

VIRGINIA ELECTRIC AND POWER COMPANY

2019 ATRR with True-Up Adjustment

(Revised October 5, 2018)

(Revision 1)

To: Interested Parties (as defined in Section 1.b. of the Formula Rate Implementation Protocols)

2019 Projection (Revision 1):

In accordance with Section 1.a. of the Formula Rate Implementation Protocols, Virginia Electric and Power Company (“VEPCO”) is providing the following information to be posted on the www.pjm.com website:

- (i) VEPCO’s Revised Annual Transmission Revenue Requirement (“ATRR”), rate for Network Integrated Transmission Service (“NITS”), based on applying its projected costs, revenues and credits, other than those credits that will be distributed to customers pursuant to Section 2 of Attachment H-16, for the next calendar year, plus its True-Up Adjustment calculated pursuant to the Formula Rate set out in Attachment H-16A.

On September 17, 2018, VEPCO provided for posting on PJM’s website the information (“2019 Projection”) in the form of an Excel file. The cover page for the 2019 Projection is provided with this notice. On October 4, 2018, VEPCO reposted on PJM’s website “Revision 2” of the 2017 True-Up and supporting workpapers for the 2017 True-Up. As a result of “Revision 2”, VEPCO has updated the 2019 Projection to include the following revisions, which are included in the attached document as “Revision 1” of the 2019 Projection:

1. Attachment 6, Line A was adjusted to reflect the “Revision 2” of the 2017 True-Up ATRR actual costs in thousands (000’s) from \$964,213.21 to \$966,221.64.
2. Attachment 10B, Line 13 was revised to reflect the “Revision 2” of the 2017 True-Up actual costs for each of the Underground Projects, causing a slight reduction in the Total Incremental Undergrounding Costs Revenue Requirement located on Attachment 10, Lines 3 and 4. In accordance with the guidelines in Attachment 3 and Attachment 10, the Total Incremental Undergrounding Costs Revenue Requirement amount has been included in the calculation of revenue credits in Attachment 3.