonly referred to as regulatory capacity charges. CVEC will pass through, each month, Member's pro-rata share of Dominion Locational Reliability Charges, calculated in accordance with the PJM OATT (Attachment DD, 5.14, Section 4e). This charge will be based on Member's Daily Unforced Capacity Obligation multiplied by the applicable Final Dominion Zone Capacity Price.

Member's Daily Unforced Capacity Obligation will be calculated in accordance with Schedule 8 of the PJM Reliability Assurance Agreement, and will be reset every June 1, or as determined by PJM.

Capacity Prices in PJM are determined annually, based on an auction held three years in advance of the PJM Planning Year, which runs from June-May. Capacity Prices are reset every June at the start of each PJM Planning Year and are posted on the PJM website. Capacity Prices are subject to intra-year adjustments, as determined by PJM. The current Dominion Zone Capacity Price each month will always be used to determine Locational Reliability Charges in that month.

To the extent that Member participates in any of PJM's Demand Response programs in order to reduce Locational Reliability Charges, CVEC will pass along any savings to Member, at cost. Likewise, Member will be responsible for the risks associated with participating in the Demand Response Program.

V. Ancillary Service Charges

CVEC will directly pass through any applicable PJM Ancillary Service Charges each month, based on Member's pro-rata share of such charges. A break-down of these additional PJM pass-through charges including the basis for the cost can be provided, as appropriate, each month.

VI. Contract Administration Charge

Any costs associated with monitoring and administering the CVEC/Member Power Supply Contract will be directly passed through at cost. Such charges include, but are not limited to, consulting services, engineering services and legal costs.

VII. Facilities Charge

A Facilities Charge will be incurred by Member on a monthly basis over the full term of the CVEC/Member Power Supply Contract. This charge will be determined according to the Monthly Rate provision in CVEC's Excess Facilities Schedule EF, based on the actual installed cost of CVEC's facilities serving the Member and the applicable carrying cost percentage.

VIII. Metering and Billing Charge

Metering and Billing Charge includes costs incurred by CVEC in the preparation of the monthly power invoice and the collection of metered load data.

IX. Other Charges

Any other charges, not specifically mentioned in this Appendix A, that are incurred by CVEC for providing or making electric service available to the Member load, will be directly passed through, at cost.