

Virginia Electric and Power Company, Wholesale Cost-Based Rate Tariff  
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Tariff, Wholesale Cost-Based Rate Tariff, 0.0.0

**WHOLESALE COST-BASED RATE TARIFF**  
**OF**  
**VIRGINIA ELECTRIC AND POWER COMPANY**  
**PROVIDING FOR**  
**SALES OF ELECTRIC POWER**  
**AND RESALE OF TRANSMISSION RIGHTS**

**I. DEFINITIONS**

The following words and terms used herein shall be understood to have the following meanings:

1. Affiliate: In the case of any exempt wholesale generator defined under Section 32(a) of the Public Utility Holding Company Act of 1935, as amended, “Affiliate” is defined in accordance with Section 214 of the Federal Power Act. In the case of any other entity, “Affiliate” is defined in accordance with 18 C.F.R. § 161.2(a).
2. Buyer: “Buyer” means a purchaser of Electric Power for resale or a purchaser of resold transmission rights under this Tariff.
3. Commission: “Commission” means the Federal Energy Regulatory Commission or such successor Federal regulatory agency as may have jurisdiction over this Tariff.
4. Electric Power: “Electric Power” means electric capacity and/or energy.
5. Parties: “Parties” mean Seller and Buyer that have entered into a Service Agreement for service pursuant to this Tariff.

6. Seller: “Seller” means Virginia Electric and Power Company.
7. Service Agreement: “Service Agreement” means the agreement entered into by Seller and Buyer for service under this Tariff.
8. Tariff: “Tariff” means this wholesale cost-based rate tariff, as amended from time to time.
9. Transaction: “Transaction” means a particular transaction agreed to by the Parties pursuant to a Service Agreement under this Tariff.
10. Transmission Tariff: “Transmission Tariff” means the Transmission Tariff filed by Virginia Electric and Power Company in compliance with Order No. 888, as it may be amended from time to time, or, as applicable, the Transmission Tariff of the regional transmission organization from which Virginia Electric and Power Company is a member.

## **II. SALES OF ELECTRIC POWER**

1. Electric Power: Seller may sell Electric Power for resale to affiliated and non-affiliated Buyers under this Tariff from time to time at rates, terms and conditions established by the agreement of the Parties. All such Transactions shall be voluntary.
2. Provision of Unbundled Transmission Service: Except as provided in Article III, this Tariff does not provide for the sale of transmission service or ancillary services. Either Seller or Buyer may arrange for transmission service and ancillary services in conjunction with the sale of Electric Power.
3. Rates: Except as provided in Article VI.2, all sales shall be made at rates established by agreement between Seller and Buyer, provided that the sum of all the charges with respect to each Transaction may be up to but shall not exceed:
  - (a) for Electric Power that Seller purchases from a third party for resale to Buyer, the sum of:
    - i. the charges paid to the third party for such Electric Power; and
    - ii. any associated transmission and ancillary services purchased by Seller and resold to Buyer.
  - (b) for Electric Power from Seller’s generating resources, the sum of the following:
    - i. A demand charge of:  
  
\$122.92/KW/year;

\$10.24/KW/month;

\$2.36/KW/week;

\$.47/KW/day, provided that the total demand charge in any week, pursuant to a sale of daily Electric Power, shall not exceed the weekly rate times the highest amount in kilowatts of purchased Electric Power in any day during such week; or

\$.0295/KW/hour, provided that the total demand charge in any day, pursuant to a sale of hourly Electric Power, shall not exceed the daily rate times the highest amount in kilowatts of purchased Electric Power in any hour during such day, and the total demand charge in any week, pursuant to a sale of hourly or daily Electric Power, shall not exceed the weekly rate times the highest amount in kilowatts of purchased Electric Power in any hour during such week; and

- ii. 100% of the system incremental cost per kilowatt hour of Seller's generating resources; and
- iii. the cost of transmission service and any ancillary services purchased by Seller and resold to Buyer.

### **III. RESALE OF TRANSMISSION RIGHTS**

1. Character of Service: Seller may resell to a Buyer all or a portion of Seller's rights to the use of the transmission system of a transmission provider that Seller has reserved for its own use under a service agreement with the transmission provider, or has acquired from another customer of the transmission provider, including capacity that Seller has reserved or acquired for its own use on its own transmission system under its Transmission Tariff. In order to be eligible for this service, the Buyer must be an Eligible Customer under the transmission tariff of the transmission provider from whom the transmission service rights to be transferred were originally obtained. When Seller resells transmission capacity that Seller has reserved or acquired for its own use on its own transmission system, Seller will continue to comply with all of the non-rate terms and conditions of its Transmission Tariff. Notwithstanding the foregoing, the Seller may resell service that it has obtained from any transmission provider for a shorter duration than it has purchased, may resell smaller quantity than it has purchased and may resell as non-firm point-to-point service transmission that it has purchased as firm point-to-point service.
2. Limitation on Sales Prices: The price at which Seller resells transmission rights to the Buyer shall not exceed the highest of (a) the original rate paid by Seller; (b) the applicable transmission provider's maximum rate on file at the time of the sale to the Buyer for service of the same duration; or (c) Seller's own opportunity costs, capped at the applicable transmission providers cost of expansion at the time of the Seller's sale to the Buyer. Seller shall not recover opportunity costs on an incremental basis in

connection with such sale without first receiving Commission approval pursuant to a filing under Section 205 of the Federal Power Act.

3. Records: Seller shall keep such records as may be needed to afford a clear history of all resales of transmission capacity that Seller has reserved or acquired for its own use on its own transmission system or on the transmission systems of other transmission providers under Section III of this Tariff. Seller shall retain the originals of all such records.

#### **IV. OTHER TERMS AND CONDITIONS**

All other terms and conditions shall be established by agreement between Seller and Buyer.

#### **V. REVISIONS TO THE TARIFF**

Seller may file revisions to this Tariff by notifying Buyer in writing and by unilaterally making the appropriate filing with the Commission pursuant to the provisions of Section 205 of the Federal Power Act; provided, however, that such revision shall not affect the rates, terms and conditions of Transactions entered into prior to the date of such revision, unless otherwise agreed by the Parties.

## **VI. AFFILIATE POWER SALES**

1. Offers: When Seller offers to make any sale of Electric Power to an Affiliate, it shall make the same offer, at the same time, to all non-Affiliates by simultaneously posting such offer of sale on an electronic bulletin board.
2. Charges: The rates for sales under this Article VI shall be as negotiated by the parties but in no event will Seller sell Electric Power to an Affiliate under this Tariff at a rate lower than the rate at which Seller sells equivalent Electric Power to any non-Affiliate, even if that rate is higher than the cost ceiling set out In Article II.3.
3. Sales: When Seller makes a sale of Electric Power to an Affiliate it will simultaneously post the price charged to such Affiliate on an electronic bulletin board.

**SERVICE AGREEMENT  
UNDER THE WHOLESALE COST-BASED RATE TARIFF  
OF  
VIRGINIA ELECTRIC AND POWER COMPANY  
PROVIDING FOR  
SALES OF ELECTRIC POWER  
AND RESALE OF TRANSMISSION RIGHTS**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into by and between Virginia Electric and Power Company (“Seller”) and \_\_\_\_\_ (“Buyer”).
- 2.0 All capitalized terms herein shall have the meaning set forth in Seller’s Tariff.
- 3.0 Seller may provide and Buyer may purchase service under Seller’s Tariff.
- 4.0 Terms and conditions for service shall be agreed to by Seller and Buyer.
- 5.0 Any notice or request made to or by a Party (Seller or Buyer) regarding this Service Agreement shall be made to the representative of the other Party as indicated below:

Seller:

Buyer:

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

VIRGINIA ELECTRIC AND POWER COMPANY

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_  
Name

[INSERT BUYER COMPANY NAME]

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_  
Name