

Dominion

Example of the Calculation of the Total Letter of Credit (LOC) Amount
Assumes Formula Rate with ATRR Change on January 1 of Each Year

Line No.	(A) Description	(B) Source or Calculation	(C) Designated Entity Agreement Execution Date	(D) First day of PJM TEC billing for Project (Start Date)	(E) 1st Anniversary Adjustment (Occurs in Under One Year Due to Rate Change)	(F) 2nd Anniversary Adjustment	(G) 3rd Anniversary Adjustment	(H) 4th Anniversary Adjustment	(I) In-Service Date
	Anniversary Date		2/1/2015	7/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	5/1/2019
1	Cost estimated relied on by PJM to award project	PJM	\$ 1,000,000,000	\$ 1,000,000,000	\$ 1,000,000,000	\$ 1,000,000,000	\$ 1,000,000,000	\$ 1,000,000,000	\$ 1,000,000,000
2	Fixed LOC %	Placeholder	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
3	Fixed LOC Amount	L.2 * L.1	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	
4	ATRR at Anniversary Date (Column D is the Start Date)	Filed with FERC		\$ 4,000,000	\$ 10,000,000	\$ 30,000,000	\$ 80,000,000	\$ 175,000,000	
5	ATRR on a per-Month Basis	L.4 ÷ 12		\$ 333,333	\$ 833,333	\$ 2,500,000	\$ 6,666,667	\$ 14,583,333	
6	Lesser of 12 Months or Anticipated Duration	Project Sch. / Rate		\$ 6	\$ 12	\$ 12	\$ 12	\$ 4	
7	Future TECs to be Secured by LOC	L.5 * 6		\$ 2,000,000	\$ 10,000,000	\$ 30,000,000	\$ 80,000,000	\$ 58,333,333	
8	Cumulative of All TECs Prior to This Anniversary Date	Cum of Prior L.7		\$ -	\$ 2,000,000	\$ 12,000,000	\$ 42,000,000	\$ 122,000,000	
9	Variable LOC Amount	L.7 + L.8		\$ 2,000,000	\$ 12,000,000	\$ 42,000,000	\$ 122,000,000	\$ 180,333,333	
10	Total LOC Amount	L.3 + L. 9	\$ 5,000,000	\$ 7,000,000	\$ 17,000,000	\$ 47,000,000	\$ 127,000,000	\$ 185,333,333	\$ -
11	Total LOC Amount as % of Anniversary Date	L.10 ÷ L.1 *100%	0.5%	0.7%	1.7%	4.7%	12.7%	18.5%	0.0%