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VIA UPS OVERNIGHT

October 29, 2010

Ms. Renne Vance
Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Dobbs Building
Raleigh, North Carolina 27603

Re: Docket No. E-100, Sub 127

Dear Ms. Vance:

Enclosed are an unbound original and thirty (30) bound copies of the *Comments, Exhibits and Avoided Cost Schedules of Dominion North Carolina Power* in the above-referenced docket.

Should you have any questions, please do not hesitate to call me at (804) 819-2682.

Sincerely,

Horace P. Payne, Jr.
Senior Counsel

Enclosures

CERTIFICATE OF SERVICE
Docket No. E-100, Sub 127

I hereby certify that a true copy of the foregoing *Comments, Exhibits and Avoided Cost Schedules of Dominion North Carolina Power* was mailed, first-class, postage prepaid, to each of the following:

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This the 29th day of October, 2010.

Counsel

Dominion®

Comments, Exhibits and Avoided Cost Schedules of Dominion North Carolina Power

Before the North Carolina Utilities Commission

Biennial Determination of Avoided Cost Rates for Electric Utility Purchases from Qualifying Facilities - 2010

Docket No. E-100, Sub 127

Filed November 1, 2010

COMMENTS

AND

EXHIBITS

OF

ROBERT C. RICE

BRUCE E. PETRIE

ROBERT J. TREXLER

NOVEMBER 1, 2010

EXECUTIVE SUMMARY

On May 5, 2010, the North Carolina Utilities Commission ("NCUC" or the "Commission") issued an *Order Establishing Biennial Proceeding, Requiring Data and Scheduling Public Hearing* in Docket No. E-100, Sub 127 commencing its biennial determination of avoided cost rates for electric utility purchases from qualifying facilities ("QFs"). The Commission required the major electric utilities in the state to file a set of proposed rates for purchases from QFs no greater than 5MW, showing all calculations for determining the proposed rates, including inflation rates, and discount rates used, and proposed standard form(s) of contract between QFs and the utility, and a description of differences between the proposed standard form(s) of contract and the currently approved standard form(s) of contract, including the reasons for such differences.

The establishment of a dual tariff requirement was first established in December 2007 via Docket No. E-100, Sub 106, and the *Order Establishing Standard Rates and Contract Terms for Qualifying Facilities* entered on May 13, 2009 in Docket No. E-100, Sub 117 continued the requirement for the Company to offer a dual Schedule 19 tariff ("Schedule 19-LMP" and "Schedule 19-DRR"). Since the December 2007 establishment of the requirement for a dual tariff, nine out of ten Dominion North Carolina Schedule 19 QFs have chosen Schedule 19-LMP. The Company believes that the market-based rate Schedule 19-LMP provides hourly prices from a visible market and reflects the Company's true avoided cost more accurately than the DRR method which uses fixed forecast data. While the Company believes the Schedule 19-LMP could be adopted as the only Schedule 19 avoided cost tariff in North Carolina for new QFs contracting with the Company commencing January 1, 2011, the Company understands the Commission's concerns expressed in the previous two Final

Orders and the Company is therefore proposing to continue to offer both the Schedule 19-DRR and the Schedule 19-LMP.)

Dominion North Carolina Power's filing is organized as follows:

- Development of the proposed Schedule 19 Avoided Cost Rates using public PJM cost information
  - Schedule 19 - LMP
  - Changes to Schedule 19 - LMP
  - Schedule 19 - DRR
  - Changes to Schedule 19 - DRR
- The Differential Revenue Requirement (DRR) Method
- Comparison of Avoided Costs Using LMP and the DRR Method
  - Proposed Changes to Standard Form Contracts
  - Standard Form Contracts

Dominion North Carolina Power's Proposed Schedule 19
and Supporting Comments
Docket No. E-100, Sub 127

The following discussion describes Dominion North Carolina Power's proposed Power Purchases from Cogeneration and Small Power Production Qualifying Facilities under proposed Rate Schedule 19 - DRR and Schedule 19 - LMP.

Proposed Rate Schedule 19 - LMP and Rate Schedule 19 - DRR are available to QFs that have either: (1) generating facilities designated as new capacity under 18 C.F.R. 292.304 (b) (1), or (2) hydroelectric generating facilities of 5 MW or less owned or operated by small power producers as defined in G.S. 62-3 (27a), or (3) non-hydroelectric QFs fueled by trash or methane derived from landfills or hog waste, poultry waste, solar, wind, and non-animal forms of biomass of 5 MW or less, or (4) a QF, not defined above, of 3 MW or less. Attached to these comments and shown as Exhibit DNCP-1 and Exhibit DNCP-2 are proposed Schedule 19 - LMP and Schedule 19 - DRR, respectively.

Schedule 19 - LMP

Attached to these comments as Exhibit DNCP-1 is proposed Rate Schedule 19 - LMP. Energy prices are based on the hourly PJM Dom Zone Day Ahead Locational Marginal Price ("DA LMP") expressed as $/MWh. For QFs that are providing energy and capacity, the hourly PJM Dom Zone DA LMP values, divided by 10 (to derive a cents per kWh price), are applied to the respective hourly net output of the QF generation. This pricing provision is shown in Section IV, Payment for Company Purchases of Energy and Capacity. For QFs that are providing energy only, the average of the hourly PJM Dom Zone DA LMP values in the billing month, divided by 10 (to derive a cents per kWh price), is applied to the QF's total net generation during the billing month. This pricing provision is shown in Section V, Payment for Company Purchases of Energy Only.

For QFs that are providing both energy and capacity, pricing for capacity is addressed in Section IV, Payment for Company Purchases of Energy and Capacity, Paragraph B. Effective each June 1, PJM will establish the Reliability Pricing Model capacity resource clearing price for each PJM zone, shown as $/MW/day price, that will be applicable through the following May 31. This price is converted to a daily on-peak capacity purchase price, and applied to the QF's daily on-peak generation. The QF's capacity purchase payments may be adjusted by the Summer Peak Performance Factor, to reflect operation by the QF during the summer coincident peak hours.

Changes to Schedule 19 - LMP

1. Section I, Applicability and Availability.

   (i) The first paragraph of this section has been amended to better explain that the QF is contracting to deliver all of its net electrical output and not just part.

   (ii) The last paragraph of Section I has been expanded to include solar in its example of restrictions on geographical siting.

2. Section II, Monthly Billing to the QF has been amended to reflect currently proposed meter charges. The proposed meter charges were calculated based on actual August 2010 meter reads.

3. In Section IV, Payment for Company Purchases of Energy and Capacity, Paragraph A.2, and Section V, Payment for Company Purchases Of Energy Only, Paragraph B, the Company has amended the line loss provision so that energy prices will be increased by 3.0% until such time as an effective Schedule 19 - LMP, subsequently amended and approved by the Commission, revises this

percentage to a future value.

4. Section VII, Modification of Rates and Other Provisions Hereunder, has been amended to delete the last sentence because it references non-existent fixed contract pricing.
5. In Section VIII, Term of Contract, the Company has not changed the prior intent of this section but has improved the language to clarify the current option of the QF to make a one-time switch from Schedule 19 – LMP to Schedule 19 – DRR on the first day (only) of its second year under its contract with the Company, and in doing so will enter into a new contract with pricing in accordance with the Schedule 19 – DRR in effect at the time of the initial contract date. The Company also provides clarification that on switching to Schedule 19 – DRR the QF will have a choice of term of 2, 5, 10, or 15 years, less the days elapsed between the commencement of the original contract and the time of execution of the new contract, and that this one-time option to switch shall only be permitted contingent on Schedule 19 - DRR being in effect on the first day of the QF's second year under contract.

Schedule 19 - DRR

Each of the Schedule 19 - DRR prices were updated to reflect the current projections of avoided costs. The calculation of the fixed, levelized energy prices for QFs at 100 kW or less for 5, 10, and 15 years are shown in Exhibit DNCP-3 and the levelized capacity payments for 5, 10, and 15 years starting in 2011 are shown in Exhibit DNCP-4. An updated discount rate of 8.220% was used in Exhibits DNCP-3 and DNCP-4 in determining the cumulative present value of the avoided energy cost rates and cumulative present value of the per kW revenue requirement values, respectively. The discount rate is consistent with the September 28, 2010 Agreement and Stipulation of Settlement entered into by DNCP, the North Carolina Public Staff, Carolina Industrial Group for Fair Utility Rates I, Nucor Steel-Hertford and Carolina Utility Customers Association, Inc. in DNCP's 2010 base rate and fuel applications (Docket Nos. E-22, Sub 459 and E-22, Sub 461). While DNCP did not agree with the rate, it was accepted for the purpose of a global settlement of disputed issues in those proceedings.

Changes to Schedule 19 - DRR

1. Section I, Applicability and Availability.

   (i) The first paragraph of this section has been amended to better explain that the QF is contracting to deliver all if its net electrical output and not simply energy, . and also that the purchase of this net electrical output by the Company is contingent on the QF entering into an agreement with the Company.

   (ii) Paragraph 3, has been amended to reflect changes in the date from December 31, 2010 to December 31, 2012 for the latest start of deliveries to the Company

   (iii) the last paragraph of Section I, has also been expanded to include solar in its example of restrictions on geographical siting.

2. Section II, Monthly Billing to the QF has been amended to reflect currently proposed meter charges. The proposed meter charges were calculated based on actual August 2010 meter reads.

3. In both the last paragraph in Section V, Payment for Company Purchases Of Non-Firm Energy, and the last paragraph in Section VI, Payment for Company Purchases of Firm Energy, the Company has amended the line loss provisions so

that energy prices will be increased by 3.0% until such time as an effective Schedule 19 - DRR, subsequently amended and approved by the Commission, revises this percentage to a future value.

4. Section V, Payment for Company Purchases Of Non-Firm Energy

(i) Updated prices for the sale of energy during 2011and 2012 on a non-firm, non-time-differentiated basis (100 kW or less) may be found in Paragraph. B.

(ii) Updated 2011and 2012prices for the sale of energy on a non-firm, time-differentiated basis may be found in Paragraph C.

5. Section VI, Payment for Company Purchases of Firm Energy

(i) The updated 2011and 2012 firm energy purchase prices for QFs electing variable rates are shown in Paragraph A.

(ii) The updated 2011and 2012 firm energy prices for QFs electing to lock in to a 5-year levelized energy mix are calculated in Attachments Al - A3 and shown in Paragraph B. Additional contract terms for 10 and 15 years are also shown in Paragraph B.

(iii) The updated 2011and 2012 firm energy prices for QFs, 100 kW or less, electing fixed levelized rates are shown in Paragraph C and calculated in Exhibit DNCP-3.

6. SectionVII, Payment for Company Purchases of Capacity. Updated levelized prices for capacity for 5, 10, and 15 year contract terms are shown beginning in either 2011or 2012.

7. In Section IX Modification of Rates and Other Provisions Hereunder, the Company has modified the language to include the change described in "3" above, i.e. made

clear that payments under certain conditions specified in Section IX shall remain at the payment levels established in the QF's contract with the exception of the line loss percentage which may change with each subsequent amended Schedule 19 – DRR approved by the Commission.

Schedule 19 - LMP
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

I. APPLICABILITY AND AVAILABILITY

This schedule is applicable to any qualifying Cogenerator or Small Power Producer (Qualifying Facility) which desires to provide all of its net electrical output to the Company on an energy and capacity, or energy only basis, and which has either (1) generating facilities designated as new capacity as defined by 18 C.F.R. 292.304(b)(1), or (2) hydroelectric generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a) and enters into an agreement for the sale of electrical output to the Company (Agreement).

Where the Qualifying Facility (QF) elects to be compensated for the provision of its electrical energy in accordance with this schedule, the amount of capacity under contract and the initial term of contract shall be limited as follows:

A. Where the QF operates hydroelectric generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), or where the QF operates non-hydroelectric QFs fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind, and non-animal forms of biomass, the amount of capacity subject to compensation shall be no greater than 5,000 kW, and the amount of energy purchased during a given hour shall be no greater than 5,000 kWh. The initial term of contract for such a QF shall be for a period not to exceed fifteen (15) years.

B. Where the QF is not defined under Paragraph I.A., the amount of capacity subject to compensation shall be no greater than 3,000 kW, and the amount of energy purchased during a given hour shall be no greater than 3,000 kWh. The initial term of contract for such a QF shall be for a period not to exceed fifteen (15) years.

(Continued)

Schedule 19 -'LMP
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

Where the QF elects to be compensated for the provision of its electric energy in accordance with this schedule, the QF must enter into a contract and begin deliveries to the Company on or before December 31, 2012. Where the QF elects an initial contract term of 10 or more years, such contract may be renewed for subsequent term(s), at the Company's option, based on substantially the same terms and provisions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration the Company's then avoided cost rates and other relevant factors or (2) set by arbitration.

This schedule is not applicable to a QF owned by a developer, or an affiliate of a developer, who sells power to the Company from another facility located within one-half mile unless: 1) each facility provides thermal energy to different, unaffiliated hosts, or 2) each facility provides thermal energy to the same host, and the host has multiple operations with distinctly different or separate thermal needs, or 3) each facility utilizes a renewable resource which may be subject to geographic siting limitations, such as hydroelectric, solar or wind power facilities.

II. MONTHLY BILLING TO THE QF

All sales to the QF will be in accordance with any applicable filed rate schedule. In addition, where the QF contracts for sales to the Company, the QF will be billed a monthly charge equal to one of the following to cover the cost of meter reading and processing:

Metering required	Charge
One non-time-differentiated meter	$ 17.24
One time-differentiated meter	$ 35.55
Two time-differentiated meters	$ 41.16

Schedule 19 - LMP
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

(Continued)

III. CONTRACT OPTIONS

QFs with a design capacity of 10 kW or less shall elect, from the following two options, the manner in which the QF shall operate and provide its electrical output to the Company. This election shall be contracted for and made a part of the QF's Agreement. QFs with a design capacity greater than 10 kW must contract for the supply of both energy and capacity to the Company, in accordance with Paragraph III. A., below. Purchase payments, if any, to the QF for the supply of energy and/or capacity to the Company shall be based on this contractual designation.

A. Supply of Energy and Capacity. A QF shall contract for the supply of both energy and capacity to the Company, except as may be permitted pursuant to Paragraph III. B., below. The level of capacity that the QF contracts for shall not exceed the capacity limits outlined in Paragraph I. The supply of both energy and capacity shall require the installation of one (or two, if necessary) time differentiated meter(s) to measure the hourly output of the QF's generation facility.

B. Supply of Energy Only. A QF with a design capacity of 10 kW or less may elect to contract for the supply of energy only to the Company. A QF electing this option will not be eligible for capacity payments. Election of this option shall require the installation of a non-time-differentiated meter to measure the monthly output of the QF's generation facility.

(Continued)

Schedule 19 - LMP
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

(Continued)

IV. PAYMENT FOR COMPANY PURCHASES OF ENERGY AND CAPACITY

A QF that supplies both energy and capacity to the Company, in accordance with Paragraph III.A., above, shall receive purchase payments as follows:

A. Energy Purchase Payments

1. Purchase payments for the supply of energy by the QF to the Company will be based on an hourly energy purchase price (cents per kWh) that is calculated using the hourly $/MWh PJM Interconnection, LLC (PJM) Dom Zone Day Ahead Locational Marginal Price (DA LMP) divided by 10, and multiplied by the hourly net generation as recorded on the Company's time-differentiated meter.

2. All energy purchase prices per kWh will be increased by 3.0% to account for line losses avoided by the Company, except that upon the effective date of any Schedule 19 that is subsequently amended and approved by the Commission, the line loss percentage applied shall be the percentage stated in the then-current Schedule 19. In lieu of 3.0% or the line loss percentage stated in the then-current Schedule 19, the QF may request that a site specific line loss percentage be determined with the QF bearing the cost of the study required.

B. Capacity Purchase Payments

Purchase payments for the supply of capacity by the QF to the Company will be made based upon the QF's daily net on-peak generation multiplied by that corresponding day's on-peak capacity purchase price, as calculated below. If applicable, the purchase payment for capacity may be modified by application of the Summer Peak Performance Factor (SPPF), as described below. The on-peak hours for every day are from 7 AM to 11 PM. Off-peak hours are defined as all other hours.

(Continued)

Schedule 19 - LMP
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

(Continued)

IV. PAYMENT FOR COMPANY PURCHASES OF ENERGY AND CAPACITY (Continued)

Effective each June 1, PJM will establish the Reliability Pricing Model capacity resource clearing price for each PJM zone, shown as $/MW/day price, that will be applicable through the following May 31. Such prices will be the clearing results from PJM's Base Residual Auction. Using the price for the Dom Zone (initially identified on the PJM website as "Dom_PZonal", the Company will calculate an on-peak capacity purchase price (cents per kWh) for each day by dividing the Dom Zone $/MW/day price by 16 hours, and further dividing the result by 10, rounded to the nearest one-thousandth cent. The resulting cents per kWh on-peak capacity purchase price will be applied to the QF's net on-peak generation for the corresponding day, to provide for the daily capacity purchase amount. The sum of the daily capacity purchase amounts for the billing month will constitute the monthly capacity purchase payment to the QF, unless modified by application of the SPPF, below.

Initially, a QF's SPPF will be 1. Once a QF has achieved Commercial Operations and such operation encompasses at least a full Summer (defined by PJM as June 1 through September 30), the following January billing month, and for each January billing month thereafter, an SPPF will be calculated that is based on the QF's operation during the five (5) PJM coincident peak hours ("CP Hours"), as posted by PJM, during the Summer of the previous calendar year. The QF's SPPF is equal to the number of CP Hours in which the QF generated at or greater than 75% of its design capacity, divided by 5. Therefore, the SPPF could be 0, .2, .4, .6, .8, or 1. The QF's SPPF will be applied to the monthly capacity purchase payment for each billing month of the current calendar year.

(Continued)

Schedule 19 - LMP
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

(Continued)

V. PAYMENT FOR COMPANY PURCHASES OF ENERGY ONLY

A QF that supplies only energy to the Company, in accordance with its election in Paragraph III. B., above, shall receive purchase payments as follows:

A. Purchase payments for the supply of energy only by the QF to the Company will be based on an energy purchase price (cents per kWh) that is calculated using the average of the hourly $/MWh Dom Zone DA LMP for the QF's billing month, divided by 10, and multiplied by the net generation as recorded on the Company's non-time-differentiated meter.

All energy purchase prices per kWh will be increased by 3.0% to account for line losses avoided by the Company except that upon the effective date of any Schedule 19 that is subsequently amended and approved by the Commission, the line loss percentage applied shall be the percentage stated in the then-current Schedule 19. In lieu of 3.0% or the line loss percentage stated in the then-current Schedule 19, the QF may request that a site specific line loss percentage be determined with the QF bearing the cost of the study required.

VI. PROVISIONS FOR COMPANY PURCHASE OF THE QF GENERATION

A. The QF shall own and be fully responsible for the costs and performance of the QF's:

1. Generating facility in accordance with all applicable laws and governmental agencies having jurisdiction;

2. Control and protective devices as required by the Company on the QF's side of the meter.

B. Upon request by the Company, the Co-generator or Small Power Producer must demonstrate that the facility is a Qualifying Facility as defined by PURPA.

C. Interconnection procedures for the QF's generation interconnection are provided through the Internet at the Company's website:

http://www.dom.com/dominion-north-carolina-power/customer-service/rates-and-tariffs/pdf/term24.pdf

Schedule 19 - LMP
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

(Continued)

VII. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER

The provisions of this schedule, including the rates for purchase of electricity by the Company, are subject to modification at any time in the manner prescribed by law, and when so modified, shall supersede the rates and provisions hereof.

VIII. TERM OF CONTRACT

The term of contract shall be such as may be mutually agreed upon but for not less than one year. A QF that initially chooses Schedule 19 – LMP will be permitted a one-time switch to Schedule 19 – DRR on the first day of its second year under its contract, with 90 days written notice, and in so doing, enter into a new contract with pricing in accordance with the Schedule 19 – DRR in effect at the time of the initial contract date and with a choice of term of 2, 5, 10, or 15 years, less the days elapsed between the commencement of the original contract and the time of execution of the new contract. This one-time option to switch shall only be permitted contingent on Schedule 19 - DRR being in effect on the first day of the QF's second year under contract.

Schedule 19 - DRR
POWER PURCHASES FROM COGENERATION AND SMALL POWER PRODUCTION QUALIFYING FACILITIES

I. APPLICABILITY AND AVAILABILITY

This schedule is applicable to any qualifying Cogenerator or Small Power Producer (Qualifying Facility) which desires to deliver all of its net electrical output to the Company, and which has either (1) generating facilities designated as new capacity as defined by 18 C.F.R. 292.304(b)(1), or (2) hydroelectric generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a) and enters into an agreement for the sale of net electrical output to the Company (Agreement).

Where the Qualifying Facility (QF) elects to be compensated for firm deliveries in accordance with this schedule, the amount of capacity under contract and the initial term of contract shall be limited as follows:

A. Where the QF operates hydroelectric generating facilities that meet the criteria of being owned or operated by a small power producer as defined in G.S. 62-3(27a), or where the QF operates non-hydroelectric QFs fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind, and non-animal forms of biomass, the amount of capacity subject to compensation shall be no greater than 5,000 kW, and the amount of energy purchased during a given hour at rates applicable to firm deliveries shall be no greater than 5,000 kWh. The initial term of contract for such a QF shall be for a period of 5, 10, or 15 years, at the option of the QF.

B. Where the QF is not defined under Paragraph I.A., the amount of capacity subject to compensation shall be no greater than 3,000 kW, and the amount of energy purchased during a given hour at rates applicable to firm deliveries shall be no greater than 3,000 kWh. The initial term of contract for such a QF shall be for a period of 5 years.

(Continued)

Schedule 19 - DRR
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

(Continued)

I. APPLICABILITY AND AVAILABILITY (Continued)

Where the QF elects to be compensated for firm or non-firm deliveries in accordance with this schedule, the QF must enter into a contract and begin deliveries to the Company on or before December 31, 2012. Where the QF elects an initial contract term of 10 or more years, such contract may be renewed for subsequent term(s), at the Company's option, based on substantially the same terms and provisions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration the Company's then avoided cost rates and other relevant factors or (2) set by arbitration.

This schedule is not applicable to a QF owned by a developer, or affiliate of a developer, who sells power to the Company from another facility located within one-half mile unless: 1) each facility provides thermal energy to different, unaffiliated hosts, or 2) each facility provides thermal energy to the same host, and the host has multiple operations with distinctly different or separate thermal needs, or 3) each facility utilizes a renewable resource which may be subject to geographic siting limitations, such as hydroelectric, solar, or wind power facilities.

II. MONTHLY BILLING TO THE QF

All sales to the QF will be in accordance with any applicable filed rate schedule. In addition, where the QF contracts for sales to the Company, the QF will be billed a monthly charge equal to one of the following to cover the cost of meter reading and processing:

Metering required	Charge
One non-time-differentiated meter	$17.24
One time-differentiated meter	$35.55
Two time-differentiated meters	$41.16

(Continued)

Schedule 19 - DRR
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

(Continued)

III. DEFINITION OF ON- AND OFF-PEAK HOURS

As referenced in Paragraphs V.C., VI.A., VI.B., and VI.C., On-peak hours are defined as the hours between 7 a.m. and 10 p.m., Mondays through Fridays. Off-peak hours are all hours not defined as On-peak.

IV. CONTRACT OPTIONS FOR DESIGNATING MODE OF OPERATION

The QF shall designate under contract its Mode of Operation from the following options, each of which determines the Company's method of payment.

A. The QF may contract for the delivery of energy to the Company without reimbursement, designated as the Non-reimbursement Mode of Operation; or,

B. The QF may contract for the delivery of non-firm energy to the Company (no payment for capacity). This option includes QFs that elect to contract to deliver non-firm energy to the Company on an as-available basis. Where the QF's generation facilities have an aggregate nameplate rating of 100 kW or less the QF may designate the Non-firm, Non-time-differentiated Mode of Operation. Regardless of nameplate rating the QF may designate the Non-firm, Time-differentiated Mode of Operation.

C. The QF may contract for the delivery of firm energy and capacity to the Company. The level of capacity which the QF contracts to sell to the Company shall not exceed 5,000 kW, where the QF is defined under Paragraph I.A., or 3,000 kW otherwise. This capacity level, in kW, shall be referred to as the Contracted Capacity. When the QF elects to sell firm energy and capacity, the QF shall designate the Firm Mode of Operation.

(Continued)

Schedule 19 - DRR
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

(Continued)

V. PAYMENT FOR COMPANY PURCHASES OF NON-FIRM ENERGY

The QF may contract to receive payment for non-firm energy at rates to be determined with each revision of this schedule. These rates will be based upon the QF's Mode of Operation as described below.

A. Non-reimbursement Mode of Operation. Where the QF designates the Non-Reimbursement Mode of Operation, no payment will be made for energy delivered.

B. Non-firm, Non-time-differentiated Mode of Operation. Where the QF's generation facilities have an aggregate nameplate rating of 100 kW or less and the QF designates the Non-firm, Non-time-differentiated Mode of Operation, the following rates in cents per kWh are applicable:

2011	2012
4.741	4.880

C. Non-firm, Time-differentiated Mode of Operation. Where the QF designates the Non-firm, Time-differentiated Mode of Operation, the following On- and Off-peak rates in cents per kWh are applicable:

	2011	2012
On-peak	5.440	5.606
Off-peak	4.178	4.296

All energy purchase rates will be further increased by 3.0% to account for line losses avoided by the Company, *except that upon the effective date of any Schedule 19 that is* subsequently amended and approved by the Commission, the line loss percentage applied shall be the percentage stated in the then-current Schedule 19. In lieu of 3.0% or the line loss percentage stated in the then-current Schedule 19, the QF may request that a site specific line loss percentage be determined with the QF bearing the cost of the study required.

(Continued)

VI. PAYMENT FOR COMPANY PURCHASES OF FIRM ENERGY

QFs designating the Firm Mode of Operation will be eligible to receive purchase payments for the delivery of firm energy by the QF to the Company. Where the QF operates generation facilities having an aggregate nameplate rating of 100 kW or less, the QF may contract to receive payments for firm energy based on A., B., or C., below. Otherwise, the QF may contract to receive payments for firm energy based on A. or B., below. Contract terms for 10 or 15 years are available only where the QF is defined under Paragraph I.A.

Any energy delivered during an hour which exceeds the QF's Contracted Capacity will be priced at the rates provided in Paragraph V.C.

A. The QF may contract to receive payment for firm energy at rates to be determined with each revision of this schedule. These rates in cents per kWh, which reflect the Company's estimated avoided energy cost for the year specified, are as follows:

	2011	2012
On-peak	5.009	5.231
Off-peak	3.846	4.009

B. As an alternative to Paragraph VI.A., the QF may contract to receive energy purchase payments based on the Company's estimated resource plan used in support of this tariff. From this resource plan, an avoided energy mix will be derived for each year in the plan. These avoided energy mixes will then be levelized to create a mix that will be fixed for the initial term of the QF's contract. A QF contracting for this option will receive a levelized energy mix, as filed and approved in this Docket, that will correspond with the year the QF begins to deliver energy to the Company and the length of the contract between the QF and the Company. With each biennial avoided cost hearing, the Company will file with the North Carolina Utilities Commission its cost estimates for each fuel type, along with On- and Off-peak factors used to derive purchase prices, that will be applicable for the next two calendar years. Once accepted by the Commission, these yearly fuel costs will then be applied to the levelized energy mix in each QF contract to derive the applicable energy purchase prices, using the On- and Off-peak factors, for the next two years.

(Continued)

Schedule 19 - DRR
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

(Continued)

VI. PAYMENT FOR COMPANY PURCHASES OF FIRM ENERGY (Continued)

The 2011/2012 energy purchase prices, in cents per kWh, derived using levelized energy mixes for five, ten, and fifteen-year contract terms are as follows:

2011/2012 rates for operation beginning during 2011

Term:	5 years		10 years		15 years	
Year:	2011	2012	2011	2012	2011	2012
On-peak:	4.997	5.231	4.911	5.173	4.867	5.131
Off-peak:	3.833	4.013	3.767	3.969	3.734	3.936

2012 rates for operation beginning during 2012

Term:	5 years	10 years	15 years
On-peak:	5.191	5.146	5.113
Off-peak:	3.982	3.948	3.922

Attachments A1, A2 and A3 of this schedule provide examples of how these rates are derived using the levelized energy mix.

C. Where the QF operates generation facilities having an aggregate nameplate rating of 100 kW or less, the QF may contract to receive payments for the delivery of firm energy based upon levelized prices fixed for the initial term of the QF's contract, as shown below in cents per kWh:

Initial Year of Operation		Contract Length in Years: 5	10	15
2011	On-Peak	5.271	5.998	6.621
	Off-Peak	4.007	4.633	5.220
2012	On-Peak	5.409	6.332	6.985
	Off-Peak	4.111	4.923	5.539

(Continued)

Schedule 19 - DRR
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

(Continued)

VI. PAYMENT FOR COMPANY PURCHASES OF FIRM ENERGY (Continued)

All energy purchase rates will be further increased by 3.0% to account for line losses avoided by the Company, except that upon the effective date of any Schedule 19 that is subsequently amended and approved by the Commission, the line loss percentage applied shall be the percentage stated in the then-current Schedule 19. In lieu of 3.0% or the line loss percentage stated in the then-current Schedule 19, the QF may request that a site specific line loss percentage be determined with the QF bearing the cost of the study required.

VII. PAYMENT FOR COMPANY PURCHASES OF CAPACITY

Company purchases of capacity are applicable only where the QF elects the Firm Mode of Operation. Such QFs shall receive capacity purchase payments based on the applicable levelized capacity purchase price below, in cents per kWh, corresponding to the contract length in years and the year in which the QF begins delivering Contracted Capacity to the Company on a firm basis. Contract terms for 10 or 15 years are available only where the QF is defined under Paragraph I.A.

Length in Years	Initial Year of Operation	
	2011	2012
5	0.379	0.426
10	0.905	1.018
15	1.131	1.216

Payments will be made to the QF beginning with the initial month of its operation, by applying the appropriate levelized capacity purchase price above to all kWh delivered to the Company during each hour, up to the Contracted Capacity. However, in any calendar year the total capacity purchase payments made to the QF shall not exceed the QF's Contracted Capacity, multiplied by 7,446 hours, and further multiplied by the applicable levelized capacity purchase price above. In the QF's beginning and ending year of its contract term, the 7,446 hours referenced above shall be prorated.

Schedule 19 - DRR
POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

(Continued)

VIII. PROVISIONS FOR COMPANY PURCHASE OF THE QF GENERATION

A. The QF shall own and be fully responsible for the costs and performance of the QF's:

1. Generating facility in accordance with all applicable laws and governmental agencies having jurisdiction;

2. Control and protective devices as required by the Company on the QF's side of the meter.

B. Upon request by the Company, the Cogenerator or Small Power Producer must demonstrate that the facility is a Qualifying Facility as defined by PURPA.

C. Interconnection procedures for the QF's generation interconnection are provided through the Internet at the Company's website;

http://www.dom.com/dominion-north-carolina-power/customer-service/rates-and-tariffs/pdf/term24.pdf

IX. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER

The provisions of this schedule, including the rates for purchase of energy and Contracted Capacity by the Company, are subject to modification at any time in the manner prescribed by law, and when so modified, shall supersede the rates and provisions hereof. However, payments to QFs with contracts for a specified term at payments established at the time the obligation is incurred shall remain at the payment levels established in their contract with the exception of the line loss percentage applied which shall be the percentage stated in the then-current Schedule 19.

(Continued)

IX. MODIFICATION OF RATES AND OTHER PROVISIONS HEREUNDER (Continued)

If the QF terminates its contract to provide Contracted Capacity on a firm basis to the Company prior to the expiration of the contract term, the QF shall, in addition to other liabilities, be liable to the Company for excess capacity payments. Such excess payments will be calculated by taking the difference between (1) the total capacity payments already made by the Company to the QF and (2) capacity payments calculated based on the levelized capacity purchase price found in Paragraph VII corresponding to the highest term option completed by the QF. These excess payments shall also include interest, from the time such excess payments were made, compounded annually at the rate equal to the Company's most current issue of long-term debt at the time of the contract's effective date.

X. TERM OF CONTRACT

The term of contract shall be such as may be mutually agreed upon but for not less than one year.

(Continued)

ATTACHMENT A1
Schedule 19 - DRR

POWER PURCHASES FROM
COGENERATION AND SMALL POWER PRODUCTION
QUALIFYING FACILITIES

FIRM MODE OF OPERATION
ENERGY PURCHASE PRICES FOR 2011
APPLICABLE TO QFs WITH FIVE YEAR LEVELIZED ENERGY MIX BEGINNING IN 2011

Fuel Type	(1) Displaced MWh	(2) Displaced Fuel Mix %	(3) Displaced Plants Heat Rate BTU/kWh	(4) Avoided Energy Costs $/MBTU x (Col. 3) / 10,000
Fossil Steam:				
Coal	1,618,555	28.97	9,937	4.000¢/kWh = (4.026$/MBTU x 9,937)/10,000
Oil	14,390	0.26	10,008	12.181¢/kWh = (12.171$/MBTU x 10,008)/10,000
Natural Gas	814,718	14.58	7,520	3.422¢/kWh = (4.551$/MBTU x 7,520)/10,000
Comb. Turbine	91,753	1.64	10,813	7.228¢/kWh = (6.685$/MBTU x 10,813)/10,000
Biomass	27,948	0.50	14,821	4.004¢/kWh = 2.701 $/MBTU x 14,821/10,000
Pumped Storage	-162,452	-2.91		0.031¢/kWh
Purchase Power/Sale	2,978,885	53.31		4.775¢/kWh
Pumping	203,763	3.65		
150 MW Block	5,587,559			

Weighted Average = Σ (Col. 2 x Col. 4) = 4.353¢/kWh

On-peak Energy Purchase Payment = 4.353 x 1.1480 (On-peak factor) = 4.997¢/kWh
Off-peak Energy Purchase Payment = 4.353 x 0.8806 (Off-peak factor) = 3.833¢/kWh

(Continued)

ATTACHMENT A2
Schedule 19 - DRR

POWER PURCHASES FROM COGENERATION AND SMALL POWER PRODUCTION QUALIFYING FACILITIES

FIRM MODE OF OPERATION
ENERGY PURCHASE PRICES FOR 2011
APPLICABLE TO QFs WITH FIVE YEAR LEVELIZED ENERGY MIX BEGINNING IN 2012

Fuel Type	(1) Displaced MWh	(2) Displaced Fuel Mix %	(3) Displaced Plants Heat Rate BTU/kWh	(4) Avoided Energy Costs \$/MBTU x (Col. 3) / 10,000
Fossil Steam:				
Coal	1,618,555	28.97	9,937	4.025¢/kWh = (4.050\$/MBTU x 9,937)/10,000
Oil	14,390	0.26	10,008	13.139¢/kWh = (13.129\$/MBTU x 10,008)/10,000
Natural Gas	814,718	14.58	7,520	4.245¢/kWh = (5.645\$/MBTU x 7,520)/10,000
Comb. Turbine	91,753	1.64	10,813	5.833¢/kWh = (5.395\$/MBTU x 10,813)/10,000
Biomass	27,948	0.50	14,821	4.300¢/kWh = 2.901\$/MBTU x 14,821)/10,000
Pumped Storage	-162,452	-2.91		0.031¢/kWh
Purchase Power/Sale	2,978,885	53.31		4.958¢/kWh
Pumping	203,763	3.65		
150 MW Block	-5,587,559			

Weighted Average = Σ (Col. 2 x Col. 4) = 4.557¢/kWh

On-peak Energy Purchase Payment = 4.557 x 1.1480 (On-peak factor) = 5.231¢/kWh
Off-peak Energy Purchase Payment = 4.557 x 0.8806 (Off-peak factor) = 4.013¢/kWh

(Continued)

ATTACHMENT A3
Schedule 19 - DRR

POWER PURCHASES FROM COGENERATION AND SMALL POWER PRODUCTION QUALIFYING FACILITIES

FIRM MODE OF OPERATION
ENERGY PURCHASE PRICES FOR 2012
APPLICABLE TO QFs WITH FIVE YEAR LEVELIZED ENERGY MIX BEGINNING IN2012

Fuel Type	(1) Displaced MWh	(2) Displaced Fuel Mix %	(3) Displaced Plants Heat Rate BTU/kWh	(4) Avoided Energy Costs $/MBTU x (Col. 3) / 10,000
Fossil Steam:				
Coal	1,556,312	27.84	9,933	4.023¢/kWh = (4.050$/MBTU x 9,933)/10,000
Oil	10,346	0.19	9,914	13.016¢/kWh = (13.129$/MBTU x 9,914)/10,000
Natural Gas	977,537	17.49	7,338	4.142¢/kWh = (5.645$/MBTU x 7,338)/10,000
Comb. Turbine	88,754	1.59	10,700	5.773¢/kWh = (5.395$/MBTU x 10,700)/10,000
Biomass	25,275	0.45	14,780	4.288¢/kWh = (2.901$/MBTU x 14,780)/10,000
Pumped Storage	-166,072	-2.97		0.031¢/kWh
Purchase Power/Sale	2,889,828	51.69		4.958¢/kWh
Pumping	208,639	3.73		
150 MW Block	-5,590,619			

Weighted Average = Σ (Col. 2 x Col. 4) = 4.522¢/kWh

On-peak Energy Purchase Payment =4.522 x 1.1480 (On-peak factor) = 5.191¢/kWh
Off-peak Energy Purchase Payment =4.522 x 0.8806 (Off-peak factor) = 3.982¢/kWh

Calculation of Fixed, Levelized Energy Prices for QFs at 100 kW or Less

Cents per kWh

FACTOR APPLIED TO ANNUITY FACTOR TO ACHIEVE MID-YEAR PAYMENT FLOWS = 0.961271874
DISCOUNT RATE = 8.220%

		END OF YEAR $ ON-PEAK	END OF YEAR $ OFF-PEAK
1	2011	**5.009**	**3.846**
2	2012	**5.231**	**4.009**
3	2013	**5.484**	**4.119**
4	2014	**6.013**	**4.522**
5	2015	**5.877**	**4.485**
6	2016	**5.627**	**4.327**

5 YEAR CONTRACT, STARTING IN 2011

	YEAR	END OF YEAR $ ON-PEAK	END OF YEAR $ OFF-PEAK	BEG OF YEAR 2011 PRESENT VALUE FACTOR	BEG OF YEAR 2011 PRESENT VALUE ON-PEAK	BEG OF YEAR 2011 PRESENT VALUE OFF-PEAK
1	2011	5.009	3.846	0.9240	4.62811	3.55407
2	2012	5.231	4.009	0.8539	4.46689	3.42293
3	2013	5.484	4.119	0.7890	4.32698	3.25014
4	2014	6.013	4.522	0.7291	4.38418	3.29713
5	2015	5.877	4.485	0.6737	3.95957	3.02156
			CUMULATIVE		21.76573	16.54584
			ANNUITY FACTOR (ADJ FOR MID YEAR)	0.24215		
			LEVELIZED RATE BASED ON MID-YEAR PAYMENT		5.271	4.007

5 YEAR CONTRACT, STARTING IN 2012

	YEAR	END OF YEAR $ ON-PEAK	END OF YEAR $ OFF-PEAK	BEG OF YEAR 2012 PRESENT VALUE FACTOR	BEG OF YEAR 2012 PRESENT VALUE ON-PEAK	BEG OF YEAR 2012 PRESENT VALUE OFF-PEAK
1	2012	5.231	4.009	0.9240	4.83407	3.70429
2	2013	5.484	4.119	0.8539	4.68265	3.51730
3	2014	6.013	4.522	0.7890	4.74456	3.56816
4	2015	5.877	4.485	0.7291	4.28505	3.26994
5	2016	5.627	4.327	0.6737	3.79098	2.91526
			CUMULATIVE		22.33731	16.97494
			ANNUITY FACTOR (ADJ FOR MID YEAR)	0.24215		
			LEVELIZED RATE BASED ON MID-YEAR PAYMENT		5.409	4.111

Calculation of Fixed, Levelized Energy Prices for QFs at 100 kW or Less

Cents per kWh

FACTOR APPLIED TO ANNUITY FACTOR TO ACHIEVE MID-YEAR PAYMENT FLOWS = 0.961271874
DISCOUNT RATE = 8.220%

		END OF YEAR $ ON-PEAK	END OF YEAR $ OFF-PEAK
1	2011	5.009	3.846
2	2012	5.231	4.009
3	2013	5.484	4.119
4	2014	6.013	4.522
5	2015	5.877	4.485
6	2016	5.627	4.327
7	2017	6.272	4.804
8	2018	8.670	6.913
9	2019	8.467	6.718
10	2020	8.400	6.712
11	2021	8.612	7.080

10 YEAR CONTRACT, STARTING IN 2011

	YEAR	END OF YEAR $ ON-PEAK	END OF YEAR $ OFF-PEAK	BEG OF YEAR 2011 PRESENT VALUE FACTOR	BEG OF YEAR 2011 PRESENT VALUE ON-PEAK	BEG OF YEAR 2011 PRESENT VALUE OFF-PEAK
1	2011	5.009	3.846	0.9240	4.62811	3.55407
2	2012	5.231	4.009	0.8539	4.46689	3.42293
3	2013	5.484	4.119	0.7890	4.32698	3.25014
4	2014	6.013	4.522	0.7291	4.38418	3.29713
5	2015	5.877	4.485	0.6737	3.95957	3.02156
6	2016	5.627	4.327	0.6225	3.50303	2.69383
7	2017	6.272	4.804	0.5752	3.60803	2.76355
8	2018	8.670	6.913	0.5315	4.60829	3.67435
9	2019	8.467	6.718	0.4912	4.15881	3.29992
10	2020	8.400	6.712	0.4539	3.81263	3.04626
		CUMULATIVE			41.45652	32.02374
		ANNUITY FACTOR (ADJ FOR MID YEAR)		0.14468		
		LEVELIZED RATE BASED ON MID-YEAR PAYMENT			5.998	4.633

10 YEAR CONTRACT, STARTING IN 2012

	YEAR	END OF YEAR $ ON-PEAK	END OF YEAR $ OFF-PEAK	BEG OF YEAR 2012 PRESENT VALUE FACTOR	BEG OF YEAR 2012 PRESENT VALUE ON-PEAK	BEG OF YEAR 2012 PRESENT VALUE OFF-PEAK
1	2012	5.231	4.009	0.9240	4.83407	3.70429
2	2013	5.484	4.119	0.8539	4.68265	3.51730
3	2014	6.013	4.522	0.7890	4.74456	3.56816
4	2015	5.877	4.485	0.7291	4.28505	3.26994
5	2016	5.627	4.327	0.6737	3.79098	2.91526
6	2017	6.272	4.804	0.6225	3.90461	2.99072
7	2018	8.670	6.913	0.5752	4.98709	3.97639
8	2019	8.467	6.718	0.5315	4.50066	3.57117
9	2020	8.400	6.712	0.4912	4.12603	3.29666
10	2021	8.612	7.080	0.4539	3.90868	3.21321
		CUMULATIVE			43.76438	34.02308
		ANNUITY FACTOR (ADJ FOR MID YEAR)		0.14468		
		LEVELIZED RATE BASED ON MID-YEAR PAYMENT			6.332	4.923

Calculation of Fixed, Levelized Energy Prices for QFs at 100 kW or Less

Cents per kWh

FACTOR APPLIED TO ANNUITY FACTOR TO ACHIEVE MID-YEAR PAYMENT FLOWS = 0.961271874
DISCOUNT RATE = 8.220%

		END OF YEAR $ ON-PEAK	END OF YEAR $ OFF-PEAK
1	2011	5.009	3.846
2	2012	5.231	4.009
3	2013	5.484	4.119
4	2014	6.013	4.522
5	2015	5.877	4.485
6	2016	5.627	4.327
7	2017	6.272	4.804
8	2018	8.670	6.913
9	2019	8.467	6.718
10	2020	8.400	6.712
11	2021	8.612	7.080
12	2022	9.101	7.468
13	2023	9.233	7.650
14	2024	9.539	8.017
15	2025	10.182	8.448
16	2026	10.355	8.692

15 YEAR CONTRACT, STARTING IN ***2011***

	YEAR	END OF YEAR $ ON-PEAK	END OF YEAR $ OFF-PEAK	BEG OF YEAR 2011 PRESENT VALUE FACTOR	BEG OF YEAR 2011 PRESENT VALUE ON-PEAK	BEG OF YEAR 2011 PRESENT VALUE OFF-PEAK
1	2011	5.009	3.846	0.9240	4.62811	3.55407
2	2012	5.231	4.009	0.8539	4.46689	3.42293
3	2013	5.484	4.119	0.7890	4.32698	3.25014
4	2014	6.013	4.522	0.7291	4.38418	3.29713
5	2015	5.877	4.485	0.6737	3.95957	3.02156
6	2016	5.627	4.327	0.6225	3.50303	2.69383
7	2017	6.272	4.804	0.5752	3.60803	2.76355
8	2018	8.670	6.913	0.5315	4.60829	3.67435
9	2019	8.467	6.718	0.4912	4.15881	3.29992
10	2020	8.400	6.712	0.4539	3.81263	3.04626
11	2021	8.612	7.080	0.4194	3.61179	2.96914
12	2022	9.101	7.468	0.3875	3.52703	2.89392
13	2023	9.233	7.650	0.3581	3.30630	2.73955
14	2024	9.539	8.017	0.3309	3.15642	2.65277
15	2025	10.182	8.448	0.3058	3.11337	2.58317
			CUMULATIVE		58.17144	45.86230
			ANNUITY FACTOR (ADJ FOR MID YEAR)	0.11382		
			LEVELIZED RATE BASED ON MID-YEAR PAYMENT		6.621	5.220

15 YEAR CONTRACT, STARTING IN **2012**

	YEAR	END OF YEAR $ ON-PEAK	END OF YEAR $ OFF-PEAK	BEG OF YEAR 2012 PRESENT VALUE FACTOR	BEG OF YEAR 2012 PRESENT VALUE ON-PEAK	BEG OF YEAR 2012 PRESENT VALUE OFF-PEAK
1	2012	5.231	4.009	0.9240	4.83407	3.70429
2	2013	5.484	4.119	0.8539	4.68265	3.51730
3	2014	6.013	4.522	0.7890	4.74456	3.56816
4	2015	5.877	4.485	0.7291	4.28505	3.26994
5	2016	5.627	4.327	0.6737	3.79098	2.91526
6	2017	6.272	4.804	0.6225	3.90461	2.99072
7	2018	8.670	6.913	0.5752	4.98709	3.97639
8	2019	8.467	6.718	0.5315	4.50066	3.57117
9	2020	8.400	6.712	0.4912	4.12603	3.29666
10	2021	8.612	7.080	0.4539	3.90868	3.21321
11	2022	9.101	7.468	0.4194	3.81695	3.13180
12	2023	9.233	7.650	0.3875	3.57807	2.96475
13	2024	9.539	8.017	0.3581	3.41588	2.87083
14	2025	10.182	8.448	0.3309	3.36929	2.79550
15	2026	10.355	8.692	0.3309	3.42640	2.87607
			CUMULATIVE		61.37098	48.66202
			ANNUITY FACTOR (ADJ FOR MID YEAR)	0.11382		
			LEVELIZED RATE BASED ON MID-YEAR PAYMENT		6.985	5.539

2011-2012 Schedule 19 NC

Discount Rate: 8.220%
Base Year 2011
Start Year 2011

Year	Difference Per kW	Difference Per kW	Diff per kW	Cumulative Diff per kW
	End of Year Nominal $	*Mid Year Nominal $*	*Mid Year 2011$*	*Mid Year 2011$*
2011	49.93	$47.99	$47.99	$47.99
2012	20.23	$19.45	$17.97	$65.96
2013	8.41	$8.08	$6.90	$72.86
2014	18.27	$17.56	$13.85	$86.72
2015	49.22	$47.32	$34.50	$121.22
2016	81.19	$78.04	$52.58	$173.79
			$121.22	

Derivation of Levelized Capacity Payments
Five Years Starting in 2011

Year	Difference Per kW	Diff per kW	Levelized Value	
	Mid Year Nominal $	*Mid Year 2011$*	*Mid Year Levelized Value*	*Levelized Value 2011$*
2011	$47.99	$47.99	$28.22	$28.22
2012	$19.45	$17.97	$28.22	$26.07
2013	$8.08	$6.90	$28.22	$24.09
2014	$17.56	$13.85	$28.22	$22.26
2015	$47.32	$34.50	$28.22	$20.57
		$121.22		$121.22

Five Years Starting in 2012

Year	Difference Per kW	Diff per kW	Levelized Value	
2012	$19.45	$17.97	$31.69	$29.28
2013	$8.08	$6.90	$31.69	$27.06
2014	$17.56	$13.85	$31.69	$25.00
2015	$47.32	$34.50	$31.69	$23.10
2016	$78.04	$52.58	$31.69	$21.35
		$125.80		$125.80

Contracts Ending in 2015 & 2016
$/KW
START YEAR

Term	2011	2012
	$28.22	$31.69

Contracts Ending in 2015 & 2016
$/kWh
START YEAR

Term	2011	2012
	$0.00379	$0.00426

2011-2012 Schedule 19 NC

Discount Rate:	8.220%
Base Year	2011
Start Year	2011

Derivation of Levelized Capacity Payments
Ten Years Starting in 2011

Year	Difference Per kW (End of Year Nominal $)	Difference Per kW (Mid Year Nominal $)	Diff per kW (Mid Year 2011$)	Cumulative Diff per kW (Mid Year 2011$)		Difference Per kW (Mid Year Nominal $)	Diff per kW (Mid Year 2011$)	Levelized Value (Mid Year Levelized Value)	Levelized Value 2011$
2011	49.93	$47.99	$47.99	$47.99	2011	$47.99	$47.99	$67.35	$67.35
2012	20.23	$19.45	$17.97	$65.96	2012	$19.45	$17.97	$67.35	$62.23
2013	8.41	$8.08	$6.90	$72.86	2013	$8.08	$6.90	$67.35	$57.51
2014	18.27	$17.56	$13.85	$86.72	2014	$17.56	$13.85	$67.35	$53.14
2015	49.22	$47.32	$34.50	$121.22	2015	$47.32	$34.50	$67.35	$49.10
2016	81.19	$78.04	$52.58	$173.79	2016	$78.04	$52.58	$67.35	$45.37
2017	113.82	$109.42	$68.12	$241.91	2017	$109.42	$68.12	$67.35	$41.93
2018	159.10	$152.94	$87.98	$329.88	2018	$152.94	$87.98	$67.35	$38.74
2019	157.70	$151.59	$80.58	$410.46	2019	$151.59	$80.58	$67.35	$35.80
2020	156.31	$150.25	$73.80	$484.26	2020	$150.25	$73.80	$67.35	$33.08
2021	154.93	$148.93	$67.59	$551.85			$484.26		$484.26
			$551.85						

Contracts Ending 2020 & 2021
$/KW
START YEAR

Term	2011	2012
	$67.35	$75.84

Contracts Ending in 2020 & 2021
$/kWh
START YEAR

Term	2011	2012
	$0.00905	$0.01018

Derivation of Levelized Capacity Payments
Ten Years Starting in 2012

	Difference Per kW (Mid Year Nominal $)	Diff per kW (Mid Year 2012$)	Levelized Value (Mid Year Levelized Value)	Levelized Value 2012$
2012	$19.45	$17.97	$75.84	$70.08
2013	$8.08	$6.90	$75.84	$64.75
2014	$17.56	$13.85	$75.84	$59.84
2015	$47.32	$34.50	$75.84	$55.29
2016	$78.04	$52.58	$75.84	$51.09
2017	$109.42	$68.12	$75.84	$47.21
2018	$152.94	$87.98	$75.84	$43.62
2019	$151.59	$80.58	$75.84	$40.31
2020	$150.25	$73.80	$75.84	$37.25
2021	$148.93	$67.59	$75.84	$34.42
		$503.86		$503.86

2011-2012 Schedule 19 NC

Discount Rate:	8.220%
Base Year	2011
Start Year	2011

Year	Difference Per kW (End of Year Nominal $)	Difference Per kW (Mid Year Nominal $)	Diff per kW (Mid Year 2011$)	Cumulative Diff per kW (Mid Year 2011$)
2011	49.93	$47.99	$47.99	$47.99
2012	20.23	$19.45	$17.97	$65.96
2013	8.41	$8.08	$6.90	$72.86
2014	18.27	$17.56	$13.85	$86.72
2015	49.22	$47.32	$34.50	$121.22
2016	81.19	$78.04	$52.58	$173.79
2017	113.82	$109.42	$68.12	$241.91
2018	159.10	$152.94	$87.98	$329.88
2019	157.70	$151.59	$80.58	$410.46
2020	156.31	$150.25	$73.80	$484.26
2021	154.93	$148.93	$67.59	$551.85
2022	153.57	$147.62	$61.91	$613.76
2023	152.22	$146.32	$56.70	$670.47
2024	150.87	$145.03	$51.93	$722.40
2025	149.55	$143.75	$47.57	$769.97
2026	145.24	$139.61	$42.69	$812.66
			$812.66	

Derivation of Levelized Capacity Payments
Fifteen Years Starting in 2011

	Difference Per kW (Mid Year Nominal $)	Diff per kW (Mid Year 2011$)	Levelized Value (Mid Year Levelized Value)	Levelized Value 2011$
2011	$47.99	$47.99	$84.24	$84.24
2012	$19.45	$17.97	$84.24	$77.84
2013	$8.08	$6.90	$84.24	$71.93
2014	$17.56	$13.85	$84.24	$66.47
2015	$47.32	$34.50	$84.24	$61.42
2016	$78.04	$52.58	$84.24	$56.75
2017	$109.42	$68.12	$84.24	$52.44
2018	$152.94	$87.98	$84.24	$48.46
2019	$151.59	$80.58	$84.24	$44.78
2020	$150.25	$73.80	$84.24	$41.38
2021	$148.93	$67.59	$84.24	$38.23
2022	$147.62	$61.91	$84.24	$35.33
2023	$146.32	$56.70	$84.24	$32.65
2024	$145.03	$51.93	$84.24	$30.17
2025	$143.75	$47.57	$84.24	$27.88
		$769.97		$769.97

Contracts Ending in 2025 & 2026
$/KW
START YEAR

Term	2011	2012
	$84.24	$90.54

Contracts Ending in 2025 & 2026
$/kWh
START YEAR

Term	2011	2012
	$0.01131	$0.01216

Derivation of Levelized Capacity Payments
Fifteen Years Starting in 2012

	Difference Per kW (Mid Year Nominal $)	Diff per kW (Mid Year 2012$)	Levelized Value (Mid Year Levelized Value)	Levelized Value 2012$
2012	$19.45	$17.97	$90.54	$83.66
2013	$8.08	$6.90	$90.54	$77.31
2014	$17.56	$13.85	$90.54	$71.44
2015	$47.32	$34.50	$90.54	$66.01
2016	$78.04	$52.58	$90.54	$61.00
2017	$109.42	$68.12	$90.54	$56.36
2018	$152.94	$87.98	$90.54	$52.08
2019	$151.59	$80.58	$90.54	$48.13
2020	$150.25	$73.80	$90.54	$44.47
2021	$148.93	$67.59	$90.54	$41.09
2022	$147.62	$61.91	$90.54	$37.97
2023	$146.32	$56.70	$90.54	$35.09
2024	$145.03	$51.93	$90.54	$32.42
2025	$143.75	$47.57	$90.54	$29.96
2026	$139.61	$42.69	$90.54	$27.68
		$764.67		$764.67

VERIFICATION

Being first duly sworn, Robert C. Rice deposes and states that he is Manager, Cost Allocation and Pricing for Dominion North Carolina Power, that he has read the foregoing section entitled Dominion North Carolina Power's Comments Supporting the Development of Schedule 19 Avoided Cost Rates, and related exhibits, and know the contents thereof, that the same are truly stated, except as to those matters or things, if any, stated on information and belief, and that, as to those matters and things, he believes them to be true, and that he has directed filing of the same on behalf of Dominion North Carolina Power with full power and authority to do so.

Robert C. Rice

Robert C. Rice
Manager, Cost Allocation and Pricing

Commonwealth of Virginia

City of Richmond

I, Anne B. Rhoades, a Notary Public in and for the Commonwealth of Virginia, hereby certify that Robert C. Rice, who signed the foregoing Verification Statement as Manager, Cost allocation and Pricing for Dominion North Carolina Power, has acknowledged the same before me in my jurisdiction this _____ day of October 2010.

Anne B. Rhoades

Notary Public

My Commission Expires: 10/31/2012

DOMINION NORTH CAROLINA POWER'S COMMENTS SUPPORTING THE DEVELOPMENT OF SCHEDULE 19 – DRR AVOIDED COST RATES

DOCKET NO. E-100, SUB 127

The Company is providing the Differential Revenue Requirement (DRR) methodology that has historically been used to determine avoided costs for the Schedule 19-DRR rates. This methodology requires that the system expansion plan be run without consideration of additional QFs (the base case or "without" case) and then run again assuming the addition of a new generating resource that reflects the operating characteristics of a block of zero cost QF energy (the "with" case). In theory, the difference in cost between the "without" and the "with" cases represents the Company's avoided costs that can be paid to QFs while keeping the Company's ratepayers indifferent as to the supplier of power.

While this may change in the future, the Company has included a generation capacity expansion plan in its base PROMOD case, or the "without" case. This generation capacity expansion plan is provided in the assumptions attachment. Once the base case generation expansion plan was complete, a second PROMOD case was run assuming additional QF capacity would become available (the "with" case). To develop the "with" case, the size of this QF capacity block was assumed to be a 150 MW unit. The 150 MW block was modeled as a must-run, no cost contract purchase which contributes to spinning reserve. With a heat rate of 10,000 btu/kwh, and on- and off- peak availability of 85%, this block operates over the 15-year study period. All other assumptions from the base case plan remained the same. The energy costs associated with this 150 MW block were assumed to be zero. The difference in the annual system production costs between the "with" and "without" cases represents the Company's forecasted avoided energy costs.

PROMOD, the Company's production costing model which is leased from Ventyx (formerly New Energy Associates, Inc.), was used in this proceeding to perform system dispatch simulations of the base and change case. The input assumptions that are included in this modeling process can be placed into three major categories. The first addresses the purchase power assumptions, emergency purchases, and non-utility energy sources. The second category includes assumptions on unit performance. The third category is the variable costs of the generating units. Detailed information on these input assumptions is provided in the attached Exhibit DNCP- 5. The resulting output of the PROMOD analyses was used to determine the 2011 and 2012 annual avoided energy rates and the five-year, ten-year and fifteen-year levelized avoided energy mixes for projects commencing operation during 2011 or 2012. These avoided energy mixes are shown in Exhibit DNCP-6.

POWER PURCHASE ASSUMPTIONS

Schedule 19 and other non-dispatchable qualifying facilities:
Non-dispatchable NUGs are considered "behind the meter" and are designated as such in PROMOD. Dispatchable NUGs are modeled to operate in accordance with their unique, contract-specific parameters.
Market purchases:
Market purchases from the PJM market are modeled in PROMOD.
Emergency purchases:
Emergency purchases are priced at $1,000/MWh.

UNIT PERFORMANCE ASSUMPTIONS

Nuclear Units

Surry Units 1 and 2:
- 98.0% availability between planned outages
- Unit 1 is scheduled for a 26-day outage in 2012
- Unit 2 is scheduled for a 36-day outage in 2011 and a 26-day outage in 2012

North Anna Units 1 and 2:
- 98.0% availability between planned outages
- Unit 1 is scheduled for a 36-day outage in 2012
- Unit 2 is scheduled for a 28-day outage in 2011
- PROMOD reflects ODEC's undivided 11.6% ownership

Fossil Units

Fossil and Hydro (F&H) provides the capacity states, availabilities, emission rates, unplanned outage rates, and heat rate data which are input to PROMOD. In developing the assumptions for each unit, F&H takes into account the current state of repair of the unit, the expected performance, and any planned modifications to the unit.

New Units

One additional combustion turbine unit, Ladysmith 5, came online in June 2009 and is included in the study. The capacity rating of the unit is 160 MW in the summer and 183 MW in the winter.

Planned New Units

The company has included the following planned generation additions in this study:

Unit Name	Type	Planned COD	Summer MW
Bear Garden	Combined Cycle	May-11	584
Virginia City	Coal	Apr-12	585
Warren County	Combined Cycle	Apr-15	1,329
Generic Biomass	Biomass	Jun-16	50
Generic CTs	Combustion Turbine	Jun-16	400
Generic CTs	Combustion Turbine	Jun-17	400
Generic Biomass	Biomass	Jun-17	50
GenCC	Combined Cycle	Jun-18	1,329
North Anna 3	Nuclear	Jun-19	1,273
Generic CTs	Combustion Turbine	Jun-20	400
Generic CTs	Combustion Turbine	Jun-21	400
Generic CTs	Combustion Turbine	Jun-22	400
Generic CTs	Combustion Turbine	Jun-23	400
Generic CTs	Combustion Turbine	Jun-24	400

Hydro Units

Conventional hydro units:

- Cushaw	2 MW	Modeled using 10-year average of actual generation
- North Anna	0.992 MW	Modeled using 10-year average of actual generation
- Gaston	220 MW	Modeled using 10-year average of actual generation
- Roanoke Rapids	95 MW	Modeled using 10-year average of actual generation

Bath County Pumped Storage Facility:

- Currently 1,788 MW (60% of project ownership) of generating capability
- 1,728 MW of pumping capability
- Weekly refill cycle with an assumed output/input, or cycle efficiency, of 79.6%
- Forced outage rate of 4.59%
- Pumping energy necessary to fill the upper reservoir is assumed to be 31,447 MWh

FUEL COST ASSUMPTIONS

In the short term, the fuel and emission allowance prices are based on the projected market prices as of September 30, 2010.

In the long term, the prices are based on ICF's commodity price forecast dated October 12, 2010.

VARIABLE O&M COST ASSUMPTIONS

Generating unit variable operation and maintenance costs are included in the PROMOD analyses. Variable O&M rates are escalated at 3.0% annually.

Dominion North Carolina Power Company

2011/2012
Five Year Levelized Avoided Energy Mix Beginning 2011

1 Fuel Type	2 Base Case Mwh	3 "With" Case Mwh	4 Displaced Mwh (2) - (3)	5 Displaced Fuel Mix %	6 Displaced Plants Heat Rate Btu/Kwh	7 Avoided Energy Costs $/Mbtu* (6)/1000
2011 - 5 Year Contract						Energy Purchase Payments for Year: 2011
Fossil Steam						
Coal	165,199,937	163,581,382	1,618,555	28.97%	9,937	______ ¢/kWH = ______ $/Mbtu * 9,937 / 10000
Oil	452,419	438,029	14,390	0.26%	10,008	______ ¢/kWH = ______ $/Mbtu * 10,008 / 10000
Natural Gas	37,773,532	36,958,815	814,718	14.58%	7,520	______ ¢/kWH = ______ $/Mbtu * 7,520 / 10000
Combustion Turbine	3,694,519	3,602,766	91,753	1.64%	10,813	______ ¢/kWH = ______ $/Mbtu * 10,813 / 10000
Biomass	2,468,579	2,440,631	27,948	0.50%	14,821	______ ¢/kWH = ______ $/Mbtu * 14,821 / 10000
Pumped Storage	9,805,809	9,968,261	(162,452)	-2.91%		______ ¢/kWH
Purchase Power/Sale	130,390,889	127,412,004	2,978,885	53.31%		______ ¢/kWH
Pumping	(12,319,188)	(12,522,951)	203,763	3.65%		
150 MW Block	0	5,587,559	(5,587,559)	100.00%		
Total	337,466,497	337,466,497	0			______ ¢/kWH

Dominion North Carolina Power Company

2011/2012
Ten Year Levelized Avoided Energy Mix Beginning 2011

1 Fuel Type	2 Base Case Mwh	3 "With" Case Mwh	4 Displaced Mwh (2) - (3)	5 Displaced Fuel Mix %	6 Displaced Plants Heat Rate Btu/Kwh	7 Avoided Energy Costs $/Mbtu* (6)/1000
2011 - 10 Year Contract						Energy Purchase Payments for Year: 2011
Fossil Steam						
Coal	341,591,897	338,537,759	3,054,138	27.32%	9,904	______ ¢/kWH = ______ $/Mbtu * 9,904 / 10000
Oil	1,118,594	1,080,399	38,196	0.34%	10,533	______ ¢/kWH = ______ $/Mbtu * 10,533 / 10000
Natural Gas	112,134,322	109,580,850	2,553,472	22.84%	7,303	______ ¢/kWH = ______ $/Mbtu * 7,303 / 10000
Combustion Turbine	13,125,790	12,752,093	373,697	3.34%	10,688	______ ¢/kWH = ______ $/Mbtu * 10,688 / 10000
Biomass	8,879,524	8,814,489	65,036	0.58%	14,215	______ ¢/kWH = ______ $/Mbtu * 14,215 / 10000
Pumped Storage	19,688,176	19,948,028	(259,852)	-2.32%		______ ¢/kWH
Purchase Power/Sale	227,564,350	222,537,603	5,026,746	44.97%		______ ¢/kWH
Pumping	(24,732,245)	(25,058,991)	326,746	2.92%		
150 MW Block	-	11,178,179	(11,178,179)	100.00%		
Total	699,370,408	699,370,409	(0)			______ ¢/kWH

Dominion North Carolina Power Company

2011/2012
Fifteen Year Levelized Avoided Energy Mix Beginning 2011

1 Fuel Type	2 Base Case Mwh	3 "With" Case Mwh	4 Displaced Mwh (2) - (3)	5 Displaced Fuel Mix %	6 Displaced Plants Heat Rate Btu/Kwh	7 Avoided Energy Costs $/Mbtu* (6)/1000
2011 - 15 Year Contract						Energy Purchase Payments for Year: 2011
Fossil Steam						
Coal	513,945,278	509,337,957	4,607,321	27.48%	9,861	______ ¢/kWH = ______ $/Mbtu * 9,861 / 10000
Oil	1,799,565	1,716,389	83,176	0.50%	11,051	______ ¢/kWH = ______ $/Mbtu * 11,051 / 10000
Natural Gas	203,425,530	198,582,890	4,842,640	28.88%	7,266	______ ¢/kWH = ______ $/Mbtu * 7,266 / 10000
Combustion Turbine	34,103,573	33,146,372	957,201	5.71%	10,565	______ ¢/kWH = ______ $/Mbtu * 10,565 / 10000
Biomass	16,401,834	16,278,987	122,847	0.73%	13,957	______ ¢/kWH = ______ $/Mbtu * 13,957 / 10000
Pumped Storage	27,920,440	28,317,677	(397,237)	-2.37%		______ ¢/kWH
Purchase Power/Sale	303,637,314	297,582,885	6,054,429	36.11%		______ ¢/kWH
Pumping	(35,061,757)	(35,557,118)	495,362	2.95%		
150 MW Block	0	16,765,738	(16,765,738)	100.00%		
Total	1,066,171,778	1,066,171,778	(0)			______ ¢/kWH

Dominion North Carolina Power Company

2011/2012
Five Year Levelized Avoided Energy Mix Beginning 2011

1 Fuel Type	2 Base Case Mwh	3 "With" Case Mwh	4 Displaced Mwh (2) - (3)	5 Displaced Fuel Mix %	6 Displaced Plants Heat Rate Btu/Kwh	7 Avoided Energy Costs $/Mbtu* (6)/1000							
2011 - 5 Year Contract						Energy Purchase Payments for Year: 2011							
Fossil Steam													
Coal	165,199,937	163,581,382	1,618,555	28.97%	9,937	4.000 ¢/kWH	=	4.026 $/Mbtu	*	9,937	/	10000	
Oil	452,419	438,029	14,390	0.26%	10,008	12.181 ¢/kWH	=	12.171 $/Mbtu	*	10,008	/	10000	
Natural Gas	37,773,532	36,958,815	814,718	14.58%	7,520	3.422 ¢/kWH	=	4.551 $/Mbtu	*	7,520	/	10000	
Combustion Turbine	3,694,519	3,602,766	91,753	1.64%	10,813	7.228 ¢/kWH	=	6.685 $/Mbtu	*	10,813	/	10000	
Biomass	2,468,579	2,440,631	27,948	0.50%	14,821	4.004 ¢/kWH	=	2.701 $/Mbtu	*	14,821	/	10000	
Pumped Storage	9,805,809	9,968,261	(162,452)	-2.91%		0.031 ¢/kWH							
Purchase Power/Sale	130,390,889	127,412,004	2,978,885	53.31%		4.775 ¢/kWH							
Pumping	(12,319,188)	(12,522,951)	203,763	3.65%									
150 MW Block	0	5,587,559	(5,587,559)	100.00%									
Total	337,466,497	337,466,497	0			4.353 ¢/kWH							
		4.353 ¢/kWH	*	1.1480	(On-Peak Factor)	=		4.997 ¢/kWH		On-Peak			
		4.353 ¢/kWH	*	0.8806	(Off-Peak Factor)	=		3.833 ¢/kWH		Off-Peak			

Dominion North Carolina Power Company

2011/2012
Five Year Levelized Avoided Energy Mix Beginning 2011

1 Fuel Type	2 Base Case Mwh	3 "With" Case Mwh	4 Displaced Mwh (2) - (3)	5 Displaced Fuel Mix %	6 Displaced Plants Heat Rate Btu/Kwh	7 Avoided Energy Costs $/Mbtu* (6)/1000								
2011 - 5 Year Contract						Energy Purchase Payments for Year: 2012								
Fossil Steam														
Coal	165,199,937	163,581,382	1,618,555	28.97%	9,937	4.025	¢/kWH	=	4.050	$/Mbtu	*	9,937	/	10000
Oil	452,419	438,029	14,390	0.26%	10,008	13.139	¢/kWH	=	13.129	$/Mbtu	*	10,008	/	10000
Natural Gas	37,773,532	36,958,815	814,718	14.58%	7,520	4.245	¢/kWH	=	5.645	$/Mbtu	*	7,520	/	10000
Combustion Turbine	3,694,519	3,602,766	91,753	1.64%	10,813	5.833	¢/kWH	=	5.395	$/Mbtu	*	10,813	/	10000
Biomass	2,468,579	2,440,631	27,948	0.50%	14,821	4.300	¢/kWH	=	2.901	$/Mbtu	*	14,821	/	10000
Pumped Storage	9,805,809	9,968,261	(162,452)	-2.91%		0.031	¢/kWH							
Purchase Power/Sale	130,390,889	127,412,004	2,978,885	53.31%		4.958	¢/kWH							
Pumping	(12,319,188)	(12,522,951)	203,763	3.65%										
150 MW Block	0	5,587,559	(5,587,559)	100.00%										
Total	337,466,497	337,466,497	0	0		4.557	¢/kWH							

4.557 ¢/kWH	*	1.1480	(On-Peak Factor)	=	5.231 ¢/kWH	On-Peak
4.557 ¢/kWH	*	0.8806	(Off-Peak Factor)	=	4.013 ¢/kWH	Off-Peak

Dominion North Carolina Power Company

2011/2012
Five Year Levelized Avoided Energy Mix Beginning 2012

1 Fuel Type	2 Base Case Mwh	3 "With" Case Mwh	4 Displaced Mwh (2) - (3)	5 Displaced Fuel Mix %	6 Displaced Plants Heat Rate Btu/Kwh	7 Avoided Energy Costs $/Mbtu* (6)/1000
2012 - 5 Year Contract						Energy Purchase Payments for Year: 2012
Fossil Steam						
Coal	171,693,807	170,137,495	1,556,312	27.84%	9,933	4.023 ¢/kWH = 4.050 $/Mbtu * 9,933 / 10000
Oil	430,429	420,083	10,346	0.19%	9,914	13.016 ¢/kWH = 13.129 $/Mbtu * 9,914 / 10000
Natural Gas	41,252,908	40,275,370	977,537	17.49%	7,338	4.142 ¢/kWH = 5.645 $/Mbtu * 7,338 / 10000
Combustion Turbine	3,549,928	3,461,175	88,754	1.59%	10,700	5.773 ¢/kWH = 5.395 $/Mbtu * 10,700 / 10000
Biomass	2,990,117	2,964,842	25,275	0.45%	14,780	4.288 ¢/kWH = 2.901 $/Mbtu * 14,780 / 10000
Pumped Storage	9,912,172	10,078,244	(166,072)	-2.97%		0.031 ¢/kWH
Purchase Power/Sale	129,597,232	126,707,403	2,889,828	51.69%		4.958 ¢/kWH
Pumping	(12,454,129)	(12,662,767)	208,639	3.73%		
150 MW Block	0	5,590,619	(5,590,619)	100.00%		
Total	346,972,464	346,972,464	(0)			4.522 ¢/kWH
		4.522 ¢/kWH *	1.1480	(On-Peak Factor)	=	5.191 ¢/kWH On-Peak
		4.522 ¢/kWH *	0.8806	(Off-Peak Factor)	=	3.982 ¢/kWH Off-Peak

Dominion North Carolina Power Company

2011/2012
Ten Year Levelized Avoided Energy Mix Beginning 2011

1 Fuel Type	2 Base Case Mwh	3 "With" Case Mwh	4 Displaced Mwh (2) - (3)	5 Displaced Fuel Mix %	6 Displaced Plants Heat Rate Btu/Kwh	7 Avoided Energy Costs $/Mbtu* (6)/1000						
2011 - 10 Year Contract						Energy Purchase Payments for Year: 2011						
Fossil Steam												
Coal	341,591,897	338,537,759	3,054,138	27.32%	9,904	3.987 ¢/kWH	=	4.026 $/Mbtu	*	9,904	/	10000
Oil	1,118,594	1,080,399	38,196	0.34%	10,533	12.820 ¢/kWH	=	12.171 $/Mbtu	*	10,533	/	10000
Natural Gas	112,134,322	109,580,850	2,553,472	22.84%	7,303	3.324 ¢/kWH	=	4.551 $/Mbtu	*	7,303	/	10000
Combustion Turbine	13,125,790	12,752,093	373,697	3.34%	10,688	7.145 ¢/kWH	=	6.685 $/Mbtu	*	10,688	/	10000
Biomass	8,879,524	8,814,489	65,036	0.58%	14,215	3.840 ¢/kWH	=	2.701 $/Mbtu	*	14,215	/	10000
Pumped Storage	19,688,176	19,948,028	(259,852)	-2.32%		0.031 ¢/kWH						
Purchase Power/Sale	227,564,350	222,537,603	5,026,746	44.97%		4.775 ¢/kWH						
Pumping	(24,732,245)	(25,058,991)	326,746	2.92%								
150 MW Block	-	11,178,179	(11,178,179)	100.00%								
Total	699,370,408	699,370,409	(0)	-		4.278 ¢/kWH						
		4.278 ¢/kWH *	1.1480	(On-Peak Factor)		=		4.911 ¢/kWH	On-Peak			
		4.278 ¢/kWH *	0.8806	(Off-Peak Factor)		=		3.767 ¢/kWH	Off-Peak			

Dominion North Carolina Power Company

2011/2012
Ten Year Levelized Avoided Energy Mix Beginning 2011

1 Fuel Type	2 Base Case Mwh	3 "With" Case Mwh	4 Displaced Mwh (2) - (3)	5 Displaced Fuel Mix %	6 Displaced Plants Heat Rate Btu/Kwh	7 Avoided Energy Costs $/Mbtu* (6)/1000							
2011 - 10 Year Contract						Energy Purchase Payments for Year: 2012							
Fossil Steam													
Coal	341,591,897	338,537,759	3,054,138	27.32%	9,904	4.011	¢/kWH	=	4.050	$/Mbtu	*	9,904	/ 10000
Oil	1,118,594	1,080,399	38,196	0.34%	10,533	13.829	¢/kWH	=	13.129	$/Mbtu	*	10,533	/ 10000
Natural Gas	112,134,322	109,580,850	2,553,472	22.84%	7,303	4.123	¢/kWH	=	5.645	$/Mbtu	*	7,303	/ 10000
Combustion Turbine	13,125,790	12,752,093	373,697	3.34%	10,688	5.766	¢/kWH	=	5.395	$/Mbtu	*	10,688	/ 10000
Biomass	8,879,524	8,814,489	65,036	0.58%	14,215	4.124	¢/kWH	=	2.901	$/Mbtu	*	14,215	/ 10000
Pumped Storage	19,688,176	19,948,028	(259,852)	-2.32%		0.031	¢/kWH						
Purchase Power/Sale	227,564,350	222,537,603	5,026,746	44.97%		4.958	¢/kWH						
Pumping	(24,732,245)	(25,058,991)	326,746	2.92%									
150 MW Block	-	11,178,179	(11,178,179)	100.00%									
Total	699,370,408	699,370,409	(0)			4.506	¢/kWH						
		4.506 ¢/kWH *	1.1480	(On-Peak Factor)		=			5.173 ¢/kWH	On-Peak			
		4.506 ¢/kWH *	0.8806	(Off-Peak Factor)		=			3.969 ¢/kWH	Off-Peak			

Dominion North Carolina Power Company

2011/2012
Ten Year Levelized Avoided Energy Mix Beginning 2012

1 Fuel Type	2 Base Case Mwh	3 "With" Case Mwh	4 Displaced Mwh (2) - (3)	5 Displaced Fuel Mix %	6 Displaced Plants Heat Rate Btu/Kwh	7 Avoided Energy Costs $/Mbtu* (6)/1000						
2012 - 10 Year Contract						Energy Purchase Payments for Year: 2012						
Fossil Steam												
Coal	347,980,924	344,914,199	3,066,725	27.43%	9,877	4.001 ¢/kWH	=	4.050 $/Mbtu	*	9,877	/	10000
Oil	1,131,432	1,087,787	43,645	0.39%	11,023	14.472 ¢/kWH	=	13.129 $/Mbtu	*	11,023	/	10000
Natural Gas	120,797,900	117,916,277	2,881,623	25.78%	7,273	4.106 ¢/kWH	=	5.645 $/Mbtu	*	7,273	/	10000
Combustion Turbine	14,885,422	14,467,008	418,414	3.74%	10,642	5.742 ¢/kWH	=	5.395 $/Mbtu	*	10,642	/	10000
Biomass	10,048,731	9,976,425	72,306	0.65%	14,086	4.087 ¢/kWH	=	2.901 $/Mbtu	*	14,086	/	10000
Pumped Storage	19,564,224	19,810,187	(245,963)	-2.20%		0.031 ¢/kWH						
Purchase Power/Sale	216,745,474	212,109,377	4,636,097	41.47%		4.958 ¢/kWH						
Pumping	(24,574,219)	(24,879,551)	305,333	2.73%								
150 MW Block	-	11,178,179	(11,178,179)	100.00%								
Total	706,579,888	706,579,887	0			4.483 ¢/kWH						

4.483 ¢/kWH	*	1.1480	(On-Peak Factor)	=	5.146 ¢/kWH	On-Peak
4.483 ¢/kWH	*	0.8806	(Off-Peak Factor)	=	3.948 ¢/kWH	Off-Peak

Dominion North Carolina Power Company

2011/2012
Fifteen Year Levelized Avoided Energy Mix Beginning 2011

1 Fuel Type	2 Base Case Mwh	3 "With" Case Mwh	4 Displaced Mwh (2) - (3)	5 Displaced Fuel Mix %	6 Displaced Plants Heat Rate Btu/Kwh	7 Avoided Energy Costs $/Mbtu* (6)/1000							
2011 - 15 Year Contract						Energy Purchase Payments for Year: 2011							
Fossil Steam													
Coal	513,945,278	509,337,957	4,607,321	27.48%	9,861	3.970 ¢/kWH	=	4.026	$/Mbtu	*	9,861	/	10000
Oil	1,799,565	1,716,389	83,176	0.50%	11,051	13.450 ¢/kWH	=	12.171	$/Mbtu	*	11,051	/	10000
Natural Gas	203,425,530	198,582,890	4,842,640	28.88%	7,266	3.307 ¢/kWH	=	4.551	$/Mbtu	*	7,266	/	10000
Combustion Turbine	34,103,573	33,146,372	957,201	5.71%	10,565	7.063 ¢/kWH	=	6.685	$/Mbtu	*	10,565	/	10000
Biomass	16,401,834	16,278,987	122,847	0.73%	13,957	3.770 ¢/kWH	=	2.701	$/Mbtu	*	13,957	/	10000
Pumped Storage	27,920,440	28,317,677	(397,237)	-2.37%		0.031 ¢/kWH							
Purchase Power/Sale	303,637,314	297,582,885	6,054,429	36.11%		4.775 ¢/kWH							
Pumping	(35,061,757)	(35,557,118)	495,362	2.95%									
150 MW Block	0	16,765,738	(16,765,738)	100.00%									
Total	1,066,171,778	1,066,171,778	(0)			4.240 ¢/kWH							
			4.240 ¢/kWH *	1.1480	(On-Peak Factor)	=		4.867 ¢/kWH	On-Peak				
			4.240 ¢/kWH *	0.8806	(Off-Peak Factor)	=		3.734 ¢/kWH	Off-Peak				

Dominion North Carolina Power Company

2011/2012
Fifteen Year Levelized Avoided Energy Mix Beginning 2011

1 Fuel Type	2 Base Case Mwh	3 "With" Case Mwh	4 Displaced Mwh (2) - (3)	5 Displaced Fuel Mix %	6 Displaced Plants Heat Rate Btu/Kwh	7 Avoided Energy Costs $/Mbtu* (6)/1000						
2011 - 15 Year Contract						Energy Purchase Payments for Year: 2012						
Fossil Steam												
Coal	513,945,278	509,337,957	4,607,321	27.48%	9,861	3.994 ¢/kWH	=	4.050 $/Mbtu	*	9,861	/	10000
Oil	1,799,565	1,716,389	83,176	0.50%	11,051	14.509 ¢/kWH	=	13.129 $/Mbtu	*	11,051	/	10000
Natural Gas	203,425,530	198,582,890	4,842,640	28.88%	7,266	4.102 ¢/kWH	=	5.645 $/Mbtu	*	7,266	/	10000
Combustion Turbine	34,103,573	33,146,372	957,201	5.71%	10,565	5.700 ¢/kWH	=	5.395 $/Mbtu	*	10,565	/	10000
Biomass	16,401,834	16,278,987	122,847	0.73%	13,957	4.049 ¢/kWH	=	2.901 $/Mbtu	*	13,957	/	10000
Pumped Storage	27,920,440	28,317,677	(397,237)	-2.37%		0.031 ¢/kWH						
Purchase Power/Sale	303,637,314	297,582,885	6,054,429	36.11%		4.958 ¢/kWH						
Pumping	(35,061,757)	(35,557,118)	495,362	2.95%								
150 MW Block	0	16,765,738	(16,765,738)	100.00%								
Total	1,066,171,778	1,066,171,778	(0)			4.469 ¢/kWH						

4.469 ¢/kWH	*	1.1480	(On-Peak Factor)	=	5.131 ¢/kWH	On-Peak
4.469 ¢/kWH	*	0.8806	(Off-Peak Factor)	=	3.936 ¢/kWH	Off-Peak

Dominion North Carolina Power Company

2011/2012
Fifteen Year Levelized Avoided Energy Mix Beginning 2012

1 Fuel Type	2 Base Case Mwh	3 "With" Case Mwh	4 Displaced Mwh (2) - (3)	5 Displaced Fuel Mix %	6 Displaced Plants Heat Rate Btu/Kwh	7 Avoided Energy Costs $/Mbtu* (6)/1000
2012 - 15 Year Contract						Energy Purchase Payments for Year: 2012
Fossil Steam						
Coal	519,601,906	515,072,510	4,529,396	27.02%	9,846	3.988 ¢/kWH = 4.050 $/Mbtu * 9,846 / 10000
Oil	1,894,501	1,810,837	83,664	0.50%	11,154	14.644 ¢/kWH = 13.129 $/Mbtu * 11,154 / 10000
Natural Gas	215,759,150	210,621,724	5,137,427	30.64%	7,221	4.077 ¢/kWH = 5.645 $/Mbtu * 7,221 / 10000
Combustion Turbine	38,489,041	37,399,236	1,089,805	6.50%	10,546	5.689 ¢/kWH = 5.395 $/Mbtu * 10,546 / 10000
Biomass	17,590,648	17,463,836	126,811	0.76%	13,897	4.032 ¢/kWH = 2.901 $/Mbtu * 13,897 / 10000
Pumped Storage	27,691,635	28,080,359	(388,725)	-2.32%		0.031 ¢/kWH
Purchase Power/Sale	294,436,396	288,736,970	5,699,427	33.99%		4.958 ¢/kWH
Pumping	(34,785,853)	(35,273,786)	487,933	2.91%		
150 MW Block	0	16,765,738	(16,765,738)	100.00%		
Total	1,080,677,424	1,080,677,424	(0)			4.454 ¢/kWH
		4.454 ¢/kWH	*	1.1480	(On-Peak Factor)	= 5.113 ¢/kWH On-Peak
		4.454 ¢/kWH	*	0.8806	(Off-Peak Factor)	= 3.922 ¢/kWH Off-Peak

VERIFICATION

Being first duly sworn, Bruce E. Petrie deposes and states that he is Manager, Generation System Planning for Dominion North Carolina Power, that he has read the foregoing section entitled Dominion North Carolina Power's Comments Supporting the Development of Schedule 19 - DRR Avoided Cost Rates, and related exhibits, and know the contents thereof, that the same are truly stated, except as to those matters or things, if any, stated on information and belief, and that, as to those matters and things, he believes them to be true, and that he has directed filing of the same on behalf of Dominion North Carolina Power with full power and authority to do so.

Bruce E Petrie

Bruce E. Petrie
Manager, Generation System Planning

Commonwealth of Virginia

County of Henrico

I, Stephanie H. Smith, a Notary Public in and for the Commonwealth of Virginia, hereby certify that Bruce E. Petrie, who signed the foregoing Verification Statement as Manager, Generation System Planning for Dominion North Carolina Power, has acknowledged the same before me in my jurisdiction this 27th day of October 2010.

Stephanie H. Smith
Notary Public #270003

My Commission Expires: July 31, 2012

DOMINION NORTH CAROLINA POWER'S PROPOSED SCHEDULE 19 AND SUPPORTING COMMENTS
DOCKET NO. E-100, SUB 127

The December 19, 2007 *Order Establishing Standard Rates and Contract Terms for Qualifying Facilities* ("Final Order") in Docket No. E-100, Sub 106, established a dual Schedule 19 tariff requirement (Schedule 19-LMP and Schedule 19-DRR). Since the new Schedule 19-LMP tariff became available, nine out of ten Dominion North Carolina Schedule 19 QF facilities have chosen Schedule 19-LMP. As required under ¶ 4 of the Final Order, and again in ¶ 4 of the May 13, 2009 Final Order in Docket No. E-100, Sub 117, the Company has provided to the North Carolina Utilities Commission and each QF, a semi-annual comparison of its avoided costs calculated using each method on a monthly basis. The attached Exhibit DNCP-7 shows the semi-annual comparison of active Schedule 19 contracts from January 2009 through June 2010.

The Company has suggested changes to the currently filed standard form contract for Schedule 19-DRR and has enclosed a redline of the changes (Exhibit DNCP-8) and a clean version contract (Exhibit DNCP-9) for the Commission's review. Additionally, the Company has suggested changes to the currently filed standard form contract for Schedule 19-LMP and has enclosed a redline of the changes (Exhibit DNCP-10) and a clean version contract (Exhibit DNCP-11) for the Commission's review.

Avoided Cost Payments Compare (NC Schedule 19 DRR compared to NC Schedule 19 LMP)
Per NC Sch 19 Approved Rates effective January 18, 2008 and May 22, 2009
3620 Virginia Dare Trail N
Contract on Schedule 19 - LMP commenced 09/14/09

2009	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 2.7% (3% eff. 05/22/09) $	Total $
November (09/14/09-11/06/09)	573	0.07132	40.87	1.23	42.10
December (11/06/09-12/11/09)	84	0.07132	5.99	0.18	6.17
Total	657				48.27

	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 2.7% (3% eff. 05/22/09) $	Total $
November (09/14/09-11/06/09)	573	0.03521	20.18	0.61	20.79
December (11/06/09-12/11/09)	84	0.03673	3.09	0.09	3.18
Total	657				23.97

2010	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
January (12/11/09-01/11/10)	0	0.07169	0.00	0.00	0.00
February (01/11/10-02/10/10)	160	0.07169	11.47	0.34	11.81
March (02/10/10-03/12/10)	7	0.07169	0.50	0.02	0.52
April (03/12/10-04/13/10)	1	0.07169	0.07	0.00	0.07
May (04/13/10-05/11/10)	224	0.07169	16.06	0.48	16.54
June (05/11/10-06/11/10)	550	0.07169	39.43	1.18	40.61
Total	942				69.55

	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
January (12/11/09-01/11/10)	0	0.06567	0.00	0.00	0.00
February (01/11/10-02/10/10)	160	0.05525	8.84	0.27	9.11
March (02/10/10-03/12/10)	7	0.04661	0.33	0.01	0.34
April (03/12/10-04/13/10)	1	0.03688	0.04	0.00	0.04
May (04/13/10-05/11/10)	224	0.04202	9.41	0.28	9.69
June (05/11/10-06/11/10)	550	0.04496	24.73	0.74	25.47
Total	942				44.65

Avoided Cost Payments Compare (NC Schedule 19 DRR compared to NC Schedule 19 LMP)
Per NC Sch 19 Approved Rates effective January 18, 2008 and May 22, 2009
1210 Ocean Trail
Contract on Schedule 19 - LMP

2009	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 2.7% (3% eff. 05/22/09) $	Total $
January (12/30/2008-01/28/2009)	148	0.06160	9.12	0.25	9.37
February (01/28/09-02/27/09)	154	0.06160	9.49	0.26	9.75
March (02/27/09-03/30/09)	177	0.06160	10.90	0.29	11.19
April (03/30/09-04/30/09)	153	0.06160	9.42	0.25	9.67
May (04/30/09-06/01/09)	141	0.06464	9.11	0.25	9.36
June (06/01/09-06/26/09)	50	0.07132	3.57	0.11	3.68
July (06/26/09-7/28/09)	42	0.07132	3.00	0.09	3.09
August (07/28/09-08/26/09)	49	0.07132	3.49	0.10	3.59
September (08/26/09-09/28/09)	54	0.07132	3.85	0.12	3.97
October (09/28/09-10/27/09)	69	0.07132	4.92	0.15	5.07
November (10/27/09-11/30/09)	212	0.07132	15.12	0.45	15.57
December(11/30/09-12/30/09)	167	0.07132	11.91	0.36	12.27
Total	1416				96.58

	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 2.7% (3% eff. 05/22/09) $	Total $
January (12/30/2008-01/28/2009)	148	0.06426	9.51	0.26	9.77
February (01/28/09-02/27/09)	154	0.05095	7.85	0.21	8.06
March (02/27/09-03/30/09)	177	0.04527	8.01	0.22	8.23
April (03/30/09-4/30/09)	153	0.03493	5.34	0.14	5.48
May (04/30/09-06/01/09)	141	0.03410	4.81	0.13	4.94
June (06/01/09-06/26/09)	50	0.03705	1.85	0.05	1.90
July (06/26/09-07/28/09)	42	0.03522	1.48	0.04	1.52
August (07/28/09-08/26/09)	49	0.03901	1.91	0.06	1.97
September (08/26/09-09/28/09)	54	0.03176	1.72	0.05	1.77
October (09/28/09-10/27/09)	69	0.03473	2.40	0.07	2.47
November(10/27/09-11/30/09)	212	0.03494	7.41	0.22	7.63
December(11/30/09-12/30/09)	167	0.04709	7.86	0.24	8.10
Total	1416				61.84

[redacted]

2010	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
January (12/30/2009-02/02/2010)	184	0.07168	13.19	0.40	13.59
February (02/02/2010-02/26/10)	166	0.07169	11.90	0.36	12.26
March (02/26/2010-03/29/2010)	152	0.07169	10.90	0.33	11.23
April (03/29/2010-04/28/2010)	112	0.07169	8.03	0.24	8.27
May (04/28/2010-05/28/2010)	80	0.07169	5.74	0.17	5.91
June (05/28/2010-06/29/2010)	65	0.07169	4.66	0.14	4.80
Total	759				56.06

	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
January (12/30/2009-02/02/2010)	184	0.06731	12.39	0.37	12.76
February (02/02/2010-02/26/10)	166	0.05371	8.92	0.27	9.19
March (02/26/2010-03/29/2010)	152	0.03864	5.87	0.18	6.05
April (03/29/2010-04/28/2010)	112	0.03813	4.27	0.13	4.40
May (04/28/2010-05/28/2010)	80	0.04357	3.49	0.10	3.59
June (05/28/2010-06/29/2010)	65	0.05854	3.81	0.11	3.92
Total	759				39.91

Avoided Cost Payments Compare (NC Schedule 19-DRR compared to NC Schedule 19-LMP)
Per NC Sch 19 Approved Rates effective January 18, 2008 and May 22, 2009
409 W. Villa Dunes Drive
Contract on Schedule 19 - LMP commenced 02/24/09

2009	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 2.7% (3% eff. 05/22/09) $	Total $
April (02/24/09-04/03/09)	312	0.06160	19.22	0.52	19.74
May (04/03/09-5/05/09)	489	0.06160	30.12	0.81	30.93
June (05/05/09-6/05/09)	394	0.06630	26.12	0.78	26.90
July (06/05/09-07/07/09)	442	0.07132	31.52	0.95	32.47
August (07/07/09-08/03/09)	365	0.07132	26.03	0.78	26.81
September (08/03/09-09/02/09)	412	0.07132	29.38	0.88	30.26
October (09/02/09-10/06/09)	410	0.07132	29.24	0.88	30.12
November (10/06/09-11/03/09)	229	0.07132	16.33	0.49	16.82
December (11/03/09-12/04/09)	250	0.07132	17.83	0.53	18.36
Total	3303				232.41

	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 2.7% (3% eff. 05/22/09) $	Total $
April (02/24/09-4/03/09)	312	0.04440	13.85	0.37	14.22
May (04/03/09-05/05/09)	489	0.03447	16.86	0.46	17.32
June (05/05/09-06/05/09)	394	0.03487	13.74	0.37	14.11
July (06/05/09-07/07/09)	442	0.03585	15.85	0.48	16.33
August (7/07/09-8/03/09)	365	0.03624	13.23	0.40	13.63
September (08/03/09-09/02/09)	412	0.03732	15.38	0.46	15.84
October (09/02/09-10/06/09)	410	0.03142	12.88	0.39	13.27
November (10/06/09-11/03/09)	229	0.03666	8.40	0.25	8.65
December(11/03/09-12/04/09)	250	0.03519	8.80	0.26	9.06
Total	3303				122.43

2010	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
January (12/04/09-01/07/10)	253	0.07140	18.06	0.54	18.60
February (01/07/10-02/08/10)	283	0.07169	20.29	0.61	20.90
March (02/08/10-03/08/10)	390	0.07169	27.96	0.84	28.80
April (03/08/10-04/08/10)	412	0.07169	29.54	0.89	30.43
May (04/08/10-05/05/10)	431	0.07169	30.90	0.93	31.83
June (05/05/10-06/04/10)	454	0.07169	32.55	0.98	33.53
Total	2223				164.09

	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
January (12/04/09-01/07/10)	253	0.05640	14.27	0.43	14.70
February (01/07/10-02/08/10)	283	0.06150	17.40	0.52	17.92
March (02/08/10-03/08/10)	390	0.04926	19.21	0.58	19.79
April (03/08/10-04/08/10)	412	0.03683	15.17	0.46	15.63
May (04/08/10-05/05/10)	431	0.04102	17.68	0.53	18.21
June (05/05/10-06/04/10)	454	0.04374	19.86	0.60	20.46
Total	2223				106.71

Avoided Cost Payments Compare (NC Schedule 19 DRR compared to NC Schedule 19 LMP)
Per NC Sch 19 Approved Rates effective January 18, 2008 and May 22, 2009
148 Turner Road
Contract on Schedule 19 - LMP commenced 07/01/09

2009	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 2.7% (3% eff. 05/22/09) $	Total $
August (7/01/09-08/03/09)	336	0.07132	23.96	0.72	24.68
September (08/03/09-08/31/09)	277	0.07132	19.76	0.59	20.35
October (08/31/09-10/01/09)	285	0.07132	20.33	0.61	20.94
November (10/01/09-11/03/09)	213	0.07132	15.19	0.46	15.65
December (11/03/09-12/04/09)	184	0.07132	13.12	0.39	13.51
Total	1295				95.13

	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 2.7% (3% eff. 05/22/09) $	Total $
August (7/01/09-08/03/09)	336	0.03552	11.93	0.36	12.29
September (08/03/09-08/31/09)	277	0.03802	10.53	0.32	10.85
October (08/31/09-10/01/09)	285	0.03165	9.02	0.27	9.29
November (10/01/09-11/03/09)	213	0.03542	7.54	0.23	7.77
December (11/03/09-12/04/09)	184	0.03519	6.47	0.19	6.66
Total	1295				46.86

2010	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
January (12/04/09-01/05/10)	182	0.07138	12.99	0.39	13.38
February (01/05/10-02/03/10)	195	0.07169	13.98	0.42	14.40
March (02/03/10-03/04/10)	233	0.07169	16.70	0.50	17.20
April (03/04/10-04/05/10)	329	0.07169	23.59	0.71	24.30
May (04/05/10-05/06/10)	360	0.07169	25.81	0.77	26.58
June (05/06/10-06/03/10)	311	0.07169	22.30	0.67	22.97
Total	1610				118.83

	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
January (12/04/09-01/05/10)	182	0.05324	9.69	0.29	9.98
February (01/05/10-02/03/10)	195	0.06504	12.68	0.38	13.06
March (02/03/10-03/04/10)	233	0.05216	12.15	0.36	12.51
April (03/04/10-04/05/10)	329	0.03647	12.00	0.36	12.36
May (04/05/10-05/06/10)	360	0.04176	15.03	0.45	15.48
June (05/06/10-06/03/10)	311	0.04300	13.37	0.40	13.77
Total	1610				77.16

Avoided Cost Payments Compare (NC Schedule 19 DRR compared to NC Schedule 19 LMP)
Per NC Sch 19 Approved Rates effective January 18, 2008 and May 22, 2009
142 Owens Road
Contract on Schedule 19 - LMP

2009	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 2.7% (3% eff. 05/22/09) $	Total $
January (12/18/08-01/15/09)	0	0.06160	0.00	0.00	0.00
February (01/15/09-2/18/09)	13	0.06160	0.80	0.02	0.82
March (02/18/09-03/19/09)	94	0.06160	5.79	0.16	5.95
April (03/19/09-04/20/09)	115	0.06160	7.08	0.19	7.27
May (04/20/09-05/18/09)	122	0.06160	7.52	0.20	7.72
June (05/18/09-06/19/09)	33	0.07041	2.32	0.07	2.39
July (06/19/09-07/17/09)	11	0.07132	0.78	0.02	0.80
August (07/17/09-08/17/09)	44	0.07132	3.14	0.09	3.23
September (08/17/09-09/15/09)	19	0.07132	1.36	0.04	1.40
October (09/15/09-10/15/09)	19	0.07132	1.36	0.04	1.40
November (10/15/09-11/18/09)	45	0.07132	3.21	0.10	3.31
December (11/18/09-12/17/09)	84	0.07132	5.99	0.18	6.17
Total	599				40.46

	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 2.7% (3% eff. 05/22/09) $	Total $
January (12/18/08-01/15/09)	0	0.05341	0.00	0.00	0.00
February (01/15/09-2/18/09)	13	0.06069	0.79	0.02	0.81
March (02/18/09-03/19/09)	94	0.04849	4.56	0.12	4.68
April (03/19/09-04/20/09)	115	0.03580	4.12	0.11	4.23
May (04/20/09-05/18/09)	122	0.03525	4.30	0.12	4.42
June (05/18/09-06/19/09)	33	0.03455	1.14	0.03	1.17
July (06/19/09-07/17/09)	11	0.03579	0.39	0.01	0.40
August (07/17/09-08/17/09)	44	0.03828	1.68	0.05	1.73
September (08/17/09-09/15/09)	19	0.03305	0.63	0.02	0.65
October (09/15/09-10/15/09)	19	0.03325	0.63	0.02	0.65
November (10/15/09-11/18/09)	45	0.03672	1.65	0.05	1.70
December (11/18/09-12/17/09)	84	0.03976	3.34	0.10	3.44
Total	599				23.88

2010	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
January (12/17/09-01/20/10)	98	0.07154	7.01	0.21	7.22
February (01/20/10-02/18/10)	143	0.07169	10.25	0.31	10.56
March (02/18/10-03/19/10)	81	0.07169	5.81	0.17	5.98
April (03/19/10-04/16/10)	106	0.07169	7.60	0.23	7.83
May (04/16/10-05/19/10)	65	0.07169	4.66	0.14	4.80
June (05/19/10-06/18/10)	39	0.07169	2.80	0.08	2.88
Total	532				39.27

	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
January (12/17/09-01/20/10)	98	0.06583	6.45	0.19	6.64
February (01/20/10-02/18/10)	143	0.05552	7.94	0.24	8.18
March (02/18/10-03/19/10)	81	0.04202	3.40	0.10	3.50
April (03/19/10-04/16/10)	106	0.03748	3.97	0.12	4.09
May (04/16/10-05/19/10)	65	0.04172	2.71	0.08	2.79
June (05/19/10-06/18/10)	39	0.04913	1.92	0.06	1.98
Total	532				27.18

Avoided Cost Payments Compare (NC Schedule 19 DRR compared to NC Schedule 19 LMP)
Per NC Sch 19 Approved Rates effective January 18, 2008 and May 22, 2009
119 Goose Castle Ter
Contract on Schedule 19 - LMP

2009	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 2.7% (3% eff. 05/22/09) $	Total $
January (12/23/08-01/27/09)	251	0.06160	15.46	0.42	15.88
February (01/27/09-02/25/09)	385	0.06160	23.72	0.64	24.36
March (02/25/09-03/27/09)	351	0.06160	21.62	0.58	22.20
April (03/27/09-04/27/09)	397	0.06160	24.46	0.66	25.12
May (04/27/09-05/27/09)	377	0.06354	23.95	0.65	24.60
June (05/27/09-06/25/09)	362	0.07132	25.82	0.77	26.59
July (06/25/09-07/27/09)	388	0.07132	27.67	0.83	28.50
August (07/27/09-08/24/09)	338	0.07132	24.11	0.72	24.83
September (08/24/09-09/23/09)	341	0.07132	24.32	0.73	25.05
October (09/23/09-10/22/09)	308	0.07132	21.97	0.66	22.63
November (10/22/09-11/23/09)	267	0.07132	19.04	0.57	19.61
December (11/23/09-12/28/09)	231	0.07132	16.47	0.49	16.96
Total	3996				276.33

	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 2.7% (3% eff. 05/22/09) $	Total $
January (12/23/08-01/27/09)	251	0.05974	14.99	0.40	15.39
February (01/27/09-02/25/09)	385	0.05205	20.04	0.54	20.58
March (02/25/09-03/27/09)	351	0.04603	16.16	0.44	16.60
April (03/27/09-04/27/09)	397	0.03437	13.64	0.37	14.01
May (04/27/09-05/27/09)	377	0.03497	13.18	0.36	13.54
June (05/27/09-06/25/09)	362	0.03600	13.03	0.35	13.38
July (06/25/09-07/27/09)	388	0.03541	13.74	0.41	14.15
August (07/27/09-08/24/09)	338	0.03925	13.27	0.40	13.67
September (08/24/09-09/23/09)	341	0.03141	10.71	0.32	11.03
October (09/23/09-10/22/09)	308	0.03420	10.53	0.32	10.85
November (10/22/09-11/23/09)	267	0.03603	9.62	0.29	9.91
December (11/23/09-12/28/09)	231	0.04385	10.13	0.30	10.43
Total	3996				163.54

2010	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
January (12/28/09-01/26/10)	257	0.07165	18.41	0.55	18.96
February (01/26/10-02/23/10)	333	0.07169	23.87	0.72	24.59
March (02/23/10-03/26/10)	374	0.07169	26.81	0.80	27.61
April (03/26/10-04/26/10)	450	0.07169	32.26	0.97	33.23
May (04/26/10-05/25/10)	388	0.07169	27.82	0.83	28.65
June (05/25/10-06/25/10)	430	0.07169	30.83	0.92	31.75
Total	2232				164.79

	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
January (12/28/09-01/26/10)	257	0.06701	17.22	0.52	17.74
February (01/26/10-02/23/10)	333	0.05695	18.96	0.57	19.53
March (02/23/10-03/26/10)	374	0.03983	14.90	0.45	15.35
April (03/26/10-04/26/10)	450	0.03782	17.02	0.51	17.53
May (04/26/10-05/25/10)	388	0.04246	16.47	0.49	16.96
June (05/25/10-06/25/10)	430	0.05612	24.13	0.72	24.85
Total	2232				111.96

Avoided Cost Payments Compare (NC Schedule 19 DRR compared to NC Schedule 19 LMP)
Per NC Sch 19 Approved Rates effective January 18, 2008 and May 22, 2009
4113 Lindberg Ave
Contract on Schedule 19 - LMP

2009	kWhs	Sch 19 DRR	Energy Purchase Payment	Line Loss 2.7% (3% eff. 05/22/09)	Total
		$/kWhs	$	$	$
January (12/18/08-01/16/09)	138	0.06160	8.50	0.23	8.73
February (01/16/09-02/19/09)	193	0.06160	11.89	0.32	12.21
March (02/19/09-03/20/09)	182	0.06160	11.21	0.30	11.51
April (03/20/09-04/08/09)	114	0.06160	7.02	0.19	7.21
May (04/08/09-05/11/09)	260	0.06160	16.02	0.43	16.45
June (05/11/09-06/09/09)	261	0.06797	17.74	0.53	18.27
July (06/09/09-07/09/09)	284	0.07132	20.25	0.61	20.86
August (07/09/09-08/11/09)	302	0.07132	21.54	0.65	22.19
September (08/11/09-09/08/09)	232	0.07132	16.55	0.50	17.05
October (09/08/09-10/07/09)	220	0.07132	15.69	0.47	16.16
November (10/07/09-11/06/09)	162	0.07132	11.55	0.35	11.90
December (11/06/09-12/11/09)	158	0.07132	11.27	0.34	11.61
Total	2506				174.15

	kWhs	Sch 19 LMP	Energy Purchase Payment	Line Loss 2.7% (3% eff. 05/22/09)	Total
		$/kWhs	$	$	$
January (12/18/08-01/16/09)	138	0.05402	7.45	0.20	7.65
February (01/16/09-02/19/09)	193	0.05933	11.45	0.31	11.76
March (02/19/09-03/20/09)	182	0.04832	8.79	0.24	9.03
April (03/20/09-04/08/09)	114	0.03720	4.24	0.11	4.35
May (04/08/09-05/11/09)	260	0.03457	8.99	0.24	9.23
June (05/11/09-06/09/09)	261	0.03445	8.99	0.24	9.23
July (06/09/09-07/09/09)	284	0.03620	10.28	0.31	10.59
August (07/09/09-08/11/09)	302	0.03726	11.25	0.34	11.59
September (08/11/09-09/08/09)	232	0.03456	8.02	0.24	8.26
October (09/08/09-10/07/09)	220	0.03208	7.06	0.21	7.27
November (10/07/09-11/06/09)	162	0.03724	6.03	0.18	6.21
December (11/06/09-12/11/09)	158	0.03673	5.80	0.17	5.97
Total	2506				101.14

2010	kWhs	Sch 19 DRR	Energy Purchase Payment	Line Loss 3%	Total
		$/kWhs	$	$	$
January (12/11/09-01/12/10	181	0.07146	12.93	0.39	13.32
February (01/12/10-02/10/10)	160	0.07169	11.47	0.34	11.81
March (02/10/10-03/12/10)	226	0.07169	16.20	0.49	16.69
April (03/12/10-04/13/10)	268	0.07169	19.21	0.58	19.79
May (04/13/10-05/11/10)	261	0.07169	18.71	0.56	19.27
June (05/11/10-06/11/10)	289	0.07169	20.72	0.62	21.34
Total	1385				102.22

	kWhs	Sch 19 LMP	Energy Purchase Payment	Line Loss 3%	Total
		$/kWhs	$	$	$
January (12/11/09-01/12/10	181	0.06639	12.02	0.36	12.38
February (01/12/10-02/10/10)	160	0.05410	8.66	0.26	8.92
March (02/10/10-03/12/10)	226	0.04661	10.53	0.32	10.85
April (03/12/10-04/1310)	268	0.03688	9.88	0.30	10.18
May (04/13/10-05/11/10)	261	0.04202	10.97	0.33	11.30
June (05/11/10-06/11/10)	289	0.04496	12.99	0.39	13.38
Total	1385				67.01

Avoided Cost Payments Compare (NC Schedule 19 DRR compared to NC Schedule 19 LMP)
Per NC Sch 19 Approved Rates effective January 18, 2008 and May 22, 2009
Coquina Beach
Contract on Schedule 19 - DRR

2009	kWhs	Sch 19 DRR	Energy Purchase Payment	Line Loss 2.7% (3% eff. 05/22/09)	Total
		$/kWhs	$	$	$
January (12/4/08-01/07/09	332	0.06160	20.45	0.55	21.00
February (01/07/09-02/05/09)	434	0.06160	26.73	0.72	27.45
March (02/5/09-03/04/09)	345	0.06160	21.25	0.57	21.82
April (03/04/09-04/02/09)	395	0.06160	24.33	0.66	24.99
May (04/02/09-05/05/09)	194	0.06160	11.95	0.32	12.27
June (05/05/09-06/08/09)	100	0.06675	6.68	0.18	6.86
July (06/08/09-07/06/09)	14	0.07132	1.00	0.03	1.03
August (07/06/09-08/04/09)	31	0.07132	2.21	0.07	2.28
September (08/04/09-09/01/09)	16	0.07132	1.14	0.03	1.17
October (09/01/09-10/05/09)	80	0.07132	5.71	0.17	5.88
November (10/05/09-11/02/09)	97	0.07132	6.92	0.21	7.13
December (11/02/09-12/04/09)	140	0.07132	9.98	0.30	10.28
Total	2178				142.16

	kWhs	Sch 19 LMP	Energy Purchase Payment	Line Loss 2.7% (3% eff. 05/22/09)	Total
		$/kWhs	$	$	$
January (12/4/08-01/07/09	332	0.05198	17.26	0.47	17.73
February (01/07/09-02/05/09)	434	0.06672	28.96	0.78	29.74
March (02/5/09-03/04/09)	345	0.05209	17.97	0.49	18.46
April (03/04/09-04/02/09)	395	0.03984	15.74	0.42	16.16
May (04/02/09-05/05/09)	194	0.03448	6.69	0.18	6.87
June (05/05/09-06/08/09)	100	0.03443	3.44	0.10	3.54
July (06/08/09-07/06/09)	14	0.03649	0.51	0.02	0.53
August (07/06/09-08/04/09)	31	0.03629	1.12	0.03	1.15
September (08/04/09-09/01/09)	16	0.03763	0.60	0.02	0.62
October (09/01/09-10/05/09)	80	0.03134	2.51	0.08	2.59
November (10/05/09-11/02/09)	97	0.03626	3.52	0.11	3.63
December (11/02/09-12/04/09)	140	0.03540	4.96	0.15	5.11
Total	2178				106.13

[redacted]

2010	kWhs	Sch 19 DRR	Energy Purchase Payment	Line Loss 3%	Total
		$/kWhs	$	$	$
January (12/4/09-01/06/10)	504	0.07139	35.98	1.08	37.06
February (1/06/10-02/05/10)	442	0.07169	31.69	0.95	32.64
March (02/05/10-03/05/10)	424	0.07169	30.40	0.91	31.31
April (03/05/10-04/07/10)	314	0.07169	22.51	0.68	23.19
May (04/07/10-05/05/10)	69	0.07169	4.95	0.15	5.10
June (05/05/10-06/04/10)	31	0.07169	2.22	0.07	2.29
Total	1784				131.59

	kWhs	Sch 19 LMP	Energy Purchase Payment	Line Loss 3%	Total
		$/kWhs	$	$	$
January (12/4/09-01/06/10)	504	0.05525	27.85	0.84	28.69
February (1/06/10-02/05/10)	442	0.06208	27.44	0.82	28.26
March (02/05/10-03/05/10)	424	0.05220	22.13	0.66	22.79
April (03/05/10-04/07/10)	314	0.03677	11.55	0.35	11.90
May (04/07/10-05/05/10)	69	0.04120	2.84	0.09	2.93
June (05/05/10-06/04/10)	31	0.04374	1.36	0.04	1.40
Total	1784				95.97

Avoided Cost Payments Compare (NC Schedule 19 DRR compared to NC Schedule 19 LMP)
Per NC Sch 19 Approved Rates effective May 22, 2009
Jockey's Ridge State Park
Contract on Schedule 19 - LMP commenced 05/21/10

2010	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
June (05/21/2010-06/11/2010)	179	0.07169	12.83	0.38	13.21
Total	179				13.21

========	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
June (05/21/2010-06/11/2010)	179	0.04708	8.43	0.25	8.68
Total	179				8.68

Avoided Cost Payments Compare (NC Schedule 19 DRR compared to NC Schedule 19 LMP)
Per NC Sch 19 Approved Rates effective May 22, 2009
302 First Flight Run
Contract on Schedule 19 - LMP commenced 05/05/10

2010	kWhs	Sch 19 DRR $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
June (05/05/2010-06/10/2010)	692	0.07169	49.61	1.49	51.10
Total	692				51.10

========	kWhs	Sch 19 LMP $/kWhs	Energy Purchase Payment $	Line Loss 3% $	Total $
June (05/05/2010-06/10/2010)	692	0.04428	30.64	0.92	31.56
Total	692				31.56

AGREEMENT FOR THE SALE OF ELECTRICAL OUTPUT TO VIRGINIA ELECTRIC AND POWER COMPANY

THIS AGREEMENT, *effective this day of , ____, (the "Effective Date") by and between* VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service company with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Virginia Power, and in North Carolina as Dominion North Carolina Power, hereinafter called " Dominion North Carolina Power" or "Company", and [Operator Corporate Name] , a [State & Form, i.e. "North Carolina Corporation"] , with its principal office in [City] , [State] , hereinafter called "Operator", operator of the [Facility Name] Facility, hereinafter called the "Facility":

RECITALS

WHEREAS, the North Carolina Utilities Commission has adopted a rate schedule described in this Agreement below as Schedule 19-DRR applicable to Qualifying Facilities (or "QF" as that term is defined in 18 C.F.R. 292) which can provide Contracted Capacity (a) up to 5000 kW from a hydroelectric generating facility, (b) up to 5000 kW from a generating facility fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind or non-animal *forms of biomass, or (c) up to 3000 kW for all other QFs; and*

WHEREAS, the parties hereto wish to contract for the sale of electrical output from such a QF to be operated by Operator,

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto contract and agree with each other as follows:

FIRST - Dominion North Carolina Power or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and Contracted Capacity) made available for sale from the Facility on a [...OPERATOR TO CHOOSE...a simultaneous purchase and sale arrangement OR an excess sale arrangement]. In addition, Operator has elected to contract under the DRR Method for determining the Company's avoided cost as described more fully in paragraph FIFTH and Exhibit C. Operator elects to operate the Facility in the Mode of Operation as specified in Section _______ [...OPERATOR TO CHOOSE... either IV.A; IV.B (Non-firm, Non-time-differentiated Mode of Operation); IV.B *(Non-firm, Time-differentiated Mode of Operation); or* IV.C *(Firm Mode of Operation)] of Schedule 19-DRR*. The Facility is located in Dominion North Carolina Power's retail service area in [City/County], North Carolina.

SECOND - This Agreement shall commence on the Effective Date and shall continue in effect for a period of years from the Commercial Operations Date. The Commercial Operations Date shall be the first date that all of the following conditions have been satisfied:

a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Dominion North Carolina Power system and such action has been witnessed by an authorized Dominion North Carolina Power employee;

b) After completion of item a) above, Dominion North Carolina Power has received written notice from Operator specifying the Commercial Operations Date and certifying that the Facility is ready to begin commercial operations as a Qualifying Facility;

c) Operator and Dominion North Carolina Power (or the PJM Interconnection, LLC or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an Interconnection Agreement to be included herewith as Exhibit A;

d) Operator has provided to Dominion North Carolina Power Qualifying Facility Certification to be included herewith as Exhibit F; and

e) Operator either has received from the North Carolina Utilities Commission a Certificate of Public Convenience and Necessity or has filed the notice required by G.S. 62-110.1(g) and is not legally required to obtain such a certificate for the construction and operation of the Facility.

For contract terms of 10 years or more, this Agreement may be renewed at the option of Dominion North Carolina Power on substantially the same terms and conditions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration Dominion North Carolina Power's then avoided cost rates and *other relevant factors or (2) set by arbitration.*

THIRD - The Facility, consisting of generator(s), will have a combined nameplate rating of approximately kW. The Facility's Contracted Capacity shall be kW.

FOURTH - The following documents are attached hereto and are made a part hereof:

Exhibit A: Executed Interconnection Agreement (attached for information but not as a part of this Agreement)

Exhibit B: General Terms and Conditions

Exhibit C: Schedule 19-DRR, Power Purchases from Cogeneration and Small Power Production Qualifying Facilities and applicable to the QF who chooses the DRR Method (effective January 1, 2011~~07~~, sometimes referred to as "Schedule 19-DRR" herein)

Exhibit D: NOT APPLICABLE

Exhibit E: Map and related written description identifying the specific location of the Facility in the City or County designated in Paragraph FIRST

Exhibit F: "Qualifying Facility" Certification (if Facility is less than 1MW, Owner submission that the Facility qualifies as a Qualifying Facility (QF) under federal law)

Exhibit G: Certificate of Public Convenience and Necessity (or evidence that no such certificate was required under North Carolina law)

[Note: Appropriate Exhibit C, if applicable, will be based on Energy Payment selected in the FIRST section of this Agreement]

FIFTH - Payments for all energy and Contracted Capacity purchased hereunder shall be determined by the provisions and rate determination methodologies for payments in Schedule 19-DRR included herewith as Exhibit C and pursuant to Operator elections within such Schedule 19-DRR, if any, as stated in Paragraph FIRST hereof. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatthour basis. Should the North Carolina Utilities Commission (NCUC), Virginia State Corporation Commission (SCC) or other regulatory or other legal body having jurisdiction (such as the Federal Energy Regulatory Commission) 1) not allow any future payments to non-utility generators (generally or to Operator specifically) for energy or capacity (including Contracted Capacity) or both to be included in Dominion North Carolina Power/Dominion Virginia Power's rates charged to customers, 2) at any time prohibit Dominion North Carolina Power/ Dominion Virginia Power from recovering from its customers sums related to payments previously made to non-utility generators (generally or to Operator specifically), or 3) order Dominion North Carolina Power/ Dominion Virginia Power to pay back to its customers sums related to amounts collected as a result of payments to non-utility generators (generally or to Operator specifically) (hereinafter the sums referred to in both 2) and 3) above shall be referred to individually and collectively as the "Disallowed Payments"), Operator shall be required both to accept from the effective date of the Order from the NCUC, SCC, or other regulatory or legal body having jurisdiction ("Commission Order") payments at the level of rates that will be allowed to be recovered in rates charged to Dominion North Carolina Power/ Dominion Virginia Power's customers and to refund to Dominion North Carolina Power, A) the identified dollar amount of the Disallowed Payments specifically identified in the Commission Order as resulting from payments made to Operator hereunder, or B) if the Disallowed Payments are not specifically identified, Operator's pro-rata share of the Disallowed Payments which shall be equal to the product of (1) the total amount of payments made under this Agreement for the period of time such Disallowed Payments have been calculated, and (2) a fraction whereby the numerator is the Disallowed Payments and the denominator is the total amount of payments made to all Non-utility Generators, that were considered in the Commission Order, for the same period of time that such Disallowed Payments have been calculated. Operator shall pay any amounts due as a result of the Commission Order within 28 days of notice by Dominion North Carolina Power or, provided that more than three years remain in the term of the Agreement, then, at Operator's option, Dominion North Carolina Power shall collect such amounts due with interest from the date of any such Commission Order by reducing payments to Operator at a monthly amount projected to complete the refund of the Disallowed Amount with interest in the two year period following such notice. Such interest shall be calculated at the rate of Dominion North Carolina Power/ Dominion Virginia Power's most recent issue of long-term debt at the time of the Commission Order. If, for any reason, at the end of the two year period, the reduction in payments does not recover in full such amounts due, then such remaining amount shall be due immediately.

If Operator elects the Firm Mode of Operation, then-for the term of this Agreement Operator shall be paid for firm energy in accordance with [...OPERATOR TO CHOOSE...□ (VI.A, VI.B, or VI.C)] in Schedule 19-DRR. [Note: If the Operator elects VI.C, the following sentences will be included. All firm energy payments will be fixed for the initial term of this Agreement as set forth in Paragraph VI.C of Schedule 19-DRR. The on-peak firm energy payment will be _____ cents per kWh and the off-peak firm energy payment will be _____ cents per kWh.] [Note: If Operator elects VI.B, the following sentences will be included. All firm energy payments will be calculated each year of the Agreement by Dominion North Carolina Power using the____ year levelized avoided energy mix as shown in Exhibit C attached hereto and as specified in Schedule 19-DRR. The $/MBtu fuel cost, ¢/kWh for purchased power, and on-peak and off-peak factors, used to calculate firm energy rates, will change on a biennial basis consistent with the Schedule 19-DRR filing. North Carolina Power will notify Operator of changes to the firm and non-firm rates.] Payments for firm energy will begin on the Commercial Operations Date. All energy delivered per hour above the Contracted Capacity shall be considered non-firm and be paid for at the applicable non-firm rate. All energy delivered prior to the Commercial Operations Date shall also be considered non-firm and be paid for at the non-firm rate. In all cases, such non-firm energy rates will be those in the Schedule 19-DRR in effect at the time such energy is delivered.

If Operator elects the Firm Mode of Operation, specified in Section IV.C of Schedule 19-DRR, Operator shall be paid for Contracted Capacity on a cents per kilowatt-hour basis as specified in Schedule 19-DRR, Section VII. Operator shall not be paid for Contracted Capacity above the Contracted Capacity level in any hour during which the generation exceeds the Contracted Capacity level specified in Paragraph THIRD.

Payments for energy will begin on the Commercial Operations Date. All energy delivered prior to the Commercial Operations Date shall be paid pursuant to the attached Schedule 19-DRR tariff.

SIXTH - No later than sixty days after execution of this Agreement, Operator shall provide, at Operator's sole expense, security for Operator's performance under this Agreement, in an amount equal to $36.00 per kW of the nameplate rating, provided in Paragraph THIRD. Operator shall maintain such security until the expiration of this Agreement to ensure continued availability of the Facility and to guarantee payment of obligations by Operator to Dominion North Carolina Power. Such security will be an unconditional and irrevocable letter of credit issued by a bank and maintained in a form and with terms reasonably acceptable to Dominion North Carolina Power. The Letter of Credit must provide for monthly draws by Dominion North Carolina Power and permit presentation at a bank located in Richmond, Virginia. If the Agreement is terminated prior to the Commercial Operations of the Facility, Dominion North Carolina Power will be entitled to draw and retain the full amount of such security to offset any amounts owed to Dominion North Carolina Power.

SEVENTH - After execution of this Agreement and until the Commercial Operations Date, Operator shall prepare a quarterly status report for Dominion North Carolina Power showing the current progress on completing the project. This status report shall be delivered to Dominion North Carolina Power on or before the following dates each year, January 15, April 15, July 15, and October 15. Such status report shall discuss the progress of the project in a format, which is acceptable to Dominion North Carolina Power.

EIGHTH - Operator and Dominion North Carolina Power agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Dominion North Carolina Power having the right to immediate cancellation, without a cure period, of this Agreement: (i) failure to commence construction of the Facility, as defined below, and provide Dominion North Carolina Power with written notice thereof by , , (ii) failure to achieve Commercial Operations Date by , , (iii) failure to provide two (2) consecutive status reports pursuant to Paragraph SEVENTH, (iv) failure, pursuant to Paragraph SIXTH, to provide or maintain security that is acceptable to Dominion North Carolina Power, (v) delivery or supply of electrical output to any entity other than Dominion North Carolina Power or its agent, assignee or successor, (vi) failure to meet those requirements necessary to maintain Qualifying Facility status, (vii) failure at any time to have in effect a valid Interconnection Agreement with Dominion North Carolina Power (or its successor as operator of the Dominion North Carolina transmission system), or (viii) failure to generate and deliver power from the Facility to Dominion North Carolina Power for more than 180 consecutive days, at any time after the Commercial Operations Date, or (ix) failure to maintain QF certification. In the event Operator fails to perform in any way, materially or non-materially, any other obligations not specifically listed above, Operator shall be given notice and thirty (30) days to cure such non-performance. Notwithstanding any cure period, Dominion North Carolina Power shall not be obligated to purchase any energy or Contract Capacity under this Agreement while any such breach remains uncured. If Operator fails to cure its non-performance within thirty (30) days of Dominion North Carolina Power's notice, Dominion North Carolina Power shall have the right to cancel this Agreement. Operator agrees that if this Agreement is canceled by Dominion North Carolina Power for Operator's non-performance prior to the end of the initial term of this Agreement, then, Dominion North Carolina Power shall have all rights and remedies available at law or in equity. The Facility will be considered to have commenced construction on the first day upon which all of the following have occurred: (1) the issuance by Operator to its construction contractor for the Facility of a written unconditional Notice-to-Proceed; (2) the mobilization of major construction equipment and construction facilities on the Facility site; and (3) the commencement of major structural excavation and structural concrete work relating to a major component of the Facility such as the power island consistent with having commenced a continuous process of construction relating to the Facility. Dominion North Carolina Power shall have no obligation to accept a declaration of Commercial Operations prior to , 20 [NOTE: Dominion North Carolina Power to determine]. The Anticipated Commercial Operations Date is , 20.

NINTH - Operator represents and warrants that it has the right to operate the Facility in accordance with the terms of this Agreement. Operator further represents and warrants that all permits, approvals, and/or licenses necessary for the operation of the Facility will be obtained prior to the Commercial Operations Date and shall be maintained throughout the Term of this Agreement. Operator shall, provide such documentation and evidence of such right, permits, approvals and/or licenses as Dominion North Carolina Power may reasonably request, including without limitation air permits, leases and/or purchase agreements.

TENTH - All correspondence and payments concerning this Agreement shall be to the following addresses:

OPERATOR:	DOMINION NORTH CAROLINA POWER:
(Operator name) (Operator address)	Virginia Electric and Power Company Power Contracts (3SE) 5000 Dominion Boulevard Glen Allen, Virginia 23060-6711

Either Party may change the address by providing written notice to the other Party.

ELEVENTH - This Agreement is intended by the Parties as the final expression of their Agreement and is intended also as a complete and exclusive statement of the terms of their Agreement with respect to the purchase and sale of electrical output generated by the Facility. All prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement are hereby abrogated and withdrawn.

IN WITNESS WHEREOF, the Parties hereto have caused their names to appear below, signed by authorized representatives as of the date first shown above.

(Operator)

By: Title:

Date:

VIRGINIA ELECTRIC AND POWER COMPANY

By: Title:

Date:

EXHIBIT A
GENERATOR INTERCONNECTION GUIDANCE AND AGREEMENT

Dominion North Carolina Power's procedures for generator interconnection are available through the Internet at the Company's website- with draft interconnection agreements for non-FERC jurisdictional generators (as approved by the NCUC included as Attachments 1, 2 and 3 thereto). For FERC jurisdictional generators interconnection shall be in accordance with FERC and PJM requirements.

The specific Internet address for these procedures is http://www.dom.com/about/eleo-transmission/gi-main.jsp. The Internet site contains links to the Generator Interconnection Procedures along with the Generator Interconnection Request Form. Once an Interconnection Agreement is executed it will be included herewith as part of this Exhibit A

EXHIBIT B
General Terms and Conditions

I - *Assignments*

Operator agrees not to assign this Agreement without the prior written consent of Dominion North Carolina Power. Dominion North Carolina Power may withhold such consent if it determines, in its sole discretion, that such assignment would not be in the best interests of Dominion North Carolina Power or its customers. Any attempted assignment that Dominion North Carolina Power has not approved in writing shall be null and void and ineffective for all purposes.

II - Indemnity

Operator shall indemnify and save harmless and, if requested by Dominion North Carolina Power, defend Dominion North Carolina Power, its officers, directors and employees from and against any and all losses and claims or demands for damages to real property or tangible personal property (including the property of Dominion North Carolina Power) and injury or death to persons arising out of, resulting from, or in any manner caused by the presence, operation or maintenance of any part of Operator's Facility; provided, however, that nothing herein shall be construed as requiring Operator to indemnify Dominion North Carolina Power for any injuries, deaths or damages caused by the sole negligence of Dominion North Carolina Power. Operator agrees to provide Dominion North Carolina Power written evidence of liability insurance coverage, which is specifically and solely for the Facility, prior to the operation of the Facility. Operator agrees to have Dominion North Carolina Power named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

III - QF Certification

Operator represents and warrants that its Facility meets the Qualifying Facility requirements established as of the Effective Date of this Agreement by the Federal Energy Regulatory Commission's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to remain a Qualifying Facility throughout the term of this Agreement. [Dominion North Carolina Power may require "FERC" QF Certification by adding the following: "Operator agrees to obtain, at Operator's expense, a certification as a "QF" from the Federal Energy Regulatory Commission, in accordance with 18 C.F.R. 292.207 (b)."] Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to obtaining certification of the Facility as a "QF". Operator will submit prior to delivery of electrical output from the Facility to Dominion North Carolina Power evidence of Qualifying Facility certification. After the Commercial Operations Date, if requested by Dominion North Carolina Power prior to March 1 of any year, Operator agrees to provide July 1 of the same year to Dominion North Carolina Power for the preceding year sufficient for Dominion North Carolina Power to determine the Operator's continuing compliance with its QF requirements including but not limited to:

(a) All information required by FERC Form 556.

(b) Copy of the Facility's QF Certification and any subsequent revisions or amendments

(c) Provide a copy of any contract executed with a thermal host.

(d) Identification of the amount of each type of fuel used per month and average heating value for each type of fuel, which will be used to determine the Total Energy Input. These values should be verifiable by auditing supporting documentation.

(e) Identification of each of the QF's useful thermal output(s) for each month, including temperature, pressure, amount of thermal output delivered, temperature and amount of condensate returned (if applicable) and the conversion to Btus. These values should be verifiable by auditing supporting documentation.

(f) Identification of the QF's useful power output, for each month. These values should be verifiable by auditing supporting documentation.

(g) Provide drawings, heat balance diagrams and a sufficiently detailed narrative describing the delivery of useful thermal output including the location, description, and calibration data for all metering equipment used for QF calculations.

(h) Provide any other information which the QF believes will facilitate Dominion North Carolina Power's monitoring of the QF requirements.

(i) Dominion North Carolina Power may request additional information, as needed, to monitor the QF requirements.

IV - Consequential Damages

In no event shall either Party be liable to the other for any special, indirect, incidental or consequential damages whatsoever, except that the foregoing shall not apply to any promises of indemnity or obligations to reimburse the Parties expressly set forth in this Agreement.

V - Amendments, Waivers, Severability and Headings

This Agreement, including the appendices thereto, can be amended only by agreement between the Parties in writing. The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder. In the event any provision of this Agreement, or any part or portion thereof, shall be held to be invalid, void or otherwise unenforceable, the obligations of the Parties shall be deemed to be reduced only as much as may be required to remove the impediment. The headings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Agreement.

VI - Compliance with Laws

Operator covenants that it shall comply with all applicable provisions of Executive Order 11246, as amended; § 503 of the Rehabilitation Act of 1973, as amended; § 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended; and implementing regulations set forth in 41 C.F.R. §§ 60.1, 60-250, and 60-741 and the applicable provisions relating to the utilization of small minority business concerns as set forth in 15 U.S.C. § 637, as amended. Operator agrees that the equal opportunity clause set forth in 41 C.F.R. § 60-1.4 and the equal opportunity clauses set forth in 41 C.F.R. § 250.5 and 41 C.F.R.. 60-§741.5 and the clauses relating to the utilization of small and minority business concerns set forth in 15 U.S.C. § 637(d)(3) and 48 C.F.R. § 52-219.9 are hereby incorporated by reference and made a part of this Agreement. If this Agreement has a value of more than $500,000, Operator shall adopt and comply with a small business and small disadvantaged business subcontracting plan which shall conform to the requirements set *forth in 15 U.S.C. § 637(d)(6). The provisions of this section shall apply to Operator only to the extent that:*

(a) such provisions are required of Operator under existing law,

(b) Operator is not otherwise exempt from said provisions and

(c) Compliance with said provisions is consistent with and not violative of 42 U.S.C. § 2000 et seq., 42 U.S.C. § 1981 et seq., or other acts of Congress.

VII - Interconnection and Operation

Operator shall be responsible for the design, installation, and operation of its Facility. Operator shall be responsible for obtaining an Interconnection Agreement. Interconnection guidelines and agreement requirements are set forth in Exhibit A of this Agreement

Operator shall: (a) maintain the Facility and the Interconnection Facilities on Operator's side of the Interconnection Point, except Dominion North Carolina Power-owned Interconnection Facilities, in conformance with all applicable laws and regulations and in accordance with operating procedures; (b) obtain any governmental authorizations and permits required for the construction and operation thereof and keep all such permits and authorizations current and in effect; and (c) manage the Facility in a safe and prudent manner. If at any time Operator does not hold such authorizations and permits, Dominion North Carolina Power may refuse to accept deliveries of power hereunder.

Dominion North Carolina Power may enter Operator's premises (a) to inspect Operator's protective devices at any reasonable time; (b) to read or test meters and metering equipment; and (c) to disconnect, without notice, the Facility if, in Dominion North Carolina Power's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or Dominion North Carolina Power facilities or other customers' facilities from damage or interference caused by Operator's Facility or lack of properly operating protective devices. Dominion North Carolina Power will endeavor to notify Operator as quickly as practicable if disconnection occurs as provided in (c) above. Any inspection of Operator's protective devices shall not impose on Dominion North Carolina Power any liabilities with respect to the operation, safety or maintenance of such devices.

Operator shall not operate the Facility in parallel with Dominion North Carolina Power's system prior to (a) an inspection of the installed Interconnection Facilities by an authorized Dominion North Carolina Power representative and (b) receiving written authorization from an authorized Dominion North Carolina Power representative to begin parallel operation.

VIII - Metering

Dominion North Carolina Power will meter all electrical output delivered from the Facility on the high voltage side of the step up transformer.

Operator agrees to pay an administrative charge to Dominion North Carolina Power to reflect all reasonable costs incurred by Dominion North Carolina Power for meter reading and billing, also referred to as metering charges. The monthly meter reading and billing charge shall change from time to time when the NCUC approves a different charge in Schedule 19-DRR.

In addition, Operator agrees to pay any fees required to provide and maintain leased telephone lines required for meter reading by Dominion North Carolina Power.

IX - Billing and Payment

Dominion North Carolina Power shall read the meter in accordance with its normal meter reading schedule. Within twenty-eight (28) days thereafter, Dominion North Carolina Power shall send Operator payment for energy and Contracted Capacity delivered. At Dominion North Carolina Power's option, (i) Dominion North Carolina Power may make such payments net of the monthly metering charges, Interconnection Facilities charges, and charges for sales of electricity to the Operator, or (ii) Dominion North Carolina Power may invoice Operator for such charges separately. Payment by Dominion North Carolina Power shall include verification showing the billing month's ending meter reading, on-peak and off-peak kWh, and the amount paid. If in any month the monthly metering and Interconnection Facilities charges are in excess of any payments due Operator, Dominion North Carolina Power shall bill Operator for the difference and Operator shall make such payment within 28 days of the invoice date. Failure by Operator to make such payments may result in disconnection of the Facility. In no event shall such disconnection relieve Operator of its obligation to pay monthly metering charges and Interconnection Facilities charges under his Agreement.

In the event that any data required for billing purposes hereunder are unavailable when required for such billing, the unavailable data shall be estimated by Dominion North Carolina Power, based upon historical data. Such billing shall be subject to any required adjustment in a subsequent billing month.

In addition to rights pursuant to Paragraph SIXTH of this Agreement, Operator agrees that Dominion North Carolina Power shall be entitled to withhold sufficient amounts due pursuant to this Agreement to offset (a) any damages to Dominion North Carolina Power resulting from any breach of this Agreement by Operator, and (b) any other amounts Operator owes Dominion North Carolina Power, including amounts arising from sales of electricity by Dominion North Carolina Power to Operator, metering charges and Interconnection Facilities charges.

In no event shall Dominion North Carolina Power be liable to Operator for any Contracted Capacity payments in excess of the amounts contracted for herein, regardless of the ultimate length of this Agreement or revisions to Schedule 19-DRR or successor schedules. Operator hereby agrees to accept the Contracted Capacity payments as set forth herein as its sole and complete compensation for delivery of Contracted Capacity to Dominion North Carolina Power.

X - Force Majeure

Neither Party shall be considered in default under this Agreement or responsible to the other Party in tort, strict liability, contract or other legal theory for damages of any description forany interruption or failure of service or deficiency in the quality or quantity of service or any other failure to perform any of its obligations hereunder to the extent such failure occurs without fault or negligence on the part of that Party and is caused by factors beyond that Party's reasonable control, which by the exercise of reasonable diligence that Party is unable to prevent, avoid, mitigate or overcome, including without limitation storm, flood, lightning, earthquake, explosion, equipment failure civil disturbance, labor dispute, act of God or public enemy, action or inaction of a court or public authority, fire, sabotage, war, explosion, curtailments, unscheduled withdrawal of facilities from operation for maintenance or repair or any other cause of similar nature beyond the reasonable control of that Party (any such event, "Force Majeure"). Solely economic hardship of either Party shall not constitute Force Majeure under this Agreement. Nor shall anything contained in this paragraph or elsewhere in this Agreement excuse Operator or Dominion North Carolina Power from strict compliance with the obligation of the Parties to comply with the terms of Article IX of this Exhibit B relating to timely payments.

Each Party shall have the obligation to operate in accordance with Good Utility Practice (as defined below) at all times and to use due diligence to overcome and remove any cause of failure to perform.

If a Party relies on the occurrence of an event of Force Majeure described above as a basis for being excused from performance of its obligations under this Agreement, then the Party relying on the Force Majeure event shall:

a) Provide within forty-eight (48) hours written notice of such Force Majeure event or potential Force Majeure to the other Party, giving an estimate of its expected duration and the probable impact on the performance of its obligations hereunder;

b) Exercise all reasonable efforts to continue to perform its obligations under this Agreement;

c) Expeditiously take action to correct or cure the Force Majeure event excusing performance; provided, however, that settlement of strikes or other labor disputes will be completely within the sole discretion of the Party affected by such strike or labor dispute;

d) Exercise all reasonable efforts to mitigate or limit damages to the other Party; and

e) Provide prompt notice to the other Party of the cessation of the Force Majeure event giving rise to its excuse from performance. All performance obligations hereundershall be extended by a period equal to the term of the resultant delay.

If a Party responding to a Force Majeure event has the ability to obtain, for additional expenditures, expedited material deliveries or labor production which would allow a response tothe event in a manner that is above and beyond Good Utility Practice, and such a response could shorten the duration of the Force Majeure event, the Party responding to the event may, at its discretion, present the other Party with the option of funding he expenditures for expediting material deliveries or labor production in an effort to reduce the duration of the event and economic hardship. Each such opportunity will be negotiated on a case-by-case basis by the Parties.

For purposes of this Agreement, "Good Utility Practice" shall mean any of the applicable practices, methods, standards, guides or acts: required by any governmental authority, regional or national reliability council, or national trade organization, including NERC, SERC, or the successor of any of them, as they may be amended from time to time whether or not the Party whose conduct is at issue is a member thereof; otherwise engaged in or approved by a significant portion of the electric utility industry during the relevant time period whch in the exercise of reasonable judgment in light of the facts known or that should have been known at the time a decision was made, could have been expected to accomplish the desired result in a manner consistent with law, regulation, good business practces, generation, transmission and distribution reliability, safety, environmental protection, economy and expediency. Good Utility Practice is intended to be acceptable practices, methods, or acts generally accepted in the region, or any other acts or practices as are reasonably necessary to maintain the reliability of the Transmission System (as defined in the Interconnection Agreement), or of the Facility, and is not intended to be limited to the optimum practices, methods, or acts to the exclusion of all others.

EXHIBIT C

Exhibit C is a copy of Schedule 19-DRR based on the DRR Method

EXHIBIT D

Exhibit D is reserved for possible future use]

EXHIBIT E

Exhibit E is a map and written description identifying the specific location of the Facility and is provided by the Operator.

EXHIBIT F

Exhibit F is the "Qualifying Facility" Certification to be provided by the Operator.

OR

If Facility is less than 1MW, Owner may submit the following statement as Exhibit F that the Facility qualifies as a Qualifying Facility (QF) under federal law.

Federal law exempts small power production or cogeneration facilities with net power production capacities of 1 MW or less from certain certification requirements in order to qualify as a qualifying facility ("QF" or "Qualifying Facility"). Therefore, [QF Name Here] submits the Facility is exempt from the certification requirements, but submits that the Facility qualifies as a Qualifying Facility under federal law set forth in the Public Utility Regulatory Policies Act of 1978 ("PURPA") (codified at 16 U.S.C. § 824a-3.

____

Name

____

Title

EXHIBIT G

Exhibit G is the Certificate of Public Convenience and Necessity to be provided by the Operator, or evidence that no such certificate is required under North Carolina law.

AGREEMENT FOR THE SALE OF ELECTRICAL OUTPUT TO VIRGINIA ELECTRIC AND POWER COMPANY

THIS AGREEMENT, effective this day of , ____, (the "Effective Date") by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service company with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Virginia Power, and in North Carolina as Dominion North Carolina Power, hereinafter called " Dominion North Carolina Power" or "Company", and [Operator Corporate Name] , a [State & Form, i.e. "North Carolina Corporation"] , with its principal office in [City] , [State] , hereinafter called "Operator", operator of the [Facility Name] Facility, hereinafter called the "Facility":

RECITALS

WHEREAS, the North Carolina Utilities Commission has adopted a rate schedule described in this Agreement below as Schedule 19-DRR applicable to Qualifying Facilities (or "QF" as that term is defined in 18 C.F.R. 292) which can provide Contracted Capacity (a) up to 5000 kW from a hydroelectric generating facility, (b) up to 5000 kW from a generating facility fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind or non-animal forms of biomass, or (c) up to 3000 kW for all other QFs; and

WHEREAS, the parties hereto wish to contract for the sale of electrical output from such a QF to be operated by Operator,

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto contract and agree with each other as follows:

FIRST - Dominion North Carolina Power or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and Contracted Capacity) made available for sale from the Facility on a [...OPERATOR TO CHOOSE...a simultaneous purchase and sale arrangement OR an excess sale arrangement]. In addition, Operator has elected to contract under the DRR Method for determining the Company's avoided cost as described more fully in paragraph FIFTH and Exhibit C. Operator elects to operate the Facility in the Mode of Operation as specified in Section _______ [...OPERATOR TO CHOOSE... either IV.A; IV.B (Non-firm, Non-time-differentiated Mode of Operation); IV.B (Non-firm, Time-differentiated Mode of Operation); or IV.C (Firm Mode of Operation)] of Schedule 19-DRR. The Facility is located in Dominion North Carolina Power's retail service area in [City/County], North Carolina.

SECOND - This Agreement shall commence on the Effective Date and shall continue in effect for a period of years from the Commercial Operations Date. The Commercial Operations Date shall be the first date that all of the following conditions have been satisfied:

a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Dominion North Carolina Power system and such action has been witnessed by an authorized Dominion North Carolina Power employee;

b) After completion of item a) above, Dominion North Carolina Power has received written notice from Operator specifying the Commercial Operations Date and certifying that the Facility is ready to begin commercial operations as a Qualifying Facility;

c) Operator and Dominion North Carolina Power (or the PJM Interconnection, LLC or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an Interconnection Agreement to be included herewith as *Exhibit A*;

d) Operator has provided to Dominion North Carolina Power Qualifying Facility Certification to be included herewith as Exhibit F; and

e) Operator either has received from the North Carolina Utilities Commission a Certificate of Public Convenience and Necessity or has filed the notice required by G.S. 62-110.1(g) and is not legally required to obtain such a certificate for the construction and operation of the Facility.

For contract terms of 10 years or more, this Agreement may be renewed at the option of Dominion North Carolina Power on substantially the same terms and conditions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration Dominion North Carolina Power's then avoided cost rates and other relevant factors or (2) set by arbitration.

THIRD - The Facility, consisting of generator(s), will have a combined nameplate rating of approximately kW. The Facility's Contracted Capacity shall be kW.

FOURTH - The following documents are attached hereto and are made a part hereof:

Exhibit A: Executed Interconnection Agreement (attached for information but not as a part of this Agreement)

Exhibit B: General Terms and Conditions

Exhibit C: Schedule 19-DRR, Power Purchases from Cogeneration and Small Power Production Qualifying Facilities and applicable to the QF who chooses the DRR Method (effective January 1, 2011, sometimes referred to as "Schedule 19-DRR" herein)

Exhibit D: NOT APPLICABLE

Exhibit E: Map and related written description identifying the specific location of the Facility in the City or County designated in Paragraph FIRST

Exhibit F: "Qualifying Facility" Certification (if Facility is less than 1MW, Owner submission that the Facility qualifies as a Qualifying Facility (QF) under federal law)

Exhibit G: Certificate of Public Convenience and Necessity (or evidence that no such certificate was required under North Carolina law)

[Note: Appropriate Exhibit C, if applicable, will be based on Energy Payment selected in the FIRST section of this Agreement]

FIFTH - Payments for all energy and Contracted Capacity purchased hereunder shall be determined by the provisions and rate determination methodologies for payments in Schedule 19-DRR included herewith as Exhibit C and pursuant to Operator elections within such Schedule 19-DRR, if any, as stated in Paragraph FIRST hereof. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatthour basis. Should the North Carolina Utilities Commission (NCUC), Virginia State Corporation Commission (SCC) or other regulatory or other legal body having jurisdiction (such as the Federal Energy Regulatory Commission) 1) not allow any future payments to non-utility generators (generally or to Operator specifically) for energy or capacity (including Contracted Capacity) or both to be included in Dominion North Carolina Power/Dominion Virginia Power's rates charged to customers, 2) at any time prohibit Dominion North Carolina Power/ Dominion Virginia Power from recovering from its customers sums related to payments previously made to non-utility generators (generally or to Operator specifically), or 3) order Dominion North Carolina Power/ Dominion Virginia Power to pay back to its customers sums related to amounts collected as a result of payments to non-utility generators (generally or to Operator specifically) (hereinafter the sums referred to in both 2) and 3) above shall be referred to individually and collectively as the "Disallowed Payments"), Operator shall be required both to accept from the effective date of the Order from the NCUC, SCC, or other regulatory or legal body having jurisdiction ("Commission Order") payments at the level of rates that will be allowed to be recovered in rates charged to Dominion North Carolina Power/ Dominion Virginia Power's customers and to refund to Dominion North Carolina Power, A) the identified dollar amount of the Disallowed Payments specifically identified in the Commission Order as resulting from payments made to Operator hereunder, or B) if the Disallowed Payments are not specifically identified, Operator's pro-rata share of the Disallowed Payments which shall be equal to the product of (1) the total amount of payments made under this Agreement for the period of time such Disallowed Payments have been calculated, and (2) a fraction whereby the numerator is the Disallowed Payments and the denominator is the total amount of payments made to all Non-utility Generators, that were considered in the Commission Order, for the same period of time that such Disallowed Payments have been calculated. Operator shall pay any amounts due as a result of the Commission Order within 28 days of notice by Dominion North Carolina Power or, provided that more than three years remain in the term of the Agreement, then, at Operator's option, Dominion North Carolina Power shall collect such amounts due with interest from the date of any such Commission Order by reducing payments to Operator at a monthly amount projected to complete the refund of the Disallowed Amount with interest in the two year period following such notice. Such interest shall be calculated at the rate of Dominion North Carolina Power/ Dominion Virginia Power's most recent issue of long-term debt at the time of the Commission Order. If, for any reason, at the end of the two year period, the reduction in payments does not recover in full such amounts due, then such remaining amount shall be due immediately.

If Operator elects the Firm Mode of Operation, then-for the term of this Agreement Operator shall be paid for firm energy in accordance with [...OPERATOR TO CHOOSE...□ (VI.A, VI.B, or VI.C)] in Schedule 19-DRR. [Note: If the Operator elects VI.C, the following sentences will be included. All firm energy payments will be fixed for the initial term of this Agreement as set forth in Paragraph VI.C of Schedule 19-DRR. The on-peak firm energy payment will be _____ cents per kWh and the off-peak firm energy payment will be _____ cents per kWh.] [Note: If Operator elects VI.B, the following sentences will be included. All firm energy payments will be calculated each year of the Agreement by Dominion North Carolina Power using the____ year levelized avoided energy mix as shown in Exhibit C attached hereto and as specified in Schedule 19-DRR. The $/MBtu fuel cost, ¢/kWh for purchased power, and on-peak and off-peak factors, used to calculate firm energy rates, will change on a biennial basis consistent with the Schedule 19-DRR filing. North Carolina Power will notify Operator of changes to the firm and non-firm rates.] Payments for firm energy will begin on the Commercial Operations Date. All energy delivered per hour above the Contracted Capacity shall be considered non-firm and be paid for at the applicable non-firm rate. All energy delivered prior to the Commercial Operations Date shall also be considered non-firm and be paid for at the non-firm rate. In all cases, such non-firm energy rates will be those in the Schedule 19-DRR in effect at the time such energy is delivered.

If Operator elects the Firm Mode of Operation, specified in Section IV.C of Schedule 19-DRR, Operator shall be paid for Contracted Capacity on a cents per kilowatt-hour basis as specified in Schedule 19-DRR, Section VII. Operator shall not be paid for Contracted Capacity above the Contracted Capacity level in any hour during which the generation exceeds the Contracted Capacity level specified in Paragraph THIRD.

Payments for energy will begin on the Commercial Operations Date. All energy delivered prior to the Commercial Operations Date shall be paid pursuant to the attached Schedule 19-DRR tariff.

SIXTH - No later than sixty days after execution of this Agreement, Operator shall provide, at Operator's sole expense, security for Operator's performance under this Agreement, in an amount equal to $36.00 per kW of the nameplate rating, provided in Paragraph THIRD. Operator shall maintain such security until the expiration of this Agreement to ensure continued availability of the Facility and to guarantee payment of obligations by Operator to Dominion North Carolina Power. Such security will be an unconditional and irrevocable letter of credit issued by a bank and maintained in a form and with terms reasonably acceptable to Dominion North Carolina Power. The Letter of Credit must provide for monthly draws by Dominion North Carolina Power and permit presentation at a bank located in Richmond, Virginia. If the Agreement is terminated prior to the Commercial Operations of the Facility, Dominion North Carolina Power will be entitled to draw and retain the full amount of such security to offset any amounts owed to Dominion North Carolina Power.

SEVENTH - After execution of this Agreement and until the Commercial Operations Date, Operator shall prepare a quarterly status report for Dominion North Carolina Power showing the current progress on completing the project. This status report shall be delivered to Dominion North Carolina Power on or before the following dates each year, January 15, April 15, July 15, and October 15. Such status report shall discuss the progress of the project in a format, which is acceptable to Dominion North Carolina Power.

EIGHTH - Operator and Dominion North Carolina Power agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Dominion North Carolina Power having the right to immediate cancellation, without a cure period, of this Agreement: (i) failure to commence construction of the Facility, as defined below, and provide Dominion North Carolina Power with written notice thereof by , , (ii) failure to achieve Commercial Operations Date by , , (iii) failure to provide two (2) consecutive status reports pursuant to Paragraph SEVENTH, (iv) failure, pursuant to Paragraph SIXTH, to provide or maintain security that is acceptable to Dominion North Carolina Power, (v) delivery or supply of electrical output to any entity other than Dominion North Carolina Power or its agent, assignee or successor, (vi) failure to meet those requirements necessary to maintain Qualifying Facility status, (vii) failure at any time to have in effect a valid Interconnection Agreement with Dominion North Carolina Power (or its successor as operator of the Dominion North Carolina transmission system), or (viii) failure to generate and deliver power from the Facility to Dominion North Carolina Power for more than 180 consecutive days, at any time after the Commercial Operations Date, or (ix) failure to maintain QF certification. In the event Operator fails to perform in any way, materially or non-materially, any other obligations not specifically listed above, Operator shall be given notice and thirty (30) days to cure such non-performance. Notwithstanding any cure period, Dominion North Carolina Power shall not be obligated to purchase any energy or Contract Capacity under this Agreement while any such breach remains uncured. If Operator fails to cure its non-performance within thirty (30) days of Dominion North Carolina Power's notice, Dominion North Carolina Power shall have the right to cancel this Agreement. Operator agrees that if this Agreement is canceled by Dominion North Carolina Power for Operator's non-performance prior to the end of the initial term of this Agreement, then, Dominion North Carolina Power shall have all rights and remedies available at law or in equity. The Facility will be considered to have commenced construction on the first day upon which all of the following have occurred: (1) the issuance by Operator to its construction contractor for the Facility of a written unconditional Notice-to-Proceed; (2) the mobilization of major construction equipment and construction facilities on the Facility site; and (3) the commencement of major structural excavation and structural concrete work relating to a major component of the Facility such as the power island consistent with having commenced a continuous process of construction relating to the Facility. Dominion North Carolina Power shall have no obligation to accept a declaration of Commercial Operations prior to , 20 [NOTE: Dominion North Carolina Power to determine]. The Anticipated Commercial Operations Date is , 20.

NINTH - Operator represents and warrants that it has the right to operate the Facility in accordance with the terms of this Agreement. Operator further represents and warrants that all permits, approvals, and/or licenses necessary for the operation of the Facility will be obtained prior to the Commercial Operations Date and shall be maintained throughout the Term of this Agreement. Operator shall, provide such documentation and evidence of such right, permits, approvals and/or licenses as Dominion North Carolina Power may reasonably request, including without limitation air permits, leases and/or purchase agreements.

TENTH - All correspondence and payments concerning this Agreement shall be to the following addresses:

OPERATOR:	DOMINION NORTH CAROLINA POWER:
(Operator name) (Operator address)	Virginia Electric and Power Company Power Contracts (3SE) 5000 Dominion Boulevard Glen Allen, Virginia 23060-6711

Either Party may change the address by providing written notice to the other Party.

ELEVENTH - This Agreement is intended by the Parties as the final expression of their Agreement and is intended also as a complete and exclusive statement of the terms of their Agreement with respect to the purchase and sale of electrical output generated by the Facility. All prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement are hereby abrogated and withdrawn.

IN WITNESS WHEREOF, the Parties hereto have caused their names to appear below, signed by authorized representatives as of the date first shown above.

(Operator)

By: Title:

Date:

VIRGINIA ELECTRIC AND POWER COMPANY

By: Title:

Date:

EXHIBIT A
GENERATOR INTERCONNECTION GUIDANCE AND AGREEMENT

Dominion North Carolina Power's procedures for generator interconnection are available through the Internet at the Company's website. with draft interconnection agreements for non-FERC jurisdictional generators (as approved by the NCUC included as Attachments 1, 2 and 3 thereto). For FERC jurisdictional generators interconnection shall be in accordance with FERC and PJM requirements.

The specific Internet address for these procedures is http://www.dom.com/about/elec-transmission/gi-main.jsp. The Internet site contains links to the Generator Interconnection Procedures along with the Generator Interconnection Request Form. Once an Interconnection Agreement is executed it will be included herewith as part of this Exhibit A

EXHIBIT B
General Terms and Conditions

I - Assignments

Operator agrees not to assign this Agreement without the prior written consent of Dominion North Carolina Power. Dominion North Carolina Power may withhold such consent if it determines, in its sole discretion, that such assignment would not be in the best interests of Dominion North Carolina Power or its customers. Any attempted assignment that Dominion North Carolina Power has not approved in writing shall be null and void and ineffective for all purposes.

II - Indemnity

Operator shall indemnify and save harmless and, if requested by Dominion North Carolina Power, defend Dominion North Carolina Power, its officers, directors and employees from and against any and all losses and claims or demands for damages to real property or tangible personal property (including the property of Dominion North Carolina Power) and injury or death to persons arising out of, resulting from, or in any manner caused by the presence, operation or maintenance of any part of Operator's Facility; provided, however, that nothing herein shall be construed as requiring Operator to indemnify Dominion North Carolina Power for any injuries, deaths or damages caused by the sole negligence of Dominion North Carolina Power. Operator agrees to provide Dominion North Carolina Power written evidence of liability insurance coverage, which is specifically and solely for the Facility, prior to the operation of the Facility. Operator agrees to have Dominion North Carolina Power named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

III - QF Certification

Operator represents and warrants that its Facility meets the Qualifying Facility requirements established as of the Effective Date of this Agreement by the Federal Energy Regulatory Commission's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to remain a Qualifying Facility throughout the term of this Agreement. [Dominion North Carolina Power may require "FERC" QF Certification by adding the following: "Operator agrees to obtain, at Operator's expense, a certification as a "QF" from the Federal Energy Regulatory Commission, in accordance with 18 C.F.R. 292.207 (b)."] Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to obtaining certification of the Facility as a "QF". Operator will submit prior to delivery of electrical output from the Facility to Dominion North Carolina Power evidence of Qualifying Facility certification. After the Commercial Operations Date, if requested by Dominion North Carolina Power prior to March 1 of any year, Operator agrees to provide July 1 of the same year to Dominion North Carolina Power for the preceding year sufficient for Dominion North Carolina Power to determine the Operator's continuing compliance with its QF requirements including but not limited to:

(a) All information required by FERC Form 556.

(b) Copy of the Facility's QF Certification and any subsequent revisions or amendments

(c) Provide a copy of any contract executed with a thermal host.

(d) Identification of the amount of each type of fuel used permonth and average heating value for each type of fuel, which will be used to determine the Total Energy Input. These values should be verifiable by auditing supporting documentation.

(e) Identification of each of the QF's useful thermal output(s) for each month, including temperature, pressure, amount of thermal output delivered, temperature and amount of condensate returned (if applicable) and the conversion to Btus. These values should be verifiable by auditing supporting documentation.

(f) Identification of the QF's useful power output- for each month. These values should be verifiable by auditing supporting documentation.

(g) Provide drawings, heat balance diagrams and a sufficiently detailed narrative describing the delivery of useful thermal output including the location, description, and calibration data for all metering equipment used for QF calculations.

(h) Provide any other information which the QF believes will facilitate Dominion North Carolina Power's monitoring of the QF requirements.

(i) Dominion North Carolina Power may request additional information, as needed, to monitor the QF requirements.

IV - Consequential Damages

In no event shall either Party be liable to the other for any special, indirect, incidental or consequential damages whatsoever, except that the foregoing shall not apply to any promises of indemnity or obligations to reimburse the Parties expressly set forth in this Agreement.

V - Amendments, Waivers, Severability and Headings

This Agreement, including the appendices thereto, can be amended only by agreement between the Parties in writing. The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder. In the event any provision of this Agreement, or any part or portion thereof, shall be held to be invalid, void or otherwise unenforceable, the obligations of the Parties shall be deemed to be reduced only as much as may be required to remove the impediment. The headings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Agreement.

VI - Compliance with Laws

Operator covenants that it shall comply with all applicable provisions of Executive Order 11246, as amended; § 503 of the Rehabilitation Act of 1973, as amended; § 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended; and implementing regulations set forth in 41 C.F.R. §§ 60.1, 60-250, and 60-741 and the applicable provisions relating to the utilization of small minority business concerns as set forth in 15 U.S.C. § 637, as amended. Operator agrees that the equal opportunity clause set forth in 41 C.F.R. §60-1.4 and the equal opportunity clauses set forth in 41 C.F.R. § 250.5 and 41 C.F.R., 60-§741.5 and the clauses relating to the utilization of small and minority business concerns set forth in 15 U.S.C. § 637(d)(3) and 48 C.F.R. § 52-219.9 are hereby incorporated by reference and made a part of this Agreement. If this Agreement has a value of more than $500,000, Operator shall adopt and comply with a small business and small disadvantaged business subcontracting plan which shall conform to the requirements set forth in 15 U.S.C. § 637(d)(6). The provisions of this section shall apply to Operator only to the extent that:

(a) such provisions are required of Operator under existing law,

(b) Operator is not otherwise exempt from said provisions and

(c) Compliance with said provisions is consistent with and not violative of 42 U.S.C. § 2000 et seq., 42 U.S.C. § 1981 et seq., or other acts of Congress.

VII - Interconnection and Operation

Operator shall be responsible for the design, installation, and operation of its Facility. Operator shall be responsible for obtaining an Interconnection Agreement. Interconnection guidelines and agreement requirements are set forth in Exhibit A of this Agreement

Operator shall: (a) maintain the Facility and the Interconnection Facilities on Operator's side of the Interconnection Point, except Dominion North Carolina Power-owned Interconnection Facilities, in conformance with all applicable laws and regulations and in accordance with operating procedures; (b) obtain any governmental authorizations and permits required for the construction and operation thereof and keep all such permits and authorizations current and in effect; and (c) manage the Facility in a safe and prudent manner. If at any time Operator does not hold such authorizations and permits, Dominion North Carolina Power may refuse toaccept deliveries of power hereunder.

Dominion North Carolina Power may enter Operator's premises (a) to inspect Operator's protective devices at any reasonable time; (b) to read or test meters and metering equipment; and (c) to disconnect, without notice, the Facility if, in Dominion North Carolina Power's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or Dominion North Carolina Power facilities or other customers' facilities from damage or interference caused by Operator's Facility or lack of properly operating protective devices. Dominion North Carolina Power will endeavor to notify Operator as quickly as practicable if disconnection occurs as provided in (c) above. Any inspection of Operator's protective devices shall not impose on Dominion North Carolina Power any liabilities with respect to the operation, safety or maintenance of such devices.

Operator shall not operate the Facility in parallel with Dominion North Carolina Power's system prior to (a) an inspection of the installed Interconnection Facilities by an authorized Dominion North Carolina Power representative and (b) receiving written authorization from an authorized Dominion North Carolina Power representative to begin parallel operation.

VIII - Metering

Dominion North Carolina Power will meter all electrical output delivered from the Facility on the high voltage side of the step up transformer.

Operator agrees to pay an administrative charge to Dominion North Carolina Power to reflect all reasonable costs incurred by Dominion North Carolina Power for meter reading and billing, also referred to as metering charges. The monthly meter reading and billing charge shall change from time to time when the NCUC approves a different charge in Schedule 19-DRR.

In addition, Operator agrees to pay any fees required to provide and maintain leased telephone lines required for meter reading by Dominion North Carolina Power.

IX - Billing and Payment

Dominion North Carolina Power shall read the meter in accordance with its normal meter reading schedule. Within twenty-eight (28) days thereafter, Dominion North Carolina Power shall send Operator payment for energy and Contracted Capacity delivered. At Dominion North Carolina Power's option, (i) Dominion North Carolina Power may make such payments net of the monthly metering charges, Interconnection Facilities charges, and charges for sales of electricity to the Operator, or (ii) Dominion North Carolina Power may invoice Operator for such charges separately. Payment by Dominion North Carolina Power shall include verification showing the billing month's ending meter reading, on-peak and off-peak kWh, and the amount paid. If in any month the monthly metering and Interconnection Facilities charges are in excess of any payments due Operator, Dominion North Carolina Power shall bill Operator for the difference and Operator shall make such payment within 28 days of the invoice date. Failure by Operator to make such payments may result in disconnection of the Facility. In no event shall such disconnection relieve Operator of its obligation to pay monthly metering charges and Interconnection Facilities charges under this Agreement.

In the event that any data required for billing purposes hereunder are unavailable when required for such billing, the unavailable data shall be estimated by Dominion North Carolina Power, based upon historical data. Such billing shall be subject to any required adjustment in a subsequent billing month.

In addition to rights pursuant to Paragraph SIXTH of this Agreement, Operator agrees that Dominion North Carolina Power shall be entitled to withhold sufficient amounts due pursuant to this Agreement to offset (a) any damages to Dominion North Carolina Power resulting from any breach of this Agreement by Operator, and (b) any other amounts Operator owes Dominion North Carolina Power, including amounts arising from sales of electricity by Dominion North Carolina Power to Operator, metering charges and Interconnection Facilities charges.

In no event shall Dominion North Carolina Power be liable to Operator for any Contracted Capacity payments in excess of the amounts contracted for herein, regardless of the ultimate length of this Agreement or revisions to Schedule 19-DRR or successor schedules. Operator hereby agrees to accept the Contracted Capacity payments as set forth herein as its sole and complete compensation for delivery of Contracted Capacity to Dominion North Carolina Power.

X - Force Majeure

Neither Party shall be considered in default under this Agreement or responsible to the other Party in tort, strict liability, contract or other legal theory for damages of any description for any interruption or failure of service or deficiency in the quality or quantity of service orany other failure to perform any of its obligations hereunder to the extent such failure occurs without fault or negligence on the part of that Party and is caused by factors beyond that Party's reasonable control, which by the exercise of reasonable diligence that Party is unable to prevent, avoid, mitigate or overcome, including without limitation storm, flood, lightning, earthquake, explosion, equipment failure, civil disturbance, labor dispute, act of God or public enemy, action or inaction of a courtor public authority, fire, sabotage, war, explosion, curtailments, unscheduled withdrawal of facilities from operation for maintenance or repair or any other cause of similar nature beyond the reasonable control of that Party (any such event, "Force Majeure"). Solely economic hardship of either Party shall not constitute Force Majeure under this Agreement. Nor shall anything contained in this paragraph or elsewhere in this Agreement excuse Operator or Dominion North Carolina Power from strict compliance with the obligation of the Parties to comply with the terms of Article IX of this Exhibit B relating to timely payments.

Each Party shall have the obligation to operate in accordance with Good Utility Practice (as defined below) at all times and to use due diligence to overcome and remove any cause of failure to perform.

If a Party relies on the occurrence of an event of Force Majeure described above as a basis for being excused from performance of its obligations under this Agreement, then the Party relying on the Force Majeure event shall:

a) Provide within forty-eight (48) hours written notice of such Force Majeure event or potential Force Majeure to the other Party, giving an estimate of its expected duration and the probable impact on the performance of its obligations hereunder;

b) Exercise all reasonable efforts to continue to perform its obligations under this Agreement;

c) Expeditiously take action to correct or cure the Force Majeure event excusing performance; provided, however, that settlement of strikes or other labor disputes will be completely within the sole discretion of the Party affected by such strike or labor dispute;

d) Exercise all reasonable efforts to mitigate or limit damages to the other Party; and

e) Provide prompt notice to the other Party of the cessation of the Force Majeure event giving rise to its excuse from performance. All performance obligations hereunder shall be extended by a period equal to the term of the resultant delay.

If a Party responding to a Force Majeure event has the ability to obtain, for additional expenditures, expedited material deliveries or labor production which would allow a response to the event in a manner that is above and beyond Good Utility Practice, and such a response could shorten the duration of the Force Majeure event, the Party responding to the event may, at its discretion, present the other Party with the option of funding the expenditures for expediting material deliveries or labor production in an effort to reduce the duration of the eventand economic hardship. Each such opportunity will be negotiated on a case-by-case basis by the Parties.

For purposes of this Agreement, "Good Utility Practice" shall mean any of the applicable practices, methods, standards, guides or acts: required by any governmental authority, regional or national reliability council, or national trade organization, including NERC, SERC, or the successor of any of them, as they may be amended from time to time whether or not the Party whose conduct is at issue is a member thereof; otherwise engaged in or approved by a significant portion of the electric utility industry during the relevant time period which in the exercise of reasonable judgment in light of the facts known or that should have been known at the time a decision was made, could have been expected to accomplish the desired result in a manner consistent with law, regulation, good business practices, generation, transmission and distribution reliability, safety, environmental protection, economy and expediency. Good Utility Practice is intended to be acceptable practices, methods, or acts generally accepted in the region, or any other acts or practices as are reasonably necessary to maintain the reliability of the Transmission System (as defined in the Interconnection Agreement), or of the Facility, and is not intended to be limited to the optimum practices, methods, or acts to the exclusion of all others.

EXHIBIT C

Exhibit C is a copy of Schedule 19-DRR based on the DRR Method

EXHIBIT D

Exhibit D is reserved for possible future use]

EXHIBIT E

Exhibit E is a map and written description identifying the specific location of the Facility and is provided by the Operator.

EXHIBIT F

Exhibit F is the "Qualifying Facility" Certification to be provided by the Operator.

OR

If Facility is less than 1MW, Owner may submit the following statement as Exhibit F that the Facility qualifies as a Qualifying Facility (QF) under federal law.

Federal law exempts small power production or cogeneration facilities with net power production capacities of 1 MW or less from certain certification requirements in order to qualify as a qualifying facility ("QF" or "Qualifying Facility"). Therefore, [QF Name Here] submits the Facility is exempt from the certification requirements, but submits that the Facility qualifies as a Qualifying Facility under federal law set forth in the Public Utility Regulatory Policies Act of 1978 ("PURPA") (codified at 16 U.S.C. § 824a-3.

____
Name

____
Title

EXHIBIT G

Exhibit G is the Certificate of Public Convenience and Necessity to be provided by the Operator, or evidence that no such certificate is required under North Carolina law.

AGREEMENT FOR THE SALE OF ELECTRICAL OUTPUT TO VIRGINIA ELECTRIC AND POWER COMPANY

THIS AGREEMENT, *effective this day of , ____, (the "Effective Date") by and between* VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service company with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Virginia Power, and in North Carolina as Dominion North Carolina Power, hereinafter called " Dominion North Carolina Power" or "Company", and [Operator Corporate Name] , a [State & Form, i.e. "North Carolina Corporation"] , with its principal office in [City] , [State] , hereinafter called "Operator", operator of the [Facility Name] Facility, hereinafter called the "Facility":

RECITALS

WHEREAS, the North Carolina Utilities Commission has adopted a rate schedule described in this Agreement below as Schedule 19-LMP applicable to Qualifying Facilities (or "QF" as that term is defined in 18 C.F.R. 292 which can provide Contracted Capacity (a) up to 5000 kW from a hydroelectric generating facility, (b) up to 5000 kW from a generating facility fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind or non-animal *forms of biomass, or (c) up to 3000 kW for all other QFs; and*

WHEREAS, the parties hereto wish to contract for the sale of electrical output from such a QF to be operated by Operator,

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto contract and agree with each other as follows:

FIRST - Dominion North Carolina Power or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and Contracted Capacity) made available for sale from the Facility on a [...OPERATOR TO CHOOSE...a simultaneous purchase and sale arrangement OR an excess sale arrangement]. In addition, Operator has elected to contract under the LMP Method for determining the Company's avoided cost as described more fully in paragraph FIFTH and Exhibit D. Operator elects to provide for the Supply of energy and capacity per Schedule 19-LMP paragraph III.A, or to provide for energy only per Schedule 19-LMP paragraph III.B, up to the Facility's Contracted Capacity. *The Facility is located in Dominion North Carolina Power's [retail service] area in* [City/County], North Carolina.

SECOND - This Agreement shall commence on the Effective Date and shall continue in effect for a period of ___years from the Commercial Operations Date. The Commercial Operations Date shall be the first date that all of the following conditions have been satisfied:

a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Dominion North Carolina Power system and such action has been witnessed by an authorized Dominion North Carolina Power employee;

b) After completion of item a) above, Dominion North Carolina Power has received written notice from Operator specifying the Commercial Operations Date and certifying that the Facility is ready to begin commercial operations as a Qualifying Facility;

c) Operator and Dominion North Carolina Power (or the PJM Interconnection, LLC or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an Interconnection Agreement to be included herewith as Exhibit A;

d) Operator has provided to Dominion North Carolina Power Qualifying Facility Certification to be included herewith as Exhibit F; and

e) *Operator either has received from the North Carolina Utilities Commission a* Certificate of Public Convenience and Necessity or has filed the notice required by G.S. 62-110.1(g) and is not legally required to obtain such a certificate for the construction and operation of the Facility.

For contract terms of 10 years or more, this Agreement may be renewed at the option of Dominion North Carolina Power on substantially the same terms and conditions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration Dominion North Carolina Power's then avoided cost rates and other relevant factors or (2) set by arbitration.

THIRD - The Facility, consisting of ___ generator(s), will have a combined nameplate rating of approximately kW. The Facility's Contracted Capacity shall be ____ kW.

FOURTH - *The following documents are attached hereto and are made a part hereof:*

Exhibit A:	Executed Interconnection Agreement (attached for information but not as a part of this Agreement)
Exhibit B:	General Terms and Conditions
Exhibit C:	NOT APPLICABLE
Exhibit D:	Schedule 19-LMP, Power Purchases from Cogeneration and Small Power Production Qualifying Facilities and applicable to the QF who chooses the LMP Method (effective January 1, 2011~~07~~, sometimes referred to as "Schedule 19-LMP" herein)
Exhibit E:	Map and related written description identifying the specific location of the Facility in the City or County designated in Paragraph FIRST
Exhibit F:	"Qualifying Facility" Certification (if Facility is less than 1MW, Owner submission that the Facility qualifies as a Qualifying Facility (QF) under federal law)
Exhibit G:	Certificate of Public Convenience and Necessity (or evidence that no such certificate was required under North Carolina law)

FIFTH - Payments for all energy and Contracted Capacity purchased hereunder shall be determined by the provisions and rate determination methodologies for payments in Schedule 19-LMP included herewith as Exhibit D and pursuant to Operator elections within such Schedule 19-LMP, if any, as stated in Paragraph FIRST hereof. Operator will be permitted a ~~to~~ one-time switch to ~~the~~ Schedule 19 - DRR ~~Method~~ on the first day ~~at the commencement~~ of its second year under its contract, subject to 90 days prior written notice to Company, and in so doing commence a whole new ~~DRR~~ contract with pricing in accordance with the Schedule 19 – DRR in effect at the time of the initial Schedule 19 – LMP contract date and with a choice of term, i.e, 2,5,10, or 15 years less the days elapsed between the commencement of the original Schedule 19 – LMP contract and the time of execution of the new Schedule 19 – DRR contract. This one-time option to s~~S~~witching shall only be ~~is~~ permitted contingent on~~so long as the Company is required to offer both~~ Schedule 19-DRR being in effect on the first day of the QF's second year under contract ~~and Schedule 19-LMP~~. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatthour basis. Should the North Carolina Utilities Commission (NCUC), Virginia State Corporation Commission (SCC) or other regulatory or other legal body having jurisdiction (such as the Federal Energy Regulatory Commission) 1) not allow any future payments to non-utility generators (generally or to Operator specifically) for energy or capacity (including Contracted Capacity) or both to be included in Dominion North Carolina Power/Dominion Virginia Power's rates charged to customers, 2) at any time prohibit Dominion North Carolina Power/ Dominion Virginia Power from recovering from its customers sums related to payments previously made to non-utility generators (generally or to Operator specifically), or 3) order Dominion North Carolina Power/ Dominion Virginia Power to pay back to its customers sums related to amounts collected as a result of payments to non-utility generators (generally or to Operator specifically) (hereinafter the sums referred to in both 2) and 3) above shall be referred to individually and collectively as the "Disallowed Payments"), Operator shall be required both to accept from the effective date of the Order from the NCUC, SCC, or other regulatory or legal body having jurisdiction ("Commission Order") payments at the level of rates that will be allowed to be recovered in rates charged to Dominion North Carolina Power/ Dominion Virginia Power's customers and to refund to Dominion North Carolina Power, A) the identified dollar amount of the Disallowed Payments specifically identified in the Commission Order as resulting from payments made to Operator hereunder, or B) if the Disallowed Payments are not specifically identified, Operator's pro-rata share of the Disallowed Payments which shall be equal to the product of (1) the total amount of payments made under this Agreement for the period of time such Disallowed Payments have been calculated, and (2) a fraction whereby the numerator is the Disallowed Payments and the denominator is the total amount of payments made to all Non-utility Generators, that were considered in the Commission Order, for the same period of time that such Disallowed Payments have been calculated. Operator shall pay any amounts due as a result of the Commission Order within 28 days of notice by Dominion North Carolina Power or, provided that more than three years remain in the term of the Agreement, then, at Operator's option, Dominion North Carolina Power shall collect such amounts due with interest from the date of any such Commission Order by reducing payments to Operator at a monthly amount projected to complete the refund of the Disallowed Amount with interest in the two year period following such notice. Such interest shall be calculated at the rate of Dominion North Carolina Power/ Dominion Virginia Power's most recent issue of long-term debt at the time of the Commission Order. If, for any reason, at the end of the two year period, the reduction in payments does not recover in full such amounts due, then such remaining amount shall be due immediately.

Payments for energy will begin on the Commercial Operations Date. All energy delivered prior to the Commercial Operations Date shall be paid pursuant to the attached Schedule 19-LMP tariff.

. Operator shall not be paid for Contracted Capacity above the Contracted Capacity level in any hour during which the generation exceeds the Contracted Capacity level specified in Paragraph THIRD.

SIXTH - No later than sixty days after execution of this Agreement, Operator shall provide, at Operator's sole expense, security for Operator's performance under this Agreement, in an amount equal to $36.00 per kW of the nameplate rating, provided in Paragraph THIRD. Operator shall maintain such security until the expiration of this Agreement to ensure continued availability of the Facility and to guarantee payment of obligations by Operator to Dominion North Carolina Power. Such security will be an unconditional and irrevocable letter of credit issued by a bank and maintained in a form and with terms reasonably acceptable to Dominion North Carolina Power. The Letter of Credit must provide for monthly draws by Dominion North Carolina Power and permit presentation at a bank located in Richmond, Virginia. If the Agreement is terminated prior to the Commercial Operations of the Facility, Dominion North Carolina Power will be entitled to draw and retain the full amount of such security to offset any amounts owed to Dominion North Carolina Power.

SEVENTH - After execution of this Agreement and until the Commercial Operations Date, Operator shall prepare a quarterly status report for Dominion North Carolina Power showing the current progress on completing the project. This status report shall be delivered to Dominion North Carolina Power on or before the following dates each year, January 15, April 15, July 15, and October 15. Such status report shall discuss the progress of the project in a format, which is acceptable to Dominion North Carolina Power.

EIGHTH - Operator and Dominion North Carolina Power agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Dominion North Carolina Power having the right to immediate cancellation, without a cure period, of this Agreement: (i) failure to commence construction of the Facility, as defined below, and provide Dominion North Carolina Power with written notice thereof by , , (ii) failure to achieve Commercial Operations Date by , , (iii) failure to provide two (2) consecutive status reports pursuant to Paragraph SEVENTH, (iv) failure, pursuant to Paragraph SIXTH, to provide or maintain security that is acceptable to Dominion North Carolina Power, (v) delivery or supply of electrical output to any entity other than Dominion North Carolina Power or its agent, assignee or successor, (vi) failure to meet those requirements necessary to maintain Qualifying Facility status, (vii) failure at any time to have in effect a valid Interconnection Agreement with Dominion North Carolina Power (or its successor as operator of the Dominion North Carolina transmission system), or (viii) failure to generate and deliver power from the Facility to Dominion North Carolina Power for more than 180 consecutive days, at any time after the Commercial Operations Date, or (ix) failure to maintain QF certification. In the event Operator fails to perform in any way, materially or non-materially, any other obligations not specifically listed above, Operator shall be given notice and thirty (30) days to cure such non-performance. Notwithstanding any cure period, Dominion North Carolina Power shall not be obligated to purchase any energy or Contract Capacity under this Agreement while any such breach remains uncured. If Operator fails to cure its non-performance within thirty (30) days of Dominion North Carolina Power's notice, Dominion North Carolina Power shall have the right to cancel this Agreement. Operator agrees that if this Agreement is canceled by Dominion North Carolina Power for Operator's non-performance prior to the end of the initial term of this Agreement, then, Dominion North Carolina Power shall have all rights and remedies available at law or in equity. The Facility will be considered to have commenced construction on the first day upon which all of the following have occurred: (1) the issuance by Operator to its construction contractor for the Facility of a written unconditional Notice-to-Proceed; (2) the mobilization of major construction equipment and construction facilities on the Facility site; and (3) the commencement of major structural excavation and structural concrete work relating to a major component of the Facility such as the power island consistent with having commenced a continuous process of construction relating to the Facility. Dominion North Carolina Power shall have no obligation to accept a declaration of Commercial Operations prior to , 20 [NOTE: Dominion North Carolina Power to determine]. The Anticipated Commercial Operations Date is , 20.

NINTH - Operator represents and warrants that it has the right to operate the Facility in accordance with the terms of this Agreement. Operator further represents and warrants that all permits, approvals, and/or licenses necessary for the operation of the Facility will be obtained prior to the Commercial Operations Date and shall be maintained throughout the Term of this Agreement. Operator shall, provide such documentation and evidence of such right, permits, approvals and/or licenses as Dominion North Carolina Power may reasonably request, including without limitation air permits, leases and/or purchase agreements.

TENTH - All correspondence and payments concerning this Agreement shall be to the following addresses:

OPERATOR:	DOMINION NORTH CAROLINA POWER:
(Operator name) (Operator address)	Virginia Electric and Power Company Power Contracts (3SE) 5000 Dominion Boulevard Glen Allen, Virginia 23060-6711

Either Party may change the address by providing written notice to he other Party.

ELEVENTH - This Agreement is intended by the Parties as the final expression of their Agreement and is intended also as a complete and exclusive statement of the terms of their Agreement with respect to the purchase and sale of electrical output generated by the Facility. All prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement are hereby abrogated and withdrawn.

IN WITNESS WHEREOF, the Parties hereto have caused their names to appear below, signed by authorized representatives as of the date first shown above.

(Operator)

By: Title:

Date:

VIRGINIA ELECTRIC AND POWER COMPANY

By: Title:

Date:

EXHIBIT A
GENERATOR INTERCONNECTION GUIDANCE AND AGREEMENT

Dominion North Carolina Power's procedures for generator interconnection are available through the Internet at the Company's website, with draft interconnection agreements for non-FERC jurisdictional generators (as approved by the NCUC included as Attachments 1, 2 and 3 thereto). For FERC jurisdictional generators interconnectionshall be in accordance with FERC and PJM requirements.

The specific Internet address for these procedures is http://www.dom.com/about/elec-transmission/gi-main.jsp. The Internet site contains links to the Generator Interconnection Procedures along withthe Generator Interconnection Request Form. Once an Interconnection Agreement is executed it will be included herewith as part of this Exhibit A

EXHIBIT B
General Terms and Conditions

I - Assignments

Operator agrees not to assign this Agreement without the prior written consent of Dominion North Carolina Power. Dominion North Carolina Power may withhold such consent if it determines, in its sole discretion, that such assignment would not be in the best interests of Dominion North Carolina Power or its customers. Any attempted assignment that Dominion North Carolina Power has not approved in writing shall be null and void and ineffective for all purposes.

II - Indemnity

Operator shall indemnify and save harmless and, if requested by Dominion North Carolina Power, defend Dominion North Carolina Power, its officers, directors and employees from and against any and all losses and claims or demands for damages to real property or tangible personal property (including the property of Dominion North Carolina Power) and injury or death to persons arising out of, resulting from, or in any manner caused by the presence, operation or maintenance of any part of Operator's Facility; provided, however, that nothing herein shall be construed as requiring Operator to indemnify Dominion North Carolina Power for any injuries, deaths or damages caused by the sole negligence of Dominion North Carolina Power. Operator agrees to provide Dominion North Carolina Power written evidence of liability insurance coverage, which is specifically and solely for the Facility, prior to the operation of the Facility. Operator agrees to have Dominion North Carolina Power named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

III - QF Certification

Operator represents and warrants that its Facility meets the Qualifying Facility requirements established as of the Effective Date of this Agreement by the Federal Energy Regulatory Commission's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to remain a Qualifying Facility throughout the term of this Agreement. [Dominion North Carolina Power may require "FERC" QF Certification by adding the following: "Operator agrees to obtain, at Operator's expense, a certification as a "QF" from the Federal Energy Regulatory Commission, in accordance with 18 C.F.R. 292.207 (b)."] Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to obtaining certification of the Facility as a "QF". Operator will submit prior to delivery of electrical output from the Facility to Dominion North Carolina Power evidence of Qualifying Facility certification. After the Commercial Operations Date, if requested by Dominion North Carolina Power prior to March 1 of any year, Operator agrees to provide information annually by July 1 of the same year to Dominion North Carolina Power for the preceding year sufficient for Dominion North Carolina Power to determine the Operator's continuing compliance with its QF requirements including but not limited to:

(a) All information required by FERC Form 556.

(b) Copy of the Facility's QF Certification and any subsequent revisions or amendments

(c) Provide a copy of any contract executed with a thermal host.

(d) Identification of the amount of each type of fuel used per month and average heating value for each type of fuel, which will be used to determine the Total Energy Input. These values should be verifiable by auditing supporting documentation.

(e) Identification of each of the QF's useful thermal output(s) for each month, including temperature, pressure, amount of thermal output delivered, temperature and amount of condensate returned (if applicable) and the conversion to Btus. These values should be verifiable by auditing supporting documentation.

(f) Identification of the QF's useful power output, for each month. These values should be verifiable by auditing supporting documentation.

(g) Provide drawings, heat balance diagrams and a sufficiently detailed narrative describing the delivery of useful thermal output including the location, description, and calibration data for all metering equipment used for QF calculations.

(h) Provide any other information which the QF believes will facilitate Dominion North Carolina Power's monitoring of the QF requirements.

(i) Dominion North Carolina Power may request additional information, as needed, to monitor the QF requirements.

IV - Consequential Damages

In no event shall either Party be liable to the other for any special, indirect, incidental or consequential damages whatsoever, except that the foregoing shall not apply to any promises of indemnity or obligations to reimburse the Parties expressly set forth in this Agreement.

V - Amendments, Waivers, Severability and Headings

This Agreement, including the appendices thereto, can be amended only by agreement between the Parties in writing. The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder. In the event any provision of this Agreement, or any part or portion thereof, shall be held to be invalid, void or otherwise unenforceable, the obligations of the Parties shall be deemed to be reduced only as much as may be required to remove the impediment. The headings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Agreement.

VI - Compliance with Laws

Operator covenants that it shall comply with all applicable provisions of Executive Order 11246, as amended; § 503 of the Rehabilitation Act of 1973, as amended; § 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended; and implementing regulations set forth in 41 C.F.R. §§ 60.1, 60-250, and 60-741 and the applicable provisions relating to the utilization of small minority business concerns as set forth in 15 U.S.C. § 637, as amended. Operator agrees that the equal opportunity clause set forth in 41 C.F.R. § 60-1.4 and the equal opportunity clauses set forth in 41 C.F.R. § 60-250.5 and 41 C.F.R., 60-§741.5 and the clauses relating to the utilization of small and minority business concerns set forth in 15 U.S.C. § 637(d)(3) and 48 C.F.R. § 52-219.9 are hereby incorporated by reference and made a part of this Agreement. If this Agreement has a value of more than $500,000, Operator shall adopt and comply with a small business and small disadvantaged business subcontracting plan which shall conform to the requirements set forth in 15 U.S.C. § 637(d)(6). The provisions of this section shall apply to Operator only to the extent that:

(a) Such provisions are required of Operator under existing law,

(b) Operator is not otherwise exempt from said provisions and

(c) Compliance with said provisions is consistent with and not violative of 42 U.S.C. § 2000 et seq., 42 U.S.C. § 1981 et seq., or other acts of Congress.

VII - Interconnection and Operation

Operator shall be responsible for the design, installation, and operation of its Facility. Operator shall be responsible for obtaining an Interconnection Agreement. Interconnection guidelines and agreement requirements are set forth in Exhibit A of this Agreement

Operator shall: (a) maintain the Facility and the Interconnection Facilities on Operator's side of the Interconnection Point, except Dominion North Carolina Power-owned Interconnection Facilities, in conformance with all applicable laws and regulations and in accordance with operating procedures; (b) obtain any governmental authorizations and permits required for the construction and operation thereof and keep all such permits and authorizations current and in effect; and (c) manage the Facility in a safe and prudent manner. If at any time Operator does not hold such authorizations and permits, Dominion North Carolina Power may refuse to accept deliveries of power hereunder.

Dominion North Carolina Power may enter Operator's premises (a) to inspect Operator's protective devices at any reasonable time; (b) to read or test meters and metering equipment; and (c) to disconnect, without notice, the Facility *if, in Dominion North Carolina Power's opinion, a hazardous condition exists and such immediate action is necessary* to protect persons, or Dominion North Carolina Power facilities or other customers' facilities from damage or interference caused by Operator's Facility or lack of properly operating protective devices. Dominion North Carolina Power will endeavor to notify Operator as quickly as practicable if disconnection occurs as provided in (c) above. Any inspection of Operator's protective devices shall not impose on Dominion North Carolina Power any liabilities with respect to the operation, safety or maintenance of such devices.

Operator shall not operate the Facility in parallel with Dominion North Carolina Power's system prior to (a) an inspection of the installed Interconnection Facilities by an authorized Dominion North Carolina Power representative and (b) receiving written authorization from an authorized Dominion North Carolina Power representative to begin parallel operation.

VIII - Metering

Dominion North Carolina Power will meter all electrical output delivered from the Facility on the high voltage side of the step up transformer.

Operator agrees to pay an administrative charge to Dominion North Carolina Power to reflect all reasonable costs incurred by Dominion North Carolina Power for meter reading and billing, also referred to as metering charges. The monthly meter reading and billing charge shall change from time to time when the NCUC approves a different charge in Schedule 19-LMP.

In addition, Operator agrees to pay any fees required to provide and maintain leased telephone lines required for meter reading by Dominion North Carolina Power.

IX - Billing and Payment

Dominion North Carolina Power shall read the meter in accordance with its normal meter reading schedule. Within twenty-eight (28) days thereafter, Dominion North Carolina Power shall send Operator payment for energy and Contracted Capacity delivered. At Dominion North Carolina Power's option, (i) Dominion North Carolina Power may make such payments net of the monthly metering charges, Interconnection Facilities charges, and charges for sales of electricity to the Operator, or (ii) Dominion North Carolina Power may invoice Operator for such charges separately. Payment by Dominion North Carolina Power shall include verification showing the billing month's ending meter reading, on-peak and off-peak kWh, and the amount paid. If in any month the monthly metering and Interconnection Facilities charges are in excess of any payments due Operator, Dominion North Carolina Power shall bill Operator for the difference and Operator shall make such payment within 28 days of the invoice date. Failure by Operator to make such payments may result in disconnection of the Facility. In no event shall such disconnection relieve Operator of its obligation to pay monthly metering charges and Interconnection Facilities charges under this Agreement.

In the event that any data required for billing purposes hereunder are unavailable when required for such billing, the unavailable data shall be estimated by Dominion North Carolina Power, based upon historical data. Such billing shall be subject to any required adjustment in a subsequent billing month.

In addition to rights pursuant to Paragraph SIXTH of this Agreement, Operator agrees that Dominion North Carolina Power shall be entitled to withhold sufficient amounts due pursuant to this Agreement to offset (a) any damages to Dominion North Carolina Power resulting from any breach of this Agreement by Operator, and (b) any other amounts Operator owes Dominion North Carolina Power, including amounts arising from sales of electricity by Dominion North Carolina Power to Operator, metering charges and Interconnection Facilities charges.

In no event shall Dominion North Carolina Power be liable to Operator for any Contracted Capacity payments in excess of the amounts contracted for herein, regardless of the ultimate length of this Agreement or revisions to Schedule 19-LMP or successor schedules. Operator hereby agrees to accept the Contracted Capacity payments as set forth herein as its sole and complete compensation for delivery of Contracted Capacity to Dominion North Carolina Power.

X - Force Majeure

Neither Party shall be considered in default under this Agreement or responsible to the other Party in tort, strict liability, contract or other legal theory for damages of any description for any interruption or failure of service or deficiency in the quality or quantity of service or any other failure to perform any of its obligations hereunder to the extent such failure occurs without fault or negligence on thepart of that Party and is caused by factors beyond that Party's reasonable control, which by the exercise of reasonable diligence that Party is unable to prevent, avoid, mitigate or overcome, including without limitation storm, flood, lightning, earthquake, explosion, equipment failure, civil disturbance, labor dispute, act of God or public enemy, action or inaction of a court or public authority, fire, sabotage, war, explosion, curtailments, unscheduled withdrawal of facilities from operation for maintenance or repair or any other cause of similar nature beyond the reasonable control of that Party (any such event, "Force Majeure"). Solely economic hardship of either Party shall not constitute Force Majeure under this Agreement. Nor shall anything contained in this paragraph or elsewhere in this Agreement excuse Operator or Dominion North Carolina Power from strict compliance with the obligation of the Parties to comply with the terms of Article IX of this Exhibit B relating to timely payments.

Each Party shall have the obligation to operate in accordance with Good Utility Practice (as defined below) at all times and to use due diligence to overcome and remove any cause of failure to perform.

If a Party relies on the occurrence of an event of Force Majeure described above as a basis for being excused from performance of its obligations under this Agreement, then the Party relying on the Force Majeure event shall:

a) Provide within forty-eight (48) hours written notice of such Force Majeure event or potential Force Majeure to the other Party, giving an estimate of its expected duration and the probable impact on the performance of its obligations hereunder;

b) Exercise all reasonable efforts to continue to perform its obligations under this Agreement;

c) Expeditiously take action to correct or cure the Force Majeure event excusing performance; provided, however, that settlement of strikes or other labor disputes will be completely within the sole discretion of the Party affected by such strike or labor dispute;

d) Exercise all reasonable efforts to mitigate or limit damages to the other Party; and

e) Provide prompt notice to the other Party of the cessation of the Force Majeure event giving rise to its excuse from performance. All performance obligations hereunder shall be extended by a period equal to the term of the resultant delay.

If a Party responding to a Force Majeure event has the ability to obtain, for additional expenditures, expedited material deliveries or labor production which would allow a response to the event in a manner that is above and beyond Good Utility Practice, and such a response could shorten the duration of the Force Majeure event, the Party responding to the event may, at its discretion, present the other Party with the option of funding the expenditures for expediting material deliveries or labor production in an effort to reduce the duration of the event and economic hardship. Each such opportunity will be negotiated on a case-by-case basis by the Parties.

For purposes of this Agreement, "Good Utility Practice" shall mean any of the applicable practices, methods, standards, guides or acts: required by any governmental authority, regional or national reliability council, or national trade organization, including NERC, SERC, or the successor of any of them, as they may be amended from time to time whether or not the Party whose conduct is at issue is a member thereof; otherwise engaged in or approved by a significant portion of the electric utility industry during the relevant time perod which in the exercise of reasonable judgment in light of the facts knownor that should have been known at the time a decision was made, could have been expected to accomplish the desired result in a manner consistent with law, regulation, good business practices, generation, transmission and distribution reliability, safety,environmental protection, economy and expediency. Good Utility Practice is intended to be acceptable practices, methods, or acts generally accepted in the region, or any other acts or practices as are reasonably necessary to maintain the reliability of theTransmission System (as defined in the Interconnection Agreement), or of the Facility, and is not intended to be limited to the optimum practices, methods, or acts to the exclusion of all others.

EXHIBIT C

Exhibit C is reserved for possible future use.

EXHIBIT D

Exhibit D is a copy of Schedule 19-LMP based on the LMP Method. .

EXHIBIT E

Exhibit E is a map and written description identifying the specific location of the Facility and is provided by the Operator.

EXHIBIT F

Exhibit F is the "Qualifying Facility" Certification to be provided by the Operator.

OR

If Facility is less than 1MW, Owner may submit the following statement as Exhibit F that the Facility qualifies as a Qualifying Facility (QF) under federal law.

Federal law exempts small power production or cogeneration facilities with net power production capacities of 1 MW or less from certain certification requirements in order to qualify as a qualifying facility ("QF" or "Qualifying Facility"). Therefore, [QF Name Here] submits the Facility is exempt from the certification requirements, but submits that the Facility qualifies as a Qualifying Facility under federal law set forth in the Public Utility Regulatory Policies Act of 1978 ("PURPA") (codified at 16 U.S.C. § 824a-3.

____
Name

____
Title

EXHIBIT G

Exhibit G is the Certificate of Public Convenience and Necessity to be provided by the Operator, or evidence that no such certificate is required under North Carolina law.

**AGREEMENT FOR THE SALE
OF ELECTRICAL OUTPUT TO
VIRGINIA ELECTRIC AND POWER COMPANY**

THIS AGREEMENT, effective this day of , ____, (the "Effective Date") by and between VIRGINIA ELECTRIC AND POWER COMPANY, a Virginia public service company with its principal office in Richmond, Virginia, doing business in Virginia as Dominion Virginia Power, and in North Carolina as Dominion North Carolina Power, hereinafter called " Dominion North Carolina Power" or "Company", and [Operator Corporate Name] , a [State & Form, i.e. "North Carolina Corporation"] , with its principal office in [City] , [State] , hereinafter called "Operator", operator of the [Facility Name] Facility, hereinafter called the "Facility":

RECITALS

WHEREAS, the North Carolina Utilities Commission has adopted a rate schedule described in this Agreement below as Schedule 19-LMP applicable to Qualifying Facilities (or "QF" as that term is defined in 18 C.F.R. 292 which can provide Contracted Capacity (a) up to 5000 kW from a hydroelectric generating facility, (b) up to 5000 kW from a generating facility fueled by trash or methane derived from landfills, hog waste, poultry waste, solar, wind or non-animal forms of biomass, or (c) up to 3000 kW for all other QFs; and

WHEREAS, the parties hereto wish to contract for the sale of electrical output from such a QF to be operated by Operator,

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto contract and agree with each other as follows:

FIRST - Dominion North Carolina Power or its agent, assignee, or successor will purchase from Operator all of the electrical output (energy and Contracted Capacity) made available for sale from the Facility on a [...OPERATOR TO CHOOSE...a simultaneous purchase and sale arrangement OR an excess sale arrangement]. In addition, Operator has elected to contract under the LMP Method for determining the Company's avoided cost as described more fully in paragraph FIFTH and Exhibit D. Operator elects to provide for the Supply of energy and capacity per Schedule 19-LMP paragraph III.A, or to provide for energy only per Schedule 19-LMP paragraph III.B, up to the Facility's Contracted Capacity. The Facility is located in Dominion North Carolina Power's [retail service] area in [City/County], North Carolina.

SECOND - This Agreement shall commence on the Effective Date and shall continue in effect for a period of ___years from the Commercial Operations Date. The Commercial Operations Date shall be the first date that all of the following conditions have been satisfied:

a) The Facility has been permanently constructed, synchronized with and has delivered electrical output to the Dominion North Carolina Power system and such action has been witnessed by an authorized Dominion North Carolina Power employee;

b) After completion of item a) above, Dominion North Carolina Power has received written notice from Operator specifying the Commercial Operations Date and *certifying that the Facility is ready to begin commercial operations as a Qualifying Facility;*

c) Operator and Dominion North Carolina Power (or the PJM Interconnection, LLC or other operator of the Dominion North Carolina Power transmission system, as applicable) have executed an Interconnection Agreement to be included herewith as Exhibit A;

d) Operator has provided to Dominion North Carolina Power Qualifying Facility Certification to be included herewith as Exhibit F; and

e) Operator either has received from the North Carolina Utilities Commission a Certificate of Public Convenience and Necessity or has filed the notice required by G.S. 62-110.1(g) and is not legally required to obtain such a certificate for the construction and operation of the Facility.

For contract terms of 10 years or more, this Agreement may be renewed at the option of Dominion North Carolina Power on substantially the same terms and conditions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration Dominion North Carolina Power's then avoided cost rates and other relevant factors or (2) set by arbitration.

THIRD - The Facility, consisting of ___ generator(s), will have a combined nameplate rating of approximately kW. The Facility's Contracted Capacity shall be ____ kW.

FOURTH - The following documents are attached hereto and are made a part hereof:

Exhibit A: Executed Interconnection Agreement (attached for information but not as a part of this Agreement)

Exhibit B: General Terms and Conditions

Exhibit C: NOT APPLICABLE

Exhibit D: Schedule 19-LMP, Power Purchases from Cogeneration and Small Power Production Qualifying Facilities and applicable to the QF who chooses the LMP Method (effective January 1, 2011, sometimes referred to as "Schedule 19-LMP" herein)

Exhibit E: Map and related written description identifying the specific location of the Facility in the City or County designated in Paragraph FIRST

Exhibit F: "Qualifying Facility" Certification (if Facility is less than 1MW, Owner submission that the Facility qualifies as a Qualifying Facility (QF) under federal law)

Exhibit G: Certificate of Public Convenience and Necessity (or evidence that no such certificate was required under North Carolina law)

FIFTH - Payments for all energy and Contracted Capacity purchased hereunder shall be determined by the provisions and rate determination methodologies for payments in Schedule 19-LMP included herewith as Exhibit D and pursuant to Operator elections within such Schedule 19-LMP, if any, as stated in Paragraph FIRST hereof. Operator will be permitted a one-time switch to Schedule 19 - DRR on the first day of its second year under its contract, subject to 90 days prior written notice to Company, and in so doing commence a whole new contractwith pricing in accordance with the Schedule 19 – DRR in effect at the time of the initial Schedule 19 – LMP contract date and with a choice of term, i.e, 2,5,10, or 15 years less the days elapsed between the commencement of the original Schedule 19 – LMP contract and the time of execution of the new Schedule 19 – DRR contract. This one-time option to switch shall only be permitted contingent on Schedule 19-DRR being in effect on the first day of the QF's second year under contract. Payments for all energy and Contracted Capacity purchased hereunder shall be on a cents per kilowatthour basis. Should the North Carolina Utilities Commission (NCUC), Virginia State Corporation Commission (SCC) or other regulatory or other legal body having jurisdiction (such as the Federal Energy Regulatory Commission) 1) not allow any future payments to non-utility generators (generally or to Operator specifically) for energy or capacity (including Contracted Capacity) or both to be included in Dominion North Carolina Power/Dominion Virginia Power's rates charged to customers, 2) at any time prohibit Dominion North Carolina Power/ Dominion Virginia Power from recovering from its customers sums related to payments previously made to non-utility generators (generally or to Operator specifically), or

3) order Dominion North Carolina Power/ Dominion Virginia Power to pay back to its customers sums related to amounts collected as a result of payments to non-utility generators (generally or to Operator specifically) (hereinafter the sums referred to in both 2) and 3) above shall be referred to individually and collectively as the "Disallowed Payments"), Operator shall be required both to accept from the effective date of the Order from the NCUC, SCC, or other regulatory or legal body having jurisdiction ("Commission Order") payments at the level of rates that will be allowed to be recovered in rates charged to Dominion North Carolina Power/ Dominion Virginia Power's customers and to refund to Dominion North Carolina Power, A) the identified dollar amount of the Disallowed Payments specifically identified in the Commission Order as resulting from payments made to Operator hereunder, or B) if the Disallowed Payments are not specifically identified, Operator's pro-rata share of the Disallowed Payments which shall be equal to the product of (1) the total amount of payments made under this Agreement for the period of time such Disallowed Paymentshave been calculated, and (2) a fraction whereby the numerator is the Disallowed Payments and the denominator is the total amount of payments made to all Non-utility Generators, that were considered in the Commission Order, for the same period of time that such Disallowed Payments have been calculated. Operator shall pay any amounts due as a result of the Commission Order within 28 days of notice by Dominion North Carolina Power or, provided that more than three years remain in the term of the Agreement, then, at Operator's option, Dominion North Carolina Power shall collect such amounts due with interest from the date of any such Commission Order by reducing payments to Operator at a monthly amount projected to complete the refund of the Disallowed Amount with interest in the two year period following such notice. Such interest shall be calculated at the rate of Dominion North Carolina Power/ Dominion Virginia Power's most recent issue of long-term debt at the time of the Commission Order. If, for any reason, at the end of the two year period, the reduction in payments does not recover in full such amounts due, then such remaining amount shall be due immediately.

Payments for energy will begin on the Commercial Operations Date. All energy delivered prior to the Commercial Operations Date shall be paid pursuant to the attached Schedule 19-LMP tariff.

. Operator shall not be paid for Contracted Capacity above the Contracted Capacity level in any hour during which the generation exceeds the Contracted Capacity level specified in Paragraph THIRD.

SIXTH - No later than sixty days after execution of this Agreement, Operator shall provide, at Operator's sole expense, security for Operator's performance under this Agreement, in an amount equal to $36.00 per kW of the nameplate rating, provided in Paragraph THIRD. Operator shall maintain such security until the expiration of this Agreement to ensure continued availability of the Facility and to guarantee payment of obligations by Operator to Dominion North Carolina Power. Such security will be an unconditional and irrevocable letter of credit issued by a bank and maintained in a form and with terms reasonably acceptable to Dominion North Carolina Power. The Letter of Credit must provide for monthly draws by Dominion North Carolina Power and permit presentation at a bank located in Richmond, Virginia. If the Agreement is terminated prior to the Commercial Operations of the Facility, Dominion North Carolina Power will be entitled to draw and retain the full amount of such security to offset any amounts owed to Dominion North Carolina Power.

SEVENTH - After execution of this Agreement and until the Commercial Operations Date, Operator shall prepare a quarterly status report for Dominion North Carolina Power showing the current progress on completing the project. This status report shall be delivered to Dominion North Carolina Power on or before the following dates each year, January 15, April 15, July 15, and October 15. Such status report shall discuss the progress of the project in a format, which is acceptable to Dominion North Carolina Power.

EIGHTH - Operator and Dominion North Carolina Power agree that Operator's failure to comply with any of the following will be a material breach of this Agreement and shall result in Dominion North Carolina Power having the right to immediate cancellation, without a cure period, of this Agreement: (i) failure to commence construction of the Facility, as defined below, and provide Dominion North Carolina Power with written notice thereof by , , (ii) failure to achieve Commercial Operations Date by , , (iii) failure to provide two (2) consecutive status reports pursuant to Paragraph SEVENTH, (iv) failure, pursuant to Paragraph SIXTH, to provide or maintain security that is acceptable to Dominion North Carolina Power, (v) delivery or supply of electrical output to any entity other than Dominion North Carolina Power or its agent, assignee or successor, (vi) failure to meet those requirements necessary to maintain Qualifying Facility status, (vii) failure at any time to have in effect a valid Interconnection Agreement with Dominion North Carolina Power (or its successor as operator of the Dominion North Carolina transmission system), or (viii) failure to generate and deliver power from the Facility to Dominion North Carolina Power for more than 180 consecutive days, at any time after the Commercial Operations Date, or (ix) failure to maintain QF certification. In the event Operator fails to perform in any way, materially or non-materially, any other obligations not specifically listed above, Operator shall be given notice and thirty (30) days to cure such non-performance. Notwithstanding any cure period, Dominion North Carolina Power shall not be obligated to purchase any energy or Contract Capacity under this Agreement while any such breach remains uncured. If Operator fails to cure its non-performance within thirty (30) days of Dominion North Carolina Power's notice, Dominion North Carolina Power shall have the right to cancel this Agreement. Operator agrees that if this Agreement is canceled by Dominion North Carolina Power for Operator's non-performance prior to the end of the initial term of this Agreement, then, Dominion North Carolina Power shall have all rights and remedies available at law or in equity. The Facility will be considered to have commenced construction on the first day upon which all of the following have occurred: (1) the issuance by Operator to its construction contractor for the Facility of a written unconditional Notice-to-Proceed; (2) the mobilization of major construction equipment and construction facilities on the Facility site; and (3) the commencement of major structural excavation and structural concrete work relating to a major component of the Facility such as the power island consistent with having commenced a continuous process of construction relating to the Facility. Dominion North Carolina Power shall have no obligation to accept a declaration of Commercial Operations prior to , 20 [NOTE: Dominion North Carolina Power to determine]. The Anticipated Commercial Operations Date is , 20.

NINTH - Operator represents and warrants that it has the right to operate the Facility in accordance with the terms of this Agreement. Operator further represents and warrants that all permits, approvals, and/or licenses necessary for the operation of the Facility will be obtained prior to the Commercial Operations Date and shall be maintained throughout the Term of this Agreement. Operator shall, provide such documentation and evidence of such right, permits, approvals and/or licenses as Dominion North Carolina Power may reasonably request, including without limitation air permits, leases and/or purchase agreements.

TENTH - All correspondence and payments concerning this Agreement shall be to the following addresses:

OPERATOR:	DOMINION NORTH CAROLINA POWER:
(Operator name) (Operator address)	Virginia Electric and Power Company Power Contracts (3SE) 5000 Dominion Boulevard Glen Allen, Virginia 23060-6711

Either Party may change the address by providing written notice to the other Party.

ELEVENTH - This Agreement is intended by the Parties as the final expression of their Agreement and is intended also as a complete and exclusive statement of the terms of their Agreement with respect to the purchase and sale of electrical output generated by the Facility. All prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement are hereby abrogated and withdrawn.

IN WITNESS WHEREOF, the Parties hereto have caused their names to appear below, signed by authorized representatives as of the date first shown above.

(Operator)

By: Title:

Date:

VIRGINIA ELECTRIC AND POWER COMPANY

By: Title:

Date:

EXHIBIT A
GENERATOR INTERCONNECTION GUIDANCE AND AGREEMENT

Dominion North Carolina Power's procedures for generator interconnection are available through the Internet at the Company's website, with draft interconnection agreements for non-FERC jurisdictional generators (as approved by the NCUC included as Attachments 1, 2 and 3 thereto). For FERC jurisdictional generators interconnection shall be in accordance with FERC and PJM requirements.

The specific Internet address for these procedures is http://www.dom.com/about/elec-transmission/gi-main.jsp. The Internet site contains links to the Generator Interconnection Procedures along with the Generator Interconnection Request Form. Once an Interconnection Agreement is executed it will be included herewith as part of this Exhibit A.

EXHIBIT B
General Terms and Conditions

I - Assignments

Operator agrees not to assign this Agreement without the prior written consent of Dominion North Carolina Power. Dominion North Carolina Power may withhold such consent if it determines, in its sole discretion, that such assignment would not be in the best interests of Dominion North Carolina Power or its customers. Any attempted assignment that Dominion North Carolina Power has not approved in writing shall be null and void and ineffective for all purposes.

II - Indemnity

Operator shall indemnify and save harmless and, if requested by Dominion North Carolina Power, defend Dominion North Carolina Power, its officers, directors and employees from and against any and all losses and claims or demands for damages to real property or tangible personal property (including the property of Dominion North Carolina Power) and injury or death to persons arising out of, resulting from, or in any manner caused by the presence, operation or maintenance of any part of Operator's Facility; provided, however, that nothing herein shall be construed as requiring Operator to indemnify Dominion North Carolina Power for any injuries, deaths or damages caused by the sole negligence of Dominion North Carolina Power. Operator agrees to provide Dominion North Carolina Power written evidence of liability insurance coverage, which is specifically and solely for the Facility, prior to the operation of the Facility. Operator agrees to have Dominion North Carolina Power named as an additional insured, and shall keep such coverage current throughout the term of this Agreement.

III - QF Certification

Operator represents and warrants that its Facility meets the Qualifying Facility requirements established as of the Effective Date of this Agreement by the Federal Energy Regulatory Commission's rules (18 Code of Federal Regulations Part 292), and that it will continue to meet those requirements necessary to remain a Qualifying Facility throughout the term of this Agreement. [Dominion North Carolina Power may require "FERC" QF Certification by adding the following: "Operator agrees to obtain, at Operator's expense, a certification as a "QF" from the Federal Energy Regulatory Commission, in accordance with 18 C.F.R. 292.207 (b)."] Operator agrees to provide copies, at the time of submittal, of all correspondence and filings with the Federal Energy Regulatory Commission relating to obtaining certification of the Facility as a "QF". Operator will submit prior to delivery of electrical output from the Facility to Dominion North Carolina Power evidence of Qualifying Facility certification. After the Commercial Operations Date, if requested by Dominion North Carolina Power prior to March 1 of any year, Operator agrees to provide information annually by July 1 of the same year to Dominion North Carolina Power for the preceding year sufficient for Dominion North Carolina Power to determine the Operator's continuing compliance with its QF requirements including but not limited to:

(a) All information required by FERC Form 556.

(b) Copy of the Facility's QF Certification and any subsequent revisions or amendments

(c) Provide a copy of any contract executed with a thermal host.

(d) Identification of the amount of each type of fuel used per month and average heating value for each type of fuel, which will be used to determine the Total Energy Input. These values should be verifiable by auditing supporting documentation.

(e) Identification of each of the QF's useful thermal output(s) for each month, including temperature, pressure, amount of thermal output delivered, temperature and amount of condensate returned (if applicable) and the conversion to Btus. These values should be verifiable by auditing supporting documentation.

(f) Identification of the QF's useful power output, for each month. These values should be verifiable by auditing supporting documentation.

(g) Provide drawings, heat balance diagrams and a sufficiently detailed narrative describing the delivery of useful thermal output including the location, description, and calibration data for all metering equipment used for QF calculations.

(h) Provide any other information which the QF believes will facilitate Dominion North Carolina Power's monitoring of the QF requirements.

(i) Dominion North Carolina Power may request additional information, as needed, to monitor the QF requirements.

IV - Consequential Damages

In no event shall either Party be liable to the other for any special, indirect, incidental or consequential damages whatsoever, except that the foregoing shall not apply to any promises of indemnity or obligations to reimburse the Parties expressly set forth in this Agreement.

V - Amendments, Waivers, Severability and Headings

This Agreement, including the appendices thereto, can be amended only by agreement between the Parties in writing. The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder. In the event any provision of this Agreement, or any part or portion thereof, shall be held to be invalid, void or otherwise unenforceable, the obligations of the Parties shall be deemed to be reduced only as much as may be required to remove the impediment. The headings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Agreement.

VI - Compliance with Laws

Operator covenants that it shall comply with all applicable provisions of Executive Order 11246, as amended; § 503 of the Rehabilitation Act of 1973, as amended; § 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended; and implementing regulations set forth in 41 C.F.R. §§ 60.1, 60-250, and 60-741 and the applicable provisions relating to the utilization of small minority business concerns as set forth in 15 U.S.C. § 637, as amended. Operator agrees that the equal opportunity clause set forth in 41 C.F.R. § 60-1.4 and the equal opportunity clauses set forth in 41 C.F.R. § 60-250.5 and 41 C.F.R. 60-§741.5 and the clauses relating to the utilization of small and minority business concerns set forth in 15 U.S.C. § 637(d)(3) and 48 C.F.R. § 52-219.9 are hereby incorporated by reference and made a part of this Agreement. If this Agreement has a value of more than $500,000, Operator shall adopt and comply with a small business and small disadvantaged business subcontracting plan which shall conform to the requirements set forth in 15 U.S.C. § 637(d)(6). The provisions of this section shall apply to Operator only to the extent that:

(a) Such provisions are required of Operator under existing law,

(b) Operator is not otherwise exempt from said provisions and

(c) Compliance with said provisions is consistent with and not violative of 42 U.S.C. § 2000 et seq., 42 U.S.C. § 1981 et seq., or other acts of Congress.

VII - Interconnection and Operation

Operator shall be responsible for the design, installation, and operation of its Facility. Operator shall be responsible for obtaining an Interconnection Agreement. Interconnection guidelines and agreement requirements are set forth in Exhibit A of this Agreement

Operator shall: (a) maintain the Facility and the Interconnection Facilities on Operator's side of the Interconnection Point, except Dominion North Carolina Power-owned Interconnection Facilities, in conformance with all applicable laws and regulations and in accordance with operating procedures; (b) obtain any governmental authorizations and permits required for the construction and operation thereof and keep all such permits and authorizations current and in effect; and (c) manage the Facility in a safe and prudent manner. If at any time Operator does not hold such authorizations and permits, Dominion North Carolina Power may refuse to accept deliveries of power hereunder.

Dominion North Carolina Power may enter Operator's premises (a) to inspect Operator's protective devices at any reasonable time; (b) to read or test meters and metering equipment; and (c) to disconnect, without notice, the Facility if, in Dominion North Carolina Power's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or Dominion North Carolina Power facilities or other customers' facilities from damage or interference caused by Operator's Facility or lack of properly operating protective devices. Dominion North Carolina Power will endeavor to notify Operator as quickly as practicable if disconnection occurs as provided in (c) above. Any inspection of Operator's protective devices shall not impose on Dominion North Carolina Power any liabilities with respect to the operation, safety or maintenance of such devices.

Operator shall not operate the Facility in parallel with Dominion North Carolina Power's system prior to (a) an inspection of the installed Interconnection Facilities by an authorized Dominion North Carolina Power representative and (b) receiving written authorization from an authorized Dominion North Carolina Power representative to begin parallel operation.

VIII - Metering

Dominion North Carolina Power will meter all electrical output delivered from the Facility on the high voltage side of the step up transformer.

Operator agrees to pay an administrative charge to Dominion North Carolina Power to reflect all reasonable costs incurred by Dominion North Carolina Power for meter reading and billing, also referred to as metering charges. The monthly meter reading and billing charge shall change from time to time when the NCUC approves a different charge in Schedule 19-LMP.

In addition, Operator agrees to pay any fees required to provide and maintain leased telephone lines required for meter reading by Dominion North Carolina Power.

IX - Billing and Payment

Dominion North Carolina Power shall read the meter in accordance with its normal meter reading schedule. Within twenty-eight (28) days thereafter, Dominion North Carolina Power shall send Operator payment for energy and Contracted Capacity delivered. At Dominion North Carolina Power's option, (i) Dominion North Carolina Power may make such payments net of the monthly metering charges, Interconnection Facilities charges, and charges for sales of electricity to the Operator, or (ii) Dominion North Carolina Power may invoice Operator for such charges separately. Payment by Dominion North Carolina Power shall include verification showing the billing month's ending meter reading, on-peak and off-peak kWh, and the amount paid. If in any month the monthly metering and Interconnection Facilities charges are in excess of any payments due Operator, Dominion North Carolina Power shall bill Operator for the difference and Operator shall make such payment within 28 days of the invoice date. Failure by Operator to make such payments may result in disconnection of the Facility. In no event shall such disconnection relieve Operator of its obligation to pay monthly metering charges and Interconnection Facilities charges under this Agreement.

In the event that any data required for billing purposes hereunder are unavailable when required for such billing, the unavailable data shall be estimated by Dominion North Carolina Power, based upon historical data. Such billing shall be subject to any required adjustment in a subsequent billing month.

In addition to rights pursuant to Paragraph SIXTH of this Agreement, Operator agrees that Dominion North Carolina Power shall be entitled to withhold sufficient amounts due pursuant to this Agreement to offset (a) any damages to Dominion North Carolina Power resulting from any breach of this Agreement by Operator, and (b) any other amounts Operator owes Dominion North Carolina Power, including amounts arising from sales of electricity by Dominion North Carolina Power to Operator, metering charges and Interconnection Facilities charges.

In no event shall Dominion North Carolina Power be liable to Operator for any Contracted Capacity payments in excess of the amounts contracted for herein, regardless of the ultimate length of this Agreement or revisions to Schedule 19-LMP or successor schedules. Operator hereby agrees to accept the Contracted Capacity payments as set forth herein as its sole and complete compensation for delivery of Contracted Capacity to Dominion North Carolina Power.

X - Force Majeure

Neither Party shall be considered in default under this Agreement or responsible to the other Party in tort, strict liability, contract or other legal theory for damages of any description for any interruption or failure of service or deficiency in the quality or quantity of service or any other failure to perform any of its obligations hereunder to the extent such failure occurs without fault or negligence on the part of that Party and is caused by factors beyond that Party's reasonable control, which by the exercise of reasonable diligence that Party is unable to prevent, avoid, mitigate or overcome, including without limitation storm, flood, lightning, earthquake, explosion, equipment failure, civil disturbance, labor dispute, act of God or public enemy, action or inaction of a court or public authority, fire, sabotage, war, explosion, curtailments, unscheduled withdrawal of facilities from operation for maintenance or repair or any other cause of similar nature beyond the reasonable control of that Party (any such event, "Force Majeure"). Solely economic hardship of either Party shall not constitute Force Majeure under this Agreement. Nor shall anything contained in this paragraph or elsewhere in this Agreement excuse Operator or Dominion North Carolina Power from strict compliance with the obligation of the Parties to comply with the terms of Article IX of this Exhibit B *relating to timely payments.*

Each Party shall have the obligation to operate in accordance with Good Utility Practice(as defined below) at all times and to use due diligence to overcome and remove any cause of failure to perform.

If a Party relies on the occurrence of an event of Force Majeure described above as a basis for being excused from performance of its obligations under this Agreement, then the Party relying on the Force Majeure event shall:

a) Provide within forty-eight (48) hours written notice of such Force Majeure event or potential Force Majeure to the other Party, giving an estimate of its expected duration and the probable impact on the performance of its obligations hereunder;

b) Exercise all reasonable efforts to continue to perform its obligations under this Agreement;

c) Expeditiously take action to correct or cure the Force Majeure event excusing performance; provided, however, that settlement of strikes or other labor disputes will be completely within the sole discretion of the Party affected by such strike or labor dispute;

d) Exercise all reasonable efforts to mitigate or limit damages to the other Party; and

e) Provide prompt notice to the other Party of the cessation of the Force Majeure event giving rise to its excuse from performance. All performance obligations hereunder shall be extended by a period equal to the term of the resultant delay.

If a Party responding to a Force Majeure event has the ability to obtain, for additional expenditures, expedited material deliveries or labor production which would allow a response to the event in a manner that is above and beyond Good Utility Practice, and such a response could shorten the duration of the Force Majeure event, the Party responding to the event may, at its discretion, present the other Party with the option of funding the expenditures for expediting material deliveries or labor production in an effort to reduce the duration of the event and economic hardship. Each such opportunity will be negotiated on a case-by-case basis by the Parties.

For purposes of this Agreement, "Good Utility Practice" shall mean any of the applicable practices, methods, standards, guides or acts: required by any governmental authority, regional or national reliability council, or national trade organization, including NERC, SERC, or the successor of any of them, as they may be amended from time to time whether or not the Party whose conduct is at issue is a member thereof; otherwise engaged in or approved by a significant portion of the electric utility industry during the relevant time period which in the exercise of reasonable judgment in light of the facts known or that should have been known at the time a decision was made, could have been expected to accomplish the desired result in a manner consistent with law, regulation, good business practices, generation, transmission and distribution reliability, safety, environmental protection, economy and expediency. Good Utility Practice is intended to be acceptable practices, methods, or acts generally accepted in the region, or any other acts or practices as are reasonably necessary to maintain the reliability of the Transmission System (as defined in the Interconnection Agreement), or of the Facility, and is not intended to be limited to the optimum practices, methods, or acts to the exclusion of all others.

EXHIBIT C

Exhibit C is reserved for possible future use.

EXHIBIT D

Exhibit D is a copy of Schedule 19-LMP based on the LMP Method. .

EXHIBIT E

Exhibit E is a map and written description identifying the specific location of the Facility and is provided by the Operator.

EXHIBIT F

Exhibit F is the "Qualifying Facility" Certification to be provided by the Operator.

OR

If Facility is less than 1MW, Owner may submit the following statement as Exhibit F that the Facility qualifies as a Qualifying Facility (QF) under federal law.

Federal law exempts small power production or cogeneration facilities with net power production capacities of 1 MW or less from certain certification requirements in order to qualify as a qualifying facility ("QF" or "Qualifying Facility"). Therefore, [QF Name Here] submits the Facility is exempt from the certification requirements, but submits that the Facility qualifies as a Qualifying Facility under federal law set forth in the Public Utility Regulatory Policies Act of 1978 ("PURPA") (codified at 16 U.S.C. § 824a-3.

____
Name

____
Title

EXHIBIT G

Exhibit G is the Certificate of Public Convenience and Necessity to be provided by the Operator, or evidence that no such certificate is required under North Carolina law.

VERIFICATION

Being first duly sworn, Robert J. Trexler deposes and states that he is Director, Power Contracts for Dominion North Carolina Power, that he has read the foregoing section entitled Dominion North Carolina Power's Proposed Schedule 19 and Supporting Comments and related exhibits, and know the contents thereof, that the same are truly stated, except as to those matters or things, if any, stated on information and belief, and that, as to those matters and things, he believes them to be true, and that he has directed filing of the same on behalf of Dominion North Carolina Power with full power and authority to do so.

Robert J. Trexler
Director, Power Contracts

Commonwealth of Virginia

County of Henrico

I, Stephanie H. Smith, a Notary Public in and for the Commonwealth of Virginia, hereby certify that Robert J. Trexler, who signed the foregoing Verification Statement as Director, Power Contracts for Dominion North Carolina Power, has acknowledged the same before me in my jurisdiction this 27th day of October 2010.

Notary Public

My Commission Expires: July 31, 2012