

VIRGINIA ELECTRIC AND POWER COMPANY
COMPETITIVE SERVICE PROVIDER AGREEMENT

THIS COMPETITIVE SERVICE PROVIDER AGREEMENT (the "Agreement") is made, entered into as of this _____ day of _____, _____, by and between Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Company"), a public service corporation organized and existing under the laws of the Commonwealth of Virginia and _____ (the "Competitive Service Provider" or "CSP"), a _____, both the Company and the CSP hereinafter sometimes referred to collectively as the "Parties", or individually as a "Party."

RECITALS

A. The Company is a public utility with an exclusive franchise to serve customers located within its service territory.

B. The Virginia Electric Utility Restructuring Act, Va. Code §§ 56-576 to 56-596 (the "Act"), provides for the restructuring of the electric industry in Virginia such that regulated electric utilities must allow non-discriminatory direct access to their distribution systems by Competitive Service Providers of Electricity Supply Service and further provides that, with implementation of such access to the distribution system, the Company will continue to serve as the exclusive electric distribution provider within its service territory.

C. The Virginia State Corporation Commission ("Commission"), acting pursuant to the Act, has issued a final order in Case No. PUE-2001-00013 promulgating Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 through 20 VAC 5-312-110 (the "Rules").

D. In connection with the provision of Electricity Supply Service in the Company's service territory, the CSP (i) intends to negotiate with customers for the sale of Electricity Supply Service and to make such sales; (ii) has been licensed to supply Electricity Supply Service to customers in Virginia; and (iii) has been issued License Number _____ by the Commission.

E. An agreement between the Company and the CSP is needed for the CSP to be registered with the Company to engage in the provision of Electricity Supply Service in the Company's service territory.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, and the above Recitals, which are incorporated herein, the Parties hereto, intending to be legally bound, hereby agree as follows:

1.0 DEFINITIONS

Terms introduced and subsequently capitalized will have the meanings as indicated herein. Other terms capitalized and used in this Agreement will have the meanings as set forth in the Company's Competitive Service Provider Coordination Tariff on file with the Commission (the "CSP Tariff"), as the same may be revised from time to time. Unless the context clearly intends to the contrary, words

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singular or plural in number shall be deemed to include the other and pronouns having a masculine or feminine gender shall be deemed to include the other.

2.0 OBLIGATIONS OF THE PARTIES

- 2.1 Term of Agreement.** This Agreement shall become effective upon the satisfaction of the conditions precedent contained in Section 2.3 below (the “Effective Date”). The Parties named in this Agreement are bound by the terms set forth herein and the terms contained in the OATT and the CSP Tariff. Notwithstanding the Effective Date, the CSP acknowledges that it may commence the provision of Electricity Supply Services on the Distribution Facilities only (i) in compliance with the Rules, the OATT and the CSP Tariff, all as may be revised from time to time and (ii) after such date for instituting such service has been approved by the Commission.
- 2.2 Agreement Renewal.** By March 31 of each year, this Agreement will terminate unless renewed in conjunction with the CSP satisfying the registration renewal requirements pursuant to Section 6.3.1 of the CSP Tariff. However, any Application completed and effective between January 1 and March 31 of a particular year would not require renewal within the same calendar year. In the event a CSP does not satisfy the requirements for registration renewal pursuant to the CSP Tariff, then such CSP will cease to be on active status and will no longer be eligible for Coordination Services from the Company, and a new CSP Application will be required to reinstate the CSP's registration with the Company, and the Parties shall execute a new Agreement.
- 2.3 CSP Obligations.** The CSP hereby agrees to: (i) satisfy all requirements of the Act, Rules, OATT and the CSP Tariff; (ii) have obtained prior to the Effective Date of the Agreement and maintain a license from the Commission and any licenses, permits or other authorizations from any other federal, state or local agencies required for participation in the Virginia retail electricity supply market and CSP will provide evidence of all such licenses, permits and authorizations upon the reasonable request of the Company; (iii) have executed all applications and agreements required for the CSP's provision of Electricity Supply Services in the Company's service territory; and (iv) have provided the Company with a completed Transmission Customer Designation Form, to designate the Transmission Customer who will be obtaining transmission service on behalf of the CSP. The CSP also must make all necessary arrangements for providing Electricity Supply Services sufficient to serve its Customers including sufficient electric generation and transmission service and delivery capability to serve the requirements of its Customers.
- 2.4 Company's Obligations.** The Company agrees to satisfy all of its requirements with respect to the CSP as provided in the Act, Rules, OATT and the CSP Tariff, all as may be revised from time to time.
- 2.5 Waiver of Rules.** The Parties agree that if either Party requests a waiver to the provisions of the Rules pursuant to 20 VAC 5-312-20.A, such Party will notify the other Party prior to making such a request for waiver.

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- 2.6 OATT and CSP Tariff Incorporated.** The Transmission Provider's OATT and the Company's CSP Tariff, as the same may be revised from time to time, are hereby incorporated and made a part of this Agreement by reference.

3.0 REPRESENTATIONS AND WARRANTIES

- 3.1 CSP Representations and Warranties.** The CSP hereby represents, warrants and covenants as follows:

- 3.1.1 The CSP is _____ duly organized and validly existing under the laws of the State of _____ and is authorized to do business and is in good standing in the Commonwealth of Virginia;
- 3.1.2 The CSP has all requisite power and authority to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder;
- 3.1.3 The CSP has obtained or will have obtained by the Effective Date, a license from the Commission to provide Electricity Supply Service to Customers located within the Commonwealth of Virginia. Such license shall be maintained throughout the life of this Agreement, and the lack of such license shall immediately terminate this Agreement;
- 3.1.4 The execution and delivery of this Agreement and the performance of the CSP's obligations hereunder have been duly authorized by all necessary actions on the part of the CSP and do not and will not conflict with or result in a breach of the CSP's charter documents or bylaws or any indenture, mortgage, other agreement or instrument or any statute, rule, regulation, order, judgment, or decree of any judicial or administrative body to which the CSP is a party or by which the CSP or any of its properties is bound or subject nor any legal proceeding now pending or, to the CSP's knowledge, threatened;
- 3.1.5 This Agreement is the valid and binding obligation of the CSP, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights generally or by general principles of equity; and
- 3.1.6 There are no actions at law, suits in equity, proceedings or claims pending against the CSP before any federal, state, foreign or local court, tribunal or government agency or authority that might materially delay, prevent or hinder the performance of its obligations hereunder.

- 3.2 Company Representations and Warranties.** The Company hereby represents and warrants as follows:

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- 3.2.1 The Company is a public service corporation duly organized and validly existing under the laws of the Commonwealth of Virginia;
- 3.2.2 The Company has all requisite power and authority to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder;
- 3.2.3 The execution and delivery of this Agreement and the performance of the Company's obligations hereunder have been duly authorized by all necessary actions on the part of the Company and do not and will not conflict with or result in a breach of the Company's charter documents or bylaws or any indenture, mortgage, other agreement or instrument or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the Company is a party or by which the Company or any of its properties is bound or subject nor any legal proceeding now pending or, to the Company's knowledge, threatened;
- 3.2.4 This Agreement is the valid and binding obligation of the Company, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights generally or by general principles of equity.
- 3.2.5 There are no actions at law, suits in equity, proceedings or claims pending against the Company before any federal, state, foreign or local court, tribunal or government agency or authority that might materially delay, prevent or hinder the performance of its obligations hereunder.
- 3.3 Notice of Violation.** If either Party learns that any of its representations, warranties, or covenants in this Agreement has been violated, such Party shall immediately notify the other Party via facsimile, with a hard copy of the notice delivered by overnight mail. Such notice shall include the plans of action the Party in violation will take to remedy the violation if it is so able. In the event the Party in violation cannot remedy the violation to the reasonable satisfaction of the other Party, the Parties may terminate this Agreement pursuant to the CSP Tariff.
- 3.4 Continuation of Warranties.** All representations and warranties contained in this Section 3 shall continue for the term of this Agreement.

4.0 REMEDY FOR BREACH OF CONFIDENTIALITY

The Parties agree that it will be impossible or very difficult to measure in terms of money the damages that would accrue due to any breach of the confidentiality provisions of the CSP Tariff or any failure to perform any obligation herein and, for that reason, among others, each Party is entitled to specific performance of the confidentiality provisions of the CSP Tariff, or injunctive or other equitable relief as a remedy for a breach of the confidentiality provisions of the CSP Tariff. If either Party institutes a proceeding to enforce any part of the confidentiality provisions of the CSP Tariff,

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the other Party hereby waives any claim or defense that an adequate remedy at law exists. Any such relief shall be in addition to, and not in lieu of, money damages or any other legal remedy available to the Party instituting the proceeding.

5.0 INDEMNIFICATION

5.1 Indemnification. Each Party shall defend, indemnify and hold harmless the other from and against any and all claims and/or liabilities for losses, expenses, damage to property, injury to or death of any person, including the other's employees or any third Parties, including reasonable attorneys' fees, relating to performance under this Agreement, except to the extent that a court of competent jurisdiction determines that the losses, expenses or damage were caused wholly or in part by any grossly negligent or willful act or omission of the Party claiming indemnification under this provision.

5.2 Survival of Indemnification. Each Party's obligation to defend, indemnify and hold harmless under this Section 5 shall survive termination of this Agreement, and shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the indemnifying Party under any statutory scheme, including any Workers Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

6.0 MISCELLANEOUS PROVISIONS

6.1 Notices. Unless otherwise stated herein, all notices, demands or requests required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by overnight express mail, courier service or facsimile transmission (with the original transmitted by any of the other aforementioned delivery methods) addressed as follows:

If to the CSP to: _____

If to the Company to:
David F. Koogler
Director – State Regulation
15th Floor – OJRP
Dominion Virginia Power
P. O. Box 26666
Richmond, VA 23261-6666

Copy to: Supplier Relations
15th Floor - OJRP
Dominion Virginia Power
P. O. Box 26666
Richmond, VA 23261-6666

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or to such other person at such other address as a Party shall designate by like notice to the other Party. Notices received after the close of a Business Day shall be deemed received on the next Business Day.

- 6.2 No Prejudice of Rights.** No term or condition of this Agreement shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the Party claimed to have waived or consented to excuse. 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, which shall remain in full force and effect.
- 6.3 Assignment.** This Agreement may be assigned by either Party with the prior written consent of the other Party, if such assignee agrees, in writing, to be bound by all of the terms and conditions hereof, and if any necessary regulatory approvals or registrations required under this Agreement are obtained. The consent required hereunder shall not be unreasonably withheld.
- 6.4 Governing Law.** To the extent not subject to the exclusive jurisdiction of the FERC, the formation, validity, interpretation, execution, amendment and termination of this Agreement shall be governed by the laws of the Commonwealth of Virginia.
- 6.5 Headings.** The headings and sub-headings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereunto, nor should they be used to aid in any manner in the construction of this Agreement.
- 6.6 Third Party Beneficiaries.** This Agreement is intended solely for the benefit of the Parties hereto. Nothing in this Agreement shall be construed to create any duty, or standard of care with reference to, or any liability to, any person not a Party to this Agreement.
- 6.7 Force Majeure.** The obligations of the Parties under this Agreement are subject to the provisions for Force Majeure of the CSP Tariff.
- 6.8 Relationship of the Parties and Survival.**
- 6.8.1 This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties, or to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power, or authority to enter any agreement or undertaking for, or on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
- 6.8.2 Cancellation, expiration or early termination of this Agreement shall not relieve the Parties of obligations that by their nature survive such cancellation, expiration or termination, including, without limitation, payment of any amounts due, warranties, remedies, promises of indemnity and confidentiality.

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6.8.3 Should any provision of this Agreement be held invalid or unenforceable, such provision shall be invalid or unenforceable only to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable any other provision hereof, unless it materially changes the Agreement of the Parties.

6.8.4 Each of the Parties hereto acknowledges that it has read this Agreement, the Act, the Rules, the OATT and the CSP Tariff, understands them, and agrees to be bound by their terms as they may be revised from time to time. This Agreement is intended by the Parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. All prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement are hereby abrogated and withdrawn.

6.9 Taxes. All present or future federal, state, municipal or other taxes imposed on the CSP by any taxing authority by reason of this Agreement shall be the liability of the CSP. The CSP shall pay all such taxes to the applicable taxing authority to the extent required or permitted by law. If any transaction is exempt from the payment of any such taxes, the CSP will, if requested, provide the Company with valid tax exemption certificates. If the Company is required to remit any such taxes directly to any applicable taxing authority, other than taxes previously collected by the Company directly from the CSP's Customers, the CSP indemnifies the Company against, and will pay the Company for, all such tax amounts upon demand.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

Accepted:

CSP:

By: _____

Printed

Name: _____

Title: _____

Date: _____

Accepted:

**VIRGINIA ELECTRIC AND POWER
COMPANY:**

By: _____

Printed

Name: David F. Koogler

Title: Director – State Regulation

Date: _____