

April 12, 2024

The Honorable Debbie-Anne A. Reese, Acting Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E. Washington, D.C. 20426

**Re: *Virginia Electric and Power Company*  
Single-Issue Filing to Modify OPEB Expense in  
OATT Attachment H-16C Formula Transmission Rate  
Docket No. ER24- 1741-000**

Dear Secretary Reese:

Virginia Electric and Power Company, doing business as Dominion Energy Virginia (“Dominion” or “the Company”), hereby tenders for filing, pursuant to Section 205 of the Federal Power Act (“FPA”)<sup>1</sup> and Part 35 of the regulations of the Federal Energy Regulatory Commission (“FERC” or “the Commission”),<sup>2</sup> revisions to Attachment H-16C to PJM Interconnection, L.L.C.’s (“PJM”) Open Access Transmission Tariff (“PJM Tariff”).<sup>3</sup> The revisions to Attachment H-16C to the PJM Tariff updates the prior-year actual Other Post-Employment Benefits (“OPEB”) expense under Dominion’s formula transmission rate (“Formula Rate”) to reflect the 2023 actual OPEB expense of \$(47,137,509). As explained below, Dominion makes this filing as a limited, *i.e.*, single-issue, filing under FPA Section 205.

## **I. DESCRIPTION OF DOMINION**

Dominion Energy, Inc. (“DEI”) is a public utility holding company under the Public Utility Holding Company Act of 2005. Dominion is a wholly-owned subsidiary of DEI. Dominion is a regulated public utility that generates, transmits, and distributes electric energy for sale to retail customers in its service territory in Virginia and North Carolina. It has a generation portfolio of over 25,000 megawatts, which is transmitted over approximately 6,800 miles of electric transmission lines in Virginia and North Carolina, and over 58,500 miles of electric distribution facilities in Virginia and North Carolina. Dominion integrated its facilities into PJM on May 1, 2005.<sup>4</sup>

---

<sup>1</sup> 16 U.S.C. § 824d (2006).

<sup>2</sup> 18 C.F.R. Part 35 (2023).

<sup>3</sup> Pursuant to Order No. 714, this filing is submitted by PJM on behalf of Dominion as part of an XML filing package that conforms with the Commission’s regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, Dominion has requested PJM submit this filing in the eTariff system as part of PJM’s electronic Intra PJM Tariff.

<sup>4</sup> *PJM Interconnection, L.L.C.*, 109 FERC ¶ 61,012 (2004), *order on reh’g*, 110 FERC ¶ 61,234 (2005); *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,257 (2005).

## II. BACKGROUND

Because Dominion is a transmission-owning member of PJM, the annual rates for Network Integration Transmission Service (“NITS”) in the Dominion Zone are set forth in Attachment H-16 to the PJM Tariff. Attachment H-16<sup>5</sup> has been a part of the PJM Tariff since Dominion’s integration as a transmission-owning member on May 1, 2005.<sup>6</sup> As a regulated public utility under the FPA, Dominion has the right to file changes to its applicable rates and charges unilaterally pursuant to Section 7.1.1 of the PJM Transmission Owners Agreement.<sup>7</sup> Section 7.1.1 provides for the individual Section 205 filing rights of each PJM transmission owner with respect to its transmission revenue requirements and states as follows:

Each Party shall have the exclusive right to file unilaterally at any time pursuant to Section 205 of the Federal Power Act to establish or change the transmission revenue requirement for services provided under the PJM Tariff with respect to its Transmission Facilities (regardless of whether such revenue requirement is used to support rates and charges for delivery within its Zone or outside its Zone). This right includes, but is not limited to, the right to file a transmission revenue requirement, or a revenue requirement that is based on incentive or performance-based factors.

On April 4, 2015, Dominion submitted to the Commission a single-issue filing under FPA Section 205 to resolve a preliminary challenge filed by Old Dominion Electric Cooperative and North Carolina Electric Membership Corporation (“Indicated Customers”) pursuant to Dominion’s Formula Rate Implementation Protocols (Attachment H-16B of the PJM Tariff).<sup>8</sup> In that filing, Dominion revised Attachment H-16A to reflect the prior-year actual OPEB expense for purposes of the annual true-up and projection instead of the “stated” OPEB expense amount of \$27,658,000. The Commission accepted these changes for filing on May 21, 2015.<sup>9</sup> Dominion also agreed to file annually with the Commission the prior-year actual OPEB expense in a revised Attachment H-16C, the history of which is tabled below for ease of reference:

---

<sup>5</sup> Attachment H-16 includes multiple sub-parts and has been modified from time to time.

<sup>6</sup> *Va. Elec. and Power Co.*, 109 FERC ¶ 61,302, at Ordering Para. (A) (2004) (accepting Attachment H-16 “to become effective the later of December 1, 2004, or the date on which Dominion integrates with PJM”).

<sup>7</sup> Consolidated Transmission Owners Agreement, PJM Rate Schedule FERC No. 42, Section 7.1.1.

<sup>8</sup> *Va. Elec. and Power Co.*, Single-Issue Filing to Modify Treatment of OPEB expense in OATT Formula Transmission Rate, Docket No. ER15-1504-000, dated Apr. 4, 2015 (“April 2015 Filing”).

<sup>9</sup> *Va. Elec. and Power Co.*, Letter Order, Docket No. ER15-1504-000 (“May 21, 2015 Letter Order”).

**Table 1: Attachment H-16C Filing History**

<b>Filing Date</b>	<b>Filing</b>	<b>FERC Docket No.</b>	<b>FERC Letter Order</b>	<b>FERC Letter Order Date</b>
08/05/2015	<i>Va. Elec. and Power Co., Single-Issue Filing to Modify OPEB expense in OATT Formula Transmission Rate</i>	ER15-2386-000	<i>PJM Interconnection, L.L.C. and Va. Elec. and Power Co.</i>	09/25/2015
04/13/2016	<i>Va. Elec. and Power Co., Single-Issue Filing to Modify OPEB expense in OATT Formula Transmission Rate</i>	ER16-1396-000	<i>PJM Interconnection, L.L.C. and Va. Elec. and Power Co.</i>	05/20/2016
04/13/2017	<i>Va. Elec. and Power Co., Single-Issue Filing to Modify OPEB expense in OATT Formula Transmission Rate</i>	ER17-1417-000	<i>PJM Interconnection, L.L.C. and Va. Elec. and Power Co.</i>	05/30/2017
04/11/2018	<i>Va. Elec. and Power Co., Single-Issue Filing to Modify OPEB expense in OATT Attachment H-16C Formula Transmission Rate</i>	ER18-1341-000	<i>Va. Elec. and Power Co. and PJM Interconnection, L.L.C.</i>	06/01/2018
04/10/2019	<i>Va. Elec. and Power Co., Single-Issue Filing to Modify OPEB expense in OATT Attachment H-16C Formula Transmission Rate</i>	ER19-1543-000	<i>Va. Elec. and Power Co. and PJM Interconnection, L.L.C.</i>	05/07/2019
04/14/2020	<i>Va. Elec. and Power Co., Single-Issue Filing to Modify OPEB expense in OATT Attachment H-16C Formula Transmission Rate</i>	ER20-1561-000	<i>Va. Elec. and Power Co. and PJM Interconnection, L.L.C.</i>	06/09/2020
04/14/2021	<i>Va. Elec. and Power Co., Single-Issue Filing to Modify OPEB expense in OATT Attachment H-16C Formula Transmission Rate</i>	ER21-1680-000	<i>Va. Elec. and Power Co. and PJM Interconnection, L.L.C.*</i>	07/01/2021
08/11/2022 <sup>10</sup>	<i>Va. Elec. and Power Co., Single-Issue Filing to Modify OPEB expense in OATT Attachment H-16C Formula Transmission Rate</i>	ER22-2635-000	<i>PJM Interconnection, L.L.C. and Va. Elec. and Power Co.</i>	10/04/2022
04/14/2023	<i>Va. Elec. and Power Co., Single-Issue Filing to Modify OPEB Expense in OATT Attachment H-16C Formula Transmission Rate</i>	ER23-1645-000	<i>PJM Interconnection, L.L.C. and Va. Elec. and Power Co.</i>	06/06/2023

\*An errata was issued by the Commission on July 7, 2021; *Errata to Letter Order Issued on July 1, 2021*, ER21-1680-000 (July 7, 2021).

### III. INSTANT SINGLE-ISSUE FILING

Dominion submits for Commission approval its tenth annual filing of Attachment H-16C to reflect its 2023 actual OPEB expense of \$(47,137,509) in its Formula Rate.<sup>11</sup> As accepted by the Commission’s Letter Order dated May 21, 2015 in Docket No. ER15-1504, Dominion uses the preceding year’s actual OPEB expense in its projection of the succeeding year’s rate and the actual OPEB expense for a given year in that year’s true-up. The actual prior-year OPEB

<sup>10</sup> The delay to the OPEB filing in 2022 resulted from an unanticipated delay in filing VEPCO’s 2021 FERC Form No. 1 (“Form 1”). Consistent with FERC’s order extending VEPCO’s Form 1 filing deadline, VEPCO’s Form 1 was filed on August 1, 2022. See, *Va. Elec. And Power Co.*, Order on Accounting Entries, Docket No. AC22-28-000 (Mar. 31, 2022) (*directing* VEPCO to refile FERC Form 1 for 2019 and 2020 by May 31, 2022); *Va. Elec. And Power Co.*, Motion for Extension of Time, Request for Shortened Answer Period, and Request for Expedited Action of VEPCO, Docket No. AC22-28-001 (Apr. 28, 2022); Order Granting Request for Clarification and Extension of Time, Docket No. AC22-28-001 (May 24, 2022). The Form 1 filing delay only impacted the timing of the filing.

<sup>11</sup> The actual OPEB expense for 2023 is correctly reflected as a negative value.

expense amount provided herein is based upon actuarial analysis prepared for Dominion by Willis Towers Watson US LLC (“WTW”), a global professional services company specializing in the employee benefits area.

In support of its filing, Dominion submits its actuarial analysis and a worksheet calculation that determines the total OPEB expense for the Company during the preceding year. If accepted by the Commission, this OPEB amount will be reflected in the 2023 True-Up Adjustment to the Dominion Formula Rate that is to be posted on PJM’s website and included in an informational filing at FERC on or before January 15, 2025 pursuant to Dominion’s Formula Rate Implementation Protocols (Attachment H-16B of the PJM Tariff).

Dominion’s use of a limited single-issue filing for purposes of seeking Commission authorization to update its OPEB expense is appropriate because the purpose of this filing is to comply with an agreement resolving a preliminary challenge made pursuant to the Dominion Formula Rate Implementation Protocols. In Order No. 679, the Commission found that there were advantages of single-issue ratemaking “because it can provide assurance that the decision to construct new infrastructure is evaluated on the basis of the risks and returns of that decision, rather than the additional uncertainty associated with re-opening the applicant’s entire rate base to review and litigation.”<sup>12</sup> A limited single-issue filing is appropriate in this case because it revises only the OPEB expense input to Dominion’s Formula Rate without re-opening the entire rate base to review and litigation.

#### **IV. CONTENTS OF FILING**

The following documents are included in this filing:

1. Transmittal letter;
2. Attachment A – Redlined/marked version of Attachment H-16C of the PJM Tariff showing the proposed changes;
3. Attachment B – Clean version of Attachment H-16C of the PJM Tariff showing the proposed changes;
4. Attachment C – Willis Towers Watson Actuarial Analysis; and
5. Attachment D – Calculation of the Total OPEB Expense During the True-Up Year.

#### **V. PROPOSED EFFECTIVE DATE AND REQUESTS FOR WAIVER**

Dominion respectfully requests that the Commission accept the revised tariff sheets to be effective June 14, 2024, so that Dominion may use the revised Attachment H-16C to determine

---

<sup>12</sup> *Promoting Transmission Investment Through Pricing Reform*, Order No. 679, 71 Fed. Reg. 43,294 at P 191 (July 31, 2006), FERC Stats. & Regs., Regulations Preambles ¶ 31,222, *order on reh’g*, Order No. 679-A, 72 Fed. Reg., 1,152 (Jan. 10, 2007), FERC Stats. & Regs., Regulations Preambles ¶ 31,236, *order on reh’g*, Order No. 679-B, 119 FERC ¶ 61,062 (2007).

the 2023 True-Up Adjustment to its Formula Rate which will ultimately be included in an informational filing at FERC to be made by no later than January 15, 2025.<sup>13</sup>

To the extent necessary, Dominion requests waiver of the requirements of Section 35.13 of the Commission's regulations,<sup>14</sup> including the requirement that it provide the revenue effect of the proposed change, because this filing implements an agreement resolving a preliminary challenge and reflects the actual costs incurred for OPEB. Through the evidentiary materials filed hereunder, Dominion has provided the relevant information supporting its proposed changes to Attachment H-16C. However, should the enclosed information not satisfy any portion of the Commission's regulations, Dominion respectfully requests a waiver of that portion of the Commission's regulations.

## **VI. SERVICE**

On behalf of Dominion, PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,<sup>15</sup> PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <https://www.pjm.com/library/filing-order> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region<sup>16</sup> alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

## **VII. MISCELLANEOUS**

Dominion states that no costs or expenses associated with the revisions to Attachment H-16C have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices, as defined in 18 C.F.R. § 35.13(b)(7) (2023). This filing does not involve specifically assignable facilities.

---

<sup>13</sup> Dominion submits this annual informational filing to FERC in accordance with section 1.c of Dominion's Formula Rate Implementation Protocols.

<sup>14</sup> 18 C.F.R. § 35.13 (2023).

<sup>15</sup> See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3).

<sup>16</sup> PJM already maintains, updates, and regularly uses e-mail lists for all PJM members and affected state commissions.

## VIII. COMMUNICATIONS

Correspondence related to this filing should be addressed to:

Cheri Yochelson  
Assistant General Counsel  
Dominion Energy Services, Inc.  
120 Tredegar Street, RS-5  
Richmond, VA 23219  
Telephone: 804-819-2691  
E-Mail:  
[cheri.m.yochelson@dominionenergy.com](mailto:cheri.m.yochelson@dominionenergy.com)

Ryen Lawson  
Regulatory Analyst III  
Virginia Electric & Power Company  
120 Tredegar Street, RS-3  
Richmond, VA 23219  
Telephone: 804-819-2729  
E-Mail:  
[ryen.n.lawson@dominionenergy.com](mailto:ryen.n.lawson@dominionenergy.com)

## IX. CONCLUSION

Dominion thanks the Commission for its consideration of this filing and again requests an effective date of June 14, 2024. Please direct any questions to the undersigned.

Sincerely,

/s/ Cheri M. Yochelson

Cheri Yochelson

*Counsel for Virginia Electric and Power  
Company doing business as Dominion  
Energy Virginia*

# **ATTACHMENT A**

## **REDLINED/MARKED VERSION OF ATTACHMENT H-16C OF THE PJM TARIFF SHOWING THE PROPOSED CHANGES**

## ATTACHMENT H-16C

### Virginia Electric and Power Company Other Post Employment Benefits Expenses

Attachment H-16A of the PJM Tariff includes Attachment 5 – Cost Support (“Attachment 5”). A portion of Attachment 5, specifically under “A&G Expenses – Other Post Employment Benefits,” requires an input of the Other Post Employment Benefits (“OPEB”) Expense most recently accepted by the Commission. This Attachment H-16C documents that Virginia Electric and Power Company’s OPEB Expense during the twelve months ended December 31, ~~2022-2023~~ is ~~\$(61,899,318)~~ \$(47,137,509).



**ATTACHMENT B**

**CLEAN VERSION OF  
ATTACHMENT H-16C OF THE PJM TARIFF  
SHOWING THE PROPOSED CHANGES**

## **ATTACHMENT H-16C**

### **Virginia Electric and Power Company Other Post Employment Benefits Expenses**

Attachment H-16A of the PJM Tariff includes Attachment 5 – Cost Support (“Attachment 5”). A portion of Attachment 5, specifically under “A&G Expenses – Other Post Employment Benefits,” requires an input of the Other Post Employment Benefits (“OPEB”) Expense most recently accepted by the Commission. This Attachment H-16C documents that Virginia Electric and Power Company’s OPEB Expense during the twelve months ended December 31, 2023 is \$(47,137,509).

**ATTACHMENT C**

**WILLIS TOWERS WATSON ACTUARIAL ANALYSIS**



March 15, 2024

Sarah Rodriguez  
Dominion Energy, Inc.  
600 E. Canal Street  
Richmond, VA 23219

**Dominion Energy Virginia: 2023 Net Periodic Postretirement Benefit Cost**

Dear Sarah:

Dominion Energy, Inc. (“the Company”) engaged Willis Towers Watson US LLC (“WTW”) to determine the Company’s fiscal year 2023 net periodic postretirement benefit cost (“NPPBC”) for its postretirement medical and life insurance plans. The valuation was performed in accordance with generally accepted actuarial principles and practices.

The following information is related to the benefit cost allocated to the Dominion Energy Virginia (“DEV”) business units within the Company. The benefit cost was prepared in accordance with FASB ASC 715-60-35 and allocated based on the methodology detailed below.

The results provided herein reflect data and assumptions appropriate for this valuation. Effects of the COVID-19 pandemic are uncertain and still evolving. Other than noted in this report for per capita claims development, the results were not adjusted for the effects of COVID-19. There may be significant effects on plan experience and/or assumptions, both demographic and economic, as well as the possibility of related changes in certain plan provisions, used for future measurements.

The 2023 benefit cost allocated to the DEV business units is shown in the table below. Values are provided on a standalone basis.

800 North Glebe Road  
Arlington, VA 22203

T +1 703 258 8000  
F +1 703 258 8585  
[wtwco.com](http://wtwco.com)

Business Unit	Service Cost	Other	Total Postretirement Benefit Cost
Credit Union	31,922	(244,854)	(212,932)
Delivery – Electric	2,708,041	(30,958,669)	(28,250,628)
Energy – Electric Transmission	507,602	(6,106,035)	(5,598,433)
Energy – Dominion Technical Solutions	413,527	(5,126,621)	(4,713,094)
Generation – Electric	3,237,797	(29,550,761)	(26,312,964)
Services Company	2,598,576	(22,511,979)	(19,913,403)

### Basis for the Valuation

A summary of the principal plan provisions valued for the postretirement medical and life insurance plans is contained in the attached Table 1 and 2.

The assumptions and methods used for the 2023 postretirement benefit cost are described in the attached Table 3. All assumptions and methods used for determining 2023 NPPBC are the same as those used for the year-end 2022 disclosure.

Assumptions were selected based on information known as of the measurement date.

### Allocation of Benefit Cost

The cost indicated above represents the benefit cost allocated to the DEV business units who participate in the Company's postretirement medical and life insurance plans. The Company specified that postretirement welfare benefit costs be allocated using the following methodology.

For the Legacy CAO Services portion only of the Services Company Business Unit, the components of the benefit cost are determined directly.

For all other business units, including the Legacy Dominion portion of the Services Company, the service cost component of the benefit cost is determined directly by individual. The other components of the benefit cost are prorated by active headcount. The active headcount for each Business Unit is based on the census data as of January 1, 2022.

### Limitations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. The results of the valuation are based on the data, assumptions, methods, models, plan provisions and other information, outlined in the actuarial valuation report to determine accounting requirements for the plan for the plan year beginning January 1, 2022, dated July 28, 2023. Therefore, such information, and the reliances and limitations of the valuation report and its use, should be

considered part of this letter report. Relevant plan provisions, assumptions and methods are repeated in the attached tables for your convenience.

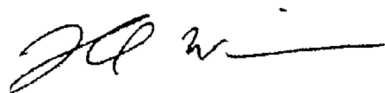
The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to use may have produced results that are not suitable for the purpose of this report and such inaccuracies, as corrected by the Company, may produce materially different results that could require that a revised report be issued.

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the benefit cost and other financial reporting have been selected by the Company. WTW has evaluated the assumptions used and believes that they do not significantly conflict with what would be reasonable, except for the expected long-term rate of return on plan assets selected as of January 1, 2023. WTW was unable to evaluate the expected long-term rate of return on plan assets assumption because of the complexity of the plan sponsor's investment policy. In addition, we believe that the combined effect of assumptions, other than the assumptions selected by another party that we have been unable to assess for reasonableness, is expected to have no significant bias.

### Actuarial Certification

The undersigned consulting actuaries are members of the Society of Actuaries and meet the "Qualification Standard for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension and other postretirement benefit plans. Our objectivity is not impaired by any relationship between Dominion and our employer, Willis Towers Watson US LLC.

Sincerely yours,



Robert D. Winn, FSA  
Senior Director, Retirement



Steven Verguldi, ASA, MAAA  
Director, Retirement

Enclosure

## Table 1 Summary of Principal Postretirement Medical Plan Provisions

### 1.1. General Information

#### Dominion Energy East: Disposition of Gas Transmission & Storage (“GT&S”) business to Berkshire Hathaway Energy (“BHE”)

The sale of the GT&S business to BHE closed November 1, 2020. As a result of the sale, the following provisions will apply to all impacted participants:

- Employees not eligible for retirement as of November 1, 2020 will have no future retiree medical or retiree life benefits payable by Dominion.
- Employees eligible for retirement as of November 1, 2020 will be eligible for retiree medical and retiree life benefits payable by Dominion. Dominion’s subsidy for retiree medical benefits is based on age plus service (“points”) as of November 1, 2020 and these employees can commence medical benefits at any time on or after the sale date.

## 1.2. Medical Stipend Plan for Medicare-Eligible Participants

### Coverage

Coverage Group	Description	Definition
A.1.	Dominion Energy East Nonunion Employees	Retiring after 1/1/2005 and: (a) Hired on or after 1/1/2005; or (b) Not age 55 by 1/1/2005
A.2.	Dominion Energy East Nonunion Employees	(a) Retiring between 1/1/2001 and 12/31/2004; or (b) Retiring after 1/1/2005 and at least age 55 by 1/1/2005
A.3.	Dominion Energy East Nonunion Employees	Retiring between 1/1/1993 and 1/1/2001
A.4.	CAO Nonunion	Retiring between 1/1/1993 and 1/1/2001
B.1.	IBEW Union Employees	Retiring on or after 1/1/2008 and: (a) Hired on or after 1/1/2008; or (b) Not age 55 by 1/1/2008
B.2.	IBEW Union Employees	(a) Retiring between 1/1/2003 and 12/31/2007; or (b) Retiring on or after 1/1/2008 and at least age 55 by 1/1/2008
B.3.	IBEW Union Employees	Retiring between 1/1/1993 and 12/31/2002

### Participation

**Nonunion:** Generally full-time employees who meet the above requirements and retire on or after the age of 58 with 10 years of service are eligible to participate in the plan.

Any fully eligible nonunion participant who retires after July 1, 2021 will have the option to defer coverage and enroll at a future date.

**Local 50 – IBEW Union (retiring on or after January 1, 2026):** All full-time employees who retire on or after January 1, 2026 and attained age 58 with 10 years of service are eligible to participate in the plan.

**Local 50 – IBEW Union (retiring before January 1, 2026):** Generally full-time employees who meet the above requirements and retire on or after the age of 55 with 10 years of service are eligible to participate in the plan.

Any Local 50 participant who retires on or after September 1, 2021 will have the option to defer coverage beyond eligibility and enroll at a future date. All participants must meet the eligibility conditions (age 55 with 10 years of service or age 58 with 10 years of service) as of the date of termination from active employment to be eligible for deferral.

The following groups of retirees will not be able to participate in the Medical Stipend Plan:

- Disabled nonunion retirees who became disabled prior to 4/1/2014 and are not yet age 65, but who are eligible for Medicare due to their disability, are only eligible for the Medical Stipend once they attain age 65.
- Former CAO nonunion employees who retired prior to 2/1/2010 or had less than 10 years of service with Dominion, and who reside in an area covered by a mandatory Dominion-sponsored HMO plan.



- Retirees who retired prior to 1/1/1996 and voluntarily enrolled in a Dominion-sponsored HMO plan and who elect as of 4/1/2014 not to receive the stipend
- Nonunion employees hired on or after 10/1/2015
- IBEW Local 50 employees hired on or after 1/1/2017

Benefits are provided for life. Coverage can continue for the spouse after the death of the retiree for life.

**Medical Plan Type**

All Medicare-eligible retirees and their covered spouses will receive an annual stipend amount contributed by Dominion to a Health Reimbursement Arrangement (HRA) for use in purchasing supplemental medical and drug coverage through an exchange. The annual stipend amount will depend on age and service for future retirees. The annual stipend is indexed at the Medical CPI-U. These stipends were increased to 2023 with an actual medical CPI rate of 4.55%. A description of each annual stipend amount can be found in the following table.

Nonunion Group Number	Employee/Retiree Group Definition	2022 Stipend for Medicare-Eligible Retiree (With at Least 30 Years of Service)	2022 Stipend for Medicare-Eligible Spouse (With at Least 30 Years of Service)	Reduction in Stipends for Less Than 30 Years of Service
<b>Dominion Energy, Inc. Medicare-Eligible Nonunion Retirees (Dominion Energy East)</b> [Excludes former CNG retirees, see below]				
1)	Participants hired on or after 1/1/2008	\$1,400	\$1,040	Stipend is multiplied by Service divided by 30, rounded to nearest dollar
2)	Participants hired prior to 1/1/2008 and retiring on or after 1/1/2005 aged less than 55 on 1/1/2005			
a)	▪ Aged 53-54 at 1/1/2005	\$2,260	\$1,640	Stipend is multiplied by Service divided by 30, rounded to nearest dollar
b)	▪ Aged 50-52 at 1/1/2005	\$1,890	\$1,450	
c)	▪ Aged 45-49 at 1/1/2005	\$1,640	\$1,270	
d)	▪ Aged < 45 at 1/1/2005	\$1,400	\$1,040	
3)	Participants who retired on or after 1/1/2001 and on or before 12/31/2004 OR Participants hired on or before and retiring after 1/1/2005 aged 55 or over on 1/1/2005	\$2,520	\$2,260	No reduction
4)	Retired on or after 1/1/1993 and on or before 12/31/2000	\$3,500	\$3,020	No reduction
<b>Medicare-eligible Former CNG Nonunion Retirees, AND ARE NOT living in an area covered by a Dominion-sponsored group HMO plan</b>				
5a,b,c,d and 6)	Retired on or after 1/1/2001	Same stipends as Groups 2a,b,c,d and 3 above Service to determine stipend amount includes service prior to 1/28/2000		

7)	Retired on or after 1/1/1993 and on or before 12/31/2000	\$2,520	\$2,260	No reduction
<b>Medicare-eligible Former CNG Nonunion Retirees, AND ARE living in an area covered by a Dominion-sponsored group HMO plan</b>				
8a,b,c,d and 9)	Retired on or after 2/1/2010	Same stipends as Groups 2a,b,c,d and 3 above based on date of retirement with Dominion Service to determine stipend amount includes service prior to 1/28/2000		
10)	Retired prior to 2/1/2010	No stipend – continued coverage in HMO plan		

Union Group Number	Employee/Retiree Group Definition	2022 Stipend for Medicare-Eligible Retiree (With at Least 30 Years of Service)	2022 Stipend for Medicare-Eligible Spouse (With at Least 30 Years of Service)	Reduction in Stipends for Less Than 30 Years of Service
<b>IBEW Local 50 Medicare-Eligible Retirees</b>				
1)	Participants retiring on or after 1/1/2008 aged less than 55 on 1/1/2008			
a)	• Aged 53-54 at 1/1/2008	\$2,260	\$1,640	Stipend is multiplied by Service divided by 30, rounded to nearest dollar <sup>1</sup>
b)	• Aged 50-52 at 1/1/2008	\$1,890	\$1,450	
c)	• Aged 45-49 at 1/1/2008	\$1,640	\$1,270	
d)	• Aged < 45 at 1/1/2008	\$1,400	\$1,040	
2)	Participants retiring on or after 1/1/2008 and age 55 or over on 1/1/2008	\$2,520	\$2,260	No reduction
3)	Participants who retired on or after 1/1/2003 and before 12/31/2007	\$2,870	\$2,490	No reduction
4)	Retired on or after 1/1/1993 and on or before 12/31/2002	\$3,500	\$3,020	No reduction

**Retiree Contributions**

Retirees are responsible for all expenses related to medical and drug costs. The HRA may be used to pay for medical costs and Medicare Part B premiums.

**Catastrophic Coverage**

Dominion will reimburse retirees and their dependents for any out-of-pocket drug costs incurred after reaching the Medicare catastrophic threshold.

<sup>1</sup> Proration is not applied for retirements prior to 1/1/2018

### 1.3. Retiree Medical Account

#### Coverage

Coverage Group	Description
Dominion Energy East Nonunion Employees	Hired on or after 1/1/2008 and before 4/1/2014 and attained age 58 with 3 years of service before 4/1/2014

#### Participation

All regular full-time or part-time (working over 1,000 hours) employees hired between 1/1/2008 and 4/1/2014 who had attained age 58 with 3 years of service before 4/1/2014, were eligible to participate in the Plan.

Effective 4/1/2014, the Retiree Medical Account (“RMA”) was eliminated for the following participants:

- Participants who were actively employed on 4/1/2014, but who have not met the age and service criteria for an RMA.
- Participants who were actively employed on 4/1/2014, but who retire after accruing 10 years of service. Refer to Section 1.4 for a description of the pre-Medicare medical plan provisions and Section 1.2 for a description of the Medicare plan provisions for these participants.

The following participants will continue to be eligible for the RMA and receive an RMA at retirement:

- Participants who retired prior to 4/1/2014, after meeting the age and service criteria for an RMA.
- Participants who were actively employed on 4/1/2014, but who have already met the age and service criteria for an RMA, will have their RMA frozen effective 3/31/2014 and receive this benefit if they retire prior to accruing 10 years of service.

#### Medical Plan Type

The RMA is a notional account established by Dominion. The RMA is credited with a specified amount of eligible credits starting at the later of age 45 and date of hire and ending at the earlier of date of retirement or March 31, 2014. The annual credit is \$6,500. After retirement, the RMA is accumulated with interest using an annual interest rate established in accordance with IRS guidelines for cash balance plans.

Eligible spouses receive 90% of the notional account balance. If there is an account balance at death, the balance is redistributed to other RMA participants.

#### Deductibles

N/A

#### Coinsurance

N/A

**Out-of-pocket**

The RMA can be used to pay for out-of-pocket medical expenses and medical premiums.

**Lifetime Maximum**

Benefits are limited to the account value.

**Retiree Contributions**

None.

## 1.4. Traditional Plans –Retiree Medical

### Coverage

Coverage Group	Name	Description
A.1.	Dominion Energy East Nonunion Employees	Retiring after 1/1/2005 and: (a) Hired on or after 1/1/2005; or (b) Not age 55 by 1/1/2005
A.2.	Dominion Energy East Nonunion Employees	(a) Retiring between 1/1/2001 and 1/1/2005; or (b) Retiring after 1/1/2005 and at least age 55 by 1/1/2005
B.1.	IBEW Union Employees	Retiring after 1/1/2008 and: (a) Hired on or after 1/1/2008; or (b) Not age 55 by 1/1/2008
B.2.	IBEW Union Employees	(a) Retiring between 1/1/2003 and 12/31/2007; or (b) Retiring after 1/1/2008 and at least age 55 by 1/1/2008

### Participation

**Nonunion:** Generally full-time employees who meet the above requirements and retire on or after the age of 58 with 10 years of service are eligible to participate in the plan.

Any fully eligible nonunion participant who retires after July 1, 2021 will have the option to defer coverage and enroll at a future date.

**Local 50 – IBEW Union (retiring on or after January 1, 2026):** All full-time employees who retire prior to January 1, 2026 and attained age 55 with 10 years of service are eligible to participate in the plan.

**Local 50 – IBEW Union (retiring before January 1, 2026):** Generally full-time employees who meet the above requirements and retire on or after the age of 55 with 10 years of service are eligible to participate in the plan.

Any Local 50 participant who retires on or after September 1, 2021 will have the option to defer coverage beyond eligibility and enroll at a future date. All participants must meet the eligibility conditions (age 55 with 10 years of service or age 58 with 10 years of service) as of the date of termination from active employment to be eligible for deferral.

Note the following exceptions:

- Full-time Dominion Energy East Nonunion employees (A.1.) who attained age 55 on or before December 31, 2011, and who retire on or after the age of 55 with 10 years of service are eligible to participate in the Plan.
- Full-time CNG Producing and Dominion Services employees (a subset of Coverage Group A.1.) whose employment terminated due to a divestiture and who had at least 65 points (age plus service) and at least 10 years of service as of July 1, 2007, will be eligible to retire on or after age 60.
- Certain nonunion employees who experienced involuntary separations between 1/1/2012 and 1/1/2015 are subject to improved eligibility requirements to transition the nonunion eligibility requirements from age 55 with 10 years of service to age 58 with 10 years of service.
- Nonunion employees hired on or after 10/1/2015 are not eligible.

- IBEW Local 50 employees hired on or after 1/1/2017 are not eligible.

Benefits are provided to retirees for life in combination with the Medical Stipend Plan described in Section 1.2 (for certain retirees as described in that Section). Eligible dependents of retired participants may also participate in the plan. Eligible dependents include the spouse of a retired participant, any unmarried children under age 19 or full-time students under age 25, and disabled dependents at any age.

**Coverage Groups A.1 and A.2.**

Coverage can continue for the spouse after the death of the retiree for life.

**Coverage Groups B.1 and B.2.**

Coverage can continue for the spouse after the death of the retiree for life or until remarriage.

**Medical Plan Type**

Employees who are not Medicare-eligible may enroll in a PPO Plan. Retirees who are Medicare-eligible must enroll in a Medicare HMO, if available. Retirees who are Medicare-eligible and who do not reside in an area covered by a Dominion-sponsored HMO will receive an annual stipend, as described in Section 1.2.

**Dental Plan**

There is no dental coverage under the plan.

**Deductibles**

The indexed deductible amounts for 2022 are:

Medical Plan		
Coverage Group	Individual	Family
All Groups	\$579	\$1,158

Prescription Drugs	
Coverage Group	Per Person
Dominion Nonunion (A.2.)	None
IBEW Union (B.2.)	None
All Other	\$82

**Coinsurance**

Once the deductible is satisfied, those that are enrolled in the PPO Plan pay 20% of covered expenses for in-network services and 40% of covered expenses for out-of-network services. After the out-of-pocket amount is reached, for in-network and out-of-network services, the plan pays 100% of covered services for the remainder of the year.

All Participants pay the following for prescription drugs (see exceptions described below):

Retail pharmacy, up to 30-day supply:



- Generic 20%, \$5 minimum
- Formulary brand 25%, \$20 minimum
- Non-Formulary brand 35%, \$35 minimum

Mail order, up to 90-day supply:

- Generic 20%, \$10 minimum
- Formulary brand 25%, \$40 minimum
- Non-Formulary brand 35%, \$70 minimum

**Exceptions**

Nonunion participants in coverage group A.2. and IBEW union employees in coverage group B.2. generally, pay 20% of covered expenses for prescription drugs. Other grandfathered groups may have different prescription drug provisions.

**Out-of-pocket**

The indexed out-of-pocket annual limits for all the PPO Plans for 2022 are:

Coverage Groups		Individual	Family
All Groups	In-Network	\$2,325	\$4,650
	Out-Of-Network	\$4,068	\$8,136

The out-of-pocket limits for prescription drugs for 2022 are:

Coverage Groups	Individual	Family
Dominion Nonunion (A.2.)	\$713	\$1,426
IBEW Union (B.2.)		
All Other	\$1,028	\$2,056

**Lifetime Maximum**

The plan will pay a maximum of \$2,000,000 to \$4,000,000 (depending on retirement date and plan) in medical benefits in each family member's lifetime.

**Retiree Contributions**

Coverage Before Medicare-Eligibility

Retiree contributions depend on 1) the employee's age as of January 1 as indicated below, and 2) the employee's age and service at retirement.

Retirees pay the percentage listed below of the active cost for medical Option C for all plans.



Coverage Group	Transition Date	Age at Transition Date			
		Age I	Age II	Age III	Age IV
Dominion Energy East Nonunion (A.1.)	1/1/2005	Less than 45	45 – 50	50 – 53	53 & 54
IBEW Union (B.1.)	1/1/2008				

Total Age + Service at Retirement	Age I	Age II	Age III	Age IV
95	40%	40%	25%	19%
94	42%	41%	26%	20%
93	44%	42%	27%	21%
92	46%	43%	28%	22%
91	48%	44%	29%	23%
90	50%	45%	30%	24%
89	53%	46%	31%	25%
88	56%	47%	32%	26%
87	59%	48%	33%	27%
86	62%	49%	34%	28%
85	65%	50%	35%	29%
84	68%	51%	36%	30%
83	71%	52%	37%	31%
82	74%	53%	38%	32%
81	77%	54%	39%	33%
80	80%	55%	40%	34%
79	83%	56%	42%	35%
78	86%	57%	44%	36%
77	89%	58%	46%	38%
76	92%	59%	48%	40%
75	95%	60%	50%	42%
74	98%	64%	52%	45%
73	100%	68%	54%	47%
72	100%	72%	56%	49%
71	100%	76%	58%	51%
70	100%	80%	60%	53%
69	100%	80%	60%	55%
68	100%	80%	60%	57%
67	100%	80%	63%	60%
66	100%	80%	64%	61%
65	100%	80%	70%	63%

**Dominion Nonunion Employees (Group A.2.)**

Nonunion retirees with 30 years of service or more pay 20% of the total cost of coverage. Nonunion retirees with fewer than 30 years of service pay a 10% incremental contribution for every year of service fewer than 30. This applies for both “Retiree Only” and “Retiree & Spouse” coverage.

Nonunion employees pay 20% of total medical costs. Employee and retiree contributions (for new retirees and already retired employees) are increased annually so that the employee share of total medical costs remains at 20%.



**IBEW Union Employees (Group B.2.)**

In the first year of retirement, employees will pay 82.50% of the amount for a comparable new Nonunion retiree (a 16.50% union target instead of a 20% Nonunion target). Thereafter, the contributions for existing retirees are increased by medical CPI capped at 5%.

**Coverage at Medicare Eligibility**

Retirees must enroll in a mandatory Medicare HMO, if available. The retiree is responsible for the HMO premiums. If no HMO is available, the retiree can enroll in the active medical plan Option C PPO Plan with Medicare carve-out and contribute 50% of the pre-Medicare contribution amount.

If the retiree is Medicare-eligible and the spouse and/or other dependent(s) are not, or vice versa, each separate contribution will apply.

Retiree contributions for Medicare-eligible retirees are increased annually by the same percentage as that applied to the contributions for retirees not yet eligible for Medicare.

## 1.5. Legacy Dominion Retiree Medical

### Coverage

Coverage Group	Name	Description
A.3.	Dominion Energy East Nonunion Employees	Retiring prior to 1/1/2001
B.3.	IBEW Union Employees	Retiring prior to 1/1/2003

### Participation

Generally, full-time employees who meet the above requirements and retire on or after the age of 55 with 10 years of service are eligible to participate in the Plan.

Benefits are provided to retirees for life. Eligible dependents of retired employees may also participate in the Plan if they were covered at the time of the employee's retirement. Eligible dependents include the spouse of the retired employee, any unmarried children who qualify as dependents for federal income tax purposes, and any unmarried children who do not qualify as dependents for federal income tax purposes but to whom there is a legal obligation to provide support or medical coverage.

#### Coverage Group A.3.

Coverage can continue for the spouse after the death of the retiree for life.

#### Coverage Group B.3.

Coverage can continue for the spouse after the death of the retiree for life or until remarriage.

### Medical Plan Type

Employees who are not Medicare-eligible may enroll in a PPO Plan. Retirees who are Medicare-eligible and retired prior to 1/1/1993 must enroll in a Medicare HMO, if available or otherwise, may enroll in the PPO Plan with Medicare carve-out. Retirees who are Medicare-eligible and retired on or after 1/1/1993 receive an annual stipend as described in Section 1.2.

### Dental Plan

There is no dental coverage under the plan.

**Deductibles**

Medical and Drug Deductible - Dominion Nonunion (A.3.)		
Year of Retirement	Individual	Family
Prior to 1/1/1989	\$200 per Covered Individual	
1/1/1989-12/31/1992	\$200	\$400
1/1/1993-12/31/2000*	Option A: \$579 (2022 Indexed)	Option A: \$1,158 (2022 Indexed)
	Option C: \$1,158 (2022 Indexed)	Option C: \$2,316 (2022 Indexed)

Medical and Drug Deductible - IBEW Union (B.3.)		
Year of Retirement	Individual	Family
Prior to 1/1/1990	\$200 per Covered Individual	
1/1/1990-12/31/1992	\$200	\$400
1/1/1993-12/31/2003*	Option A: \$579 (2022 Indexed)	Option A: \$1,158 (2022 Indexed)
	Option C: \$1,158 (2022 Indexed)	Option C: \$2,316 (2022 Indexed)

\* For retirees after 1/1/1993, the amount shown is the medical only deductible. There is a \$177 per person deductible and \$354 per family deductible for prescription drugs.

**Coinsurance**

Once the deductible is satisfied, those that are enrolled in the PPO Plan pay 20% of covered expenses for in-network services, and 40% of covered expenses for out-of-network services. After the out-of-pocket amount is reached for in and out-of-network services, the plan pays 100% of covered services for the remainder of the year.

Employees pay 20% of covered expenses for prescription drugs.

**Out-of-pocket**

Medical and Drug Out-of-Pocket - Dominion Nonunion (A.3.)				
Year of Retirement	In-Network		Out-of-Network	
	Individual	Family	Individual	Family
Prior to 1/1/1989	None		None	
1/1/1989-12/31/1992	\$600	\$1,200	\$600	\$1,200
1/1/1993-12/31/2000*	Option A: \$2,325 (2022 Indexed)	Option A: \$4,650 (2022 Indexed)	Option A: \$4,068 (2022 Indexed)	Option A: \$8,136 (2022 Indexed)
	Option C: \$4,650 (2022 Indexed)	Option C: 9,300 (2022 Indexed)	Option C: \$8,136 (2022 Indexed)	Option C: \$16,272 (2022 Indexed)

Medical and Drug Out-of-Pocket - IBEW Union (B.3.)				
Year of Retirement	In-Network		Out-of-Network	
	Individual	Family	Individual	Family
Prior to 1/1/1990	None		None	
1/1/1990-12/31/1992	\$600	\$1,200	\$600	\$1,200
1/1/1993-12/31/2003*	Option A: \$2,325 (2022 Indexed)	Option A: \$4,650 (2022 Indexed)	Option A: \$4,068 (2022 Indexed)	Option A: \$8,136 (2022 Indexed)
	Option C: \$4,650 (2022 Indexed)	Option C: 9,300 (2022 Indexed)	Option C: \$8,136 (2022 Indexed)	Option C: \$16,272 (2022 Indexed)

\* For retirees after 1/1/1993, the amount shown is the medical only deductible. The out-of-pocket limit for prescription drugs is \$885 (2022 for individual) and \$1,770 (2022 for family).

**Lifetime Maximum**

Year of Retirement	Amount	Coverage Group
Prior to 1/1/1989	Dominion Energy East Nonunion Employees	\$300,000
Prior to 1/1/1990	IBEW Union Employees	
1/1/1989-12/31/1992	Dominion Energy East Nonunion Employees	\$750,000
1/1/1990-12/31/1992	IBEW Union Employees	
On or after 1/1/1993	Dominion Energy East Nonunion Employees.	\$2,000,000
	IBEW Union Employees	

**Retiree Contributions**

Coverage Before Medicare

IBEW employees who retired before 1/1/1993 and Dominion Energy, Inc. employees retired before 1/1/1993, there is no contribution required.

Employees retired between 1/1/1993 and 12/31/2000, the following contributions apply:

For each year of service less than 30, the contribution for "Retiree Only" coverage is a percentage of the total cost (company and employee portions) of "Employee Only" coverage:

- If the Comprehensive Plan's Option A is chosen, each year of service less than 30 will cost 2.5% of the total cost of "Employee Only" coverage under Option A.
- If the Comprehensive Plan's Option C is chosen, each year of service less than 30 will cost 2.5% of the total cost of "Employee Only" coverage under Option C.

For a retiree with fewer than 30 years of service, an additional 2.5% of the difference between the total cost of "Employee Only" and the total cost of "Employee & Spouse" under Option C is required for each year less than 30. This cost is added to any cost for "Retiree Only" coverage to determine the retiree's contribution for "Retiree & Spouse."

For a retiree with fewer than 30 years of service, an additional 2.5% of the difference between the total cost of "Employee Only" and the total cost of "Employee & Spouse" under Option A is required for each year less than 30. This cost is added to any cost of "Retiree Only" coverage to determine the retiree's contribution for "Retiree & Spouse."

For dependent coverage under the Comprehensive Plan's Option A, the contribution for a retiree with 30 or more years of service, that elects "Retiree & Spouse" coverage, is 20% of the difference between the total cost of "Employee Only" and the total cost of "Employee & Spouse" under Option A.

For dependent coverage under the Comprehensive Plan's Option C, the contribution for a retiree with 30 or more years of service who elects "Retiree & Spouse" coverage, would equal 7.0% of the difference between the total cost of "Employee Only" and the total cost of "Employee & Spouse" under Option C.

Contributions for "Retiree & Child(ren)" and "Family" coverage under either Option A or Option C are calculated in a similar manner.

#### Coverage at Medicare Eligibility

##### Groups A.3 and B.3 (post-1993 retirees)

Participants who retired on or after January 1, 1993 are covered under the provisions described in Section 1.2.

##### Groups A.3 and B.3 (pre-1993 retirees)

Contributions for retirees who have reached Medicare eligibility are calculated in the same way as the contributions for coverage under Option A when the retiree is not eligible for Medicare. However, the contributions are based on a lower total cost due to the Medicare offset. Once Medicare eligibility is reached, benefits provided under the plan are the same as those provided under the Comprehensive Option A, reduced for the coverage provided by Medicare.

Contributions are calculated as follows:

- For a retiree with 30 or more years of service, no contribution is required for "Retiree Only" coverage.
- For a retiree with fewer than 30 years of service, the contribution for "Retiree Only" coverage is 2.5% of the total cost of the Comprehensive Supplement to Medicare for each year of service less than 30.
- For a retiree with 30 or more years of service, the contribution for "Retiree & Spouse" coverage is 20% of the difference between the total cost of "Retiree Only" coverage and the total cost for "Retiree & Spouse" coverage.
- For a retiree with fewer than 30 years of service, the contribution for "Retiree & Spouse" coverage is 20% of the difference between the total cost of "Retiree & Spouse" coverage plus an additional 2.5% of the difference for each year of service less than 30.
- If the retiree is Medicare-eligible and the spouse and/or other dependent(s) are not, or vice versa, each separate contribution will apply.
- Contributions are increased annually after retirement by a percentage equal to one half of the first five percentage point increase in the average consumer price index.

## 1.6. Legacy CAO Nonunion Retiree Medical

### Coverage

Coverage Group	Name	Description
A.4.	CAO Nonunion	Retiring prior to 1/1/2001

### Participation

Full-time employees who retire on or after the age of 55 with 15 years of service or after age 65 are eligible to participate in the Plan.

Benefits are provided to retirees for life. Eligible dependents of retired employees may also participate in the plan. Eligible dependents include the spouse of the retired employee; any unmarried children under age 19 or full-time students under age 25, and disabled dependents at any age.

Coverage can continue for the spouse after the death of the retiree for life or until remarriage.

### Medical Plan Type

Year of Retirement	Pre-65	Medicare Eligible
Prior to 1/1/1985	Base/Major Medical Plan (HM01/02/03)*	Medicare Supplement Plan (HO14/15)*
1/1/1985 - 3/1/1992	Comprehensive Plan (HM06/07)	Same as above
3/1/1992 – 12/31/1992	Same as above	Medicare Carve-out Plan based on pre-65 Comprehensive Plan (HO16)
1/1/1993-12/31/1995		HMO (mandatory, if available) or Annual Stipend Plan (Effective 4/1/2014, if no HMO available)
1/1/1996 – 12/31/1996		
1/1/1997 – 12/31/2000		
	PPO Plan (HMH12)	

\* Plans include prescription drug coverage and a maintenance drug program

Retirees who retired before 1/1/1996 may enroll in a Medicare HMO voluntarily. These retirees have a one-time election on 4/1/2014 to elect the coverage described in Section 1.2.

CNG Energy Services employees who retired between 3/1/1992 and 12/31/1996 and are under age 65 have a Comprehensive Plan (HM07).

### Dental Plan

There is no dental coverage under the plan.

**Deductibles**

Year of Retirement	Individual	Family
Prior to 3/1/1992	\$100 per Covered Individual	
3/1/1992-12/31/1996	\$592 (2022 indexed)	\$1,184 (2022 indexed)
On or After 1/1/1997	\$648 (2022 indexed)	\$1,296 (2022 indexed)

There is no deductible for the Medicare HMO or Supplemental Plan.

**Coinsurance**

For employees who retired before 1/1/1985, the Base Plan includes 100% coverage for hospital and surgical services. The retiree pays 20% for major medical benefits after the deductible has been satisfied. Retirees enrolled in the Supplemental Plan pay 20% of covered expenses after the deductible has been met.

CNG Energy Services employees who retired between 3/1/1992 and 12/31/1996, the retiree pays 20% of covered expenses after the deductible has been satisfied. For employees not in CNG Energy Services who retired between 1/1/1985 and 12/31/1996, the retiree pays 20% of covered expenses after the deductible has been satisfied. Retirees enrolled in the Medicare HMO receive 100% coinsurance.

For all employees who retired on or after 1/1/1997, there is a \$10 office visit copayment for in-network benefits with 100% coinsurance. The retiree pays 30% for out-of-network benefits after the deductible has been satisfied.

After the out-of-pocket amount is reached, all plans pay 100% of major medical services for the remainder of the year. Medicare Part B coinsurance is not a covered expense for retirees over age 65.

**Out-of-pocket**

The following annual out-of-pocket limits (including the deductible) apply:

Year of Retirement	Individual	Family
Prior to 3/1/1992*	\$1,000 per Covered Individual	
3/1/1992-12/31/1996	\$2,961 (2022 indexed)	\$5,922 (2022 indexed)
1/1/1997-12/31/2000	\$6,484 (2022 indexed)	\$12,968 (2022 indexed)

\*

For post-65 retirees enrolled in the Medicare Supplement Plan or Medicare HMO Plan, there is no out-of-pocket limit.

**Lifetime Maximum**

Year of Retirement	Amount
Prior to 1/1/1985	\$250,000
1/1/1985-12/31/1996	\$1,000,000
On or After 1/1/1997	\$2,000,000

**Retiree Contributions**

For employees who retired before 3/1/1992 there is no retiree contribution. However, the surviving spouse pays 100% of the plan cost after becoming Medicare-eligible.

For any employee retired between 3/1/1992 and 12/31/2000, the non-Medicare-eligible annual contribution is \$1,994 (2019 indexed). Medicare-eligible retirees not enrolled in a Medicare HMO contribute \$1,179 (2019 indexed) annually. Retirees who retired on or after 1/1/1993 are covered under the provisions described in Section 1.2.

Retirees in a Medicare HMO are responsible for the HMO premium. Dominion provides a subsidy for retirees who voluntarily elect the Medicare HMO.



## Table 2

### Summary of Postretirement Life Insurance Plan Provisions

#### 2.1. Principle Postretirement Life Insurance Plan Provisions

##### Dominion Energy East Disposition of Gas Transmission & Storage (“GT&S”) business to Berkshire Hathaway Energy (“BHE”)

The sale of the GT&S business to BHE closed November 1, 2020. As a result of the sale, the following provisions will apply to all impacted participants:

- Employees not eligible for retirement as of November 1, 2020 will have no future retiree medical or retiree life benefits payable by Dominion
- Employees eligible for retirement as of November 1, 2020 will be eligible for retiree medical and retiree life benefits payable by Dominion. Dominion’s subsidy for retiree medical benefits is based on age plus service (“points”) as of November 1, 2020 and these employees can commence medical benefits at any time on or after the sale date.

## 2.2. Dominion Postretirement Life Insurance Plan Provisions

### Coverage and Participation

Nonunion: Nonunion employees with life insurance coverage at the time of retirement are eligible at age 58 with 10 years of service, unless they attained age 55 before 12/31/2011, in which case they are eligible at age 55 with 10 years of service. Dominion Nonunion employees hired on or after 1/1/2005 are not eligible for retiree life insurance.

Local 50 – IBEW Union (retiring on or after January 1, 2026): All full-time employees who retire on or after January 1, 2026 and attained age 58 with 10 years of service are eligible to participate in the plan.

Local 50 – IBEW Union (retiring before January 1, 2026): All employees who retire on or after the age of 55 with 10 years of service and with life insurance coverage at the time of retirement are eligible for life insurance after retirement.

Any Local 50 participant who retires on or after September 1, 2021 will have the option to defer coverage beyond eligibility and enroll at a future date. All participants must meet the eligibility conditions (age 55 with 10 years of service or age 58 with 10 years of service) as of the date of termination from active employment to be eligible for deferral.

### Amount of Life Insurance Coverage

For salaried employees retired prior to 1/1/2001 or hourly employees retired prior to 1/1/1989, the coverage is equal to the final annual base pay rounded to the next higher \$1,000, multiplied by the percentage in the table below. For employees hired before 1/1/1990, the coverage amount is further multiplied by a factor of three. However, if the retiree's age and continuous full-time service add up to 75 or more years as of 1/1/1990, the amount of life insurance will be fixed at the percentage in the fifth year of retirement (as given by the table below).

For salaried employees retiring on or after 1/1/2001 but before 1/1/2002 or hourly employees retiring on or after 1/1/1989, the coverage is equal to the final annual base pay rounded to the next higher \$1,000 and then multiplied by the percentage in the table below, but not beyond the fifth year.

Retiree Life Insurance Table for Salaried Employees retired prior to 1/1/2001 and Hourly Employees retired prior to 1/1/1989										
Years of Continuous Full-Time Service	Year in Retirement									
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup> and after
30 or more	90%	80%	70%	60%	50%	45%	40%	35%	30%	25%
25 - 30	85	75	65	55	45	40	35	30	25	20
20 - 25	80	70	60	50	40	35	30	25	20	15
15 - 20	75	65	55	45	35	30	25	20	15	10
14 - 15	70	60	50	40	30	25	20	15	10	5
13 - 14	65	55	45	35	25	20	15	10	5	*
12 - 13	60	50	40	30	20	15	10	5	*	*
11 - 12	55	45	35	25	15	10	5	*	*	*
10 - 11	50	40	30	20	10	5	*	*	*	*
9 - 10	45	35	25	15	5	*	*	*	*	*
8 - 9	40	30	20	10	0	0	0	0	0	0
7 - 8	35	25	15	5	0	0	0	0	0	0
6 - 7	30	20	10	0	0	0	0	0	0	0
5 - 6	25	15	5	0	0	0	0	0	0	0
4 - 5	20	10	0	0	0	0	0	0	0	0
3 - 4	15	5	0	0	0	0	0	0	0	0
2 - 3	10	0	0	0	0	0	0	0	0	0
1 - 2	5	0	0	0	0	0	0	0	0	0

\*For retirees with 9 or more years of service, or minimum benefit applies.

Salaried employees hired before 1/1/2005 who did not reach age 55 by that date receive \$10,000 in retiree life coverage.

Salaried employees who retired on or after 1/1/2002 but before 1/1/2005, or who retired after 1/1/2005 and had reached 55 years or older on 1/1/2005, receive life insurance coverage equal to 50% of final base pay up to a maximum of \$50,000.

Legacy Dominion union employees (e.g. Local 50) hired before 1/1/2008 who did not reach age 55 by that date receive \$10,000 in retiree life coverage.

**Disability Benefit**

A retiree is eligible for life insurance coverage if approved for disability benefits under the DRI Retirement Plan or under the Long-Term Disability Plan.

The amount of coverage is the same as described above.

If a disabled employee is awarded LTD benefits (but not disability benefits under the DRI Retirement Plan), life insurance coverage will continue until age 65 or until the employee is no longer disabled,

## 2.3. Legacy CAO Postretirement Life Insurance Plan Provisions

### Coverage and Participation

Nonunion employees with 10 years of service are eligible at age 58, unless they attained age 55 before 12/31/2011, in which case they are eligible at age 55. The employee must not have elected to participate in the Survivor Benefit Income Insurance Plan (option not available after 1/1/2001).

### Amount of Life Insurance

For employees retired before 1/1/2001 who are under age 69, a retiree's coverage is equal to one times the annual base pay as of the last day worked rounded to the next higher \$1,000. The coverage is subject to a maximum coverage amount of \$200,000.

For employees retired before 1/1/2001 who have reached age 69, the coverage is reduced beginning on January 1 following attainment of age 69. The coverage is equal to one half times the annual base pay as of the last day worked rounded to the next higher \$1,000. The coverage is subject to a maximum coverage amount of \$50,000.

## 2.4. Postretirement Survivor Benefit Income Insurance Plan Provisions

### Coverage and Participation

Full-time employees who retire after the age of 55 with 10 years of continuous service or after age 65 and with life insurance coverage at the time of retirement are eligible for life insurance after retirement. The plan is available to management employees hired before 9/1/1988.

### Amount of Life Insurance

If the retiree is under age 65, the coverage will provide monthly payments equal to 3/8 of the monthly base pay as of the last day worked. The payments will continue depending on the years of service at retirement. The number of payments is summarized in the following table:

Years of Continuous Full-Time Service	Number of Payments	Years of Continuous Full-Time Service	Number of Payments
15	34	23	42
16	35	24	43
17	36	25	44
18	37	26	45
19	38	27	46
20	39	28	47
21	40	29	48
22	41	30 or more	49

If the retiree is over age 65, the coverage will provide a lump sum of \$400 plus monthly payments equal to 3/8 of the monthly base pay, as of the last day worked when added to 50% of the survivors Social Security benefit. The payments will continue depending on age and the years of service at retirement. The number of payments is reduced by a percentage of the pre-65 amount depending on the retiree’s age. The reduction percent is summarized in the following table:

Age	Number of Payments (as a % of the Pre-65)
65	90% of Above
66	80% of Above
67	70% of Above
68	60% of Above
69	50% of Above

A minimum of \$1,500 in total payments will be made. If no beneficiary exists, a \$1,500 lump sum will be paid to the retiree’s estate.

Retirees may also participate in a Voluntary Group Life Insurance Program. The retiree must contribute \$5.40 per year per \$1,000 of coverage. The coverage is equal to two times the annual base pay as of the last day worked rounded to the nearest \$1,000. For management employees, the maximum coverage is \$100,000. Coverage is reduced according to the following schedule:

Age	Coverage Amount
65 or less	2 x final pay
66	1 x final pay
67	11/12 x final pay
68	10/12 x final pay
69	9/12 x final pay
70	8/12 x final pay
71	7/12 x final pay
Greater than 71	6/12 x final pay

For all retirees over age 66, the maximum coverage amount is \$25,000.

## Table 3 Actuarial Assumptions and Methods

### Statement of Actuarial Assumptions and Methods for 2023 Benefit Cost

#### Statement of Data and Assumptions

The 2023 Net Periodic Postretirement Benefit Cost for the period of January 1, 2023 to December 31, 2023 was based on the January 1, 2022 census data, 2022 claims assumptions and the assumptions detailed in this table.

#### Discount Rate

5.69% (compounded annually)

#### Expected Long-Term Rate of Return on Plan Assets

8.35%, net of administrative and investment expenses, for determining the 2023 Benefit Cost.

#### Healthcare Reimbursement Accounts (HRAs)

Certain retirees over age 65 are provided with stipends through HRAs to purchase medical coverage through an Exchange. The following assumptions were used to value these stipends and accounts:

- Annual growth rate in stipends provided by Dominion:
  - Actual growth from 2022 to 2023: 4.55%
  - Expected growth rate in future years: 3.50%
- Catastrophic out-of-pocket drug costs:
  - Annual cost per member in 2022 and 2023: \$66 (2022 amount, indexed)
  - Annual cost per member 2024 and later: \$0
- Annual administrative fee in 2022 per HRA account (married participants have joint accounts): \$48

Catastrophic drug reimbursement costs are assumed to increase annually at the Health Care Cost Trend Rate outlined below. Starting in 2024, catastrophic drug coverage is assumed to no longer apply based on the provision of the Inflation Reduction Act. See “Health Care Reform” section below for further details.

**Health Care Cost Trend Rate**

Year Increase Applies:

2022 (to 2023):	7.00%
2023 (to 2024):	6.75%
2024 (to 2025):	6.50%
2025 (to 2026):	6.25%
2026 (to 2027):	6.00%
2027 (to 2028):	5.75%
2028 (to 2029):	5.50%
2029 (to 2030):	5.25%
2030 (to 2031) and later:	5.00%

Retiree Contributions:

Contributions are assumed to increase with medical trend for active participants and at a rate of 4.00% per annum for inactive participants.

**Healthy Mortality**

Healthy mortality is a blend of 70% of the white collar and 30% of the blue collar adjusted PRI-2012 non-disabled annuitant mortality tables projected with Scale MP-2020.

**Representative Termination Rates not due to Disability, Retirement or Mortality**

Representative rates by age, service and union representation are shown below.

Nonunion Participants		
Attained Age	Service < 10 Years	Service >= 10 Years
20	10.00%	4.25%
25	8.50%	4.25%
30	7.00%	4.25%
35	6.50%	4.25%
40	5.50%	3.50%
45	5.50%	3.25%
50	5.00%	2.00%
55 and over	5.00%	2.00%

**Shown Representative Termination Rates not due to Disability, Retirement or Mortality (Cont.)**



IBEW Union Participants		
Attained Age	Service < 6 Years	Service >= 6 Years
20	3.40%	3.00%
25	3.40%	3.00%
30	3.40%	2.10%
35	3.00%	1.30%
40	3.00%	1.30%
45	3.00%	1.00%
50	3.00%	1.00%
55 and over	3.00%	1.00%

Deferred vested participants, with the exception of Wishbone participants (assumed to commence at age 60), and deferred vested participants who were retained by Dominion as a result of the GT&S sale (see rates below), are assumed to commence benefits at age 65.

**Disability Rates**

Rates of disablement are based on 30% of the 1987 Group Long-Term Disability Incidence Table for females with a six-month elimination period.

Shown below are sample rates:

Attained Age	Rates
0-24	0.030%
25-29	0.035%
30-34	0.047%
35-39	0.069%
40-44	0.092%
45-49	0.139%
50-54	0.218%
55-59	0.320%
60-64	0.376%
65 and older	0.000%

**Disability Mortality**

Disabled mortality adjusted PRI-2012 tables projected with Scale MP-2020.

Retirement

Rates by age, service, and union representation are shown below:

Attained Age	Nonunion Participants	
	Rate of Retirement for participants with <30 years of service	Rate of Retirement for participants with >=30 years of service
55	4.00%	4.00%
56	4.00%	4.00%
57	4.00%	4.00%
58	6.00%	10.00%
59	7.00%	10.00%
60	11.00%	17.00%
61	11.00%	17.00%
62	14.00%	23.00%
63	17.00%	20.00%
64	13.00%	20.00%
65	20.00%	25.00%
66	25.00%	25.00%
67	25.00%	25.00%
68	25.00%	25.00%
69	25.00%	25.00%
70 and over	100.00%	100.00%

**Retirement (Cont.)**

Rates by age, service, and union representation are shown below:

IBEW Union Participants		
Attained Age	Rate of Retirement for participants with <30 years of service	Rate of Retirement for participants with >=30 years of service
55	3.00%	7.00%
56	3.00%	7.00%
57	3.00%	7.00%
58	3.00%	12.50%
59	6.00%	12.50%
60	6.00%	28.00%
61	6.00%	18.00%
62	12.00%	24.00%
63	16.00%	30.00%
64	15.00%	22.00%
65	35.00%	25.00%
66	35.00%	30.00%
67	35.00%	30.00%
68	35.00%	30.00%
69	35.00%	30.00%
70 and over	100.00%	100.00%

The following are the rates at which employees impacted by the sale of GT&S to BHE and eligible to retire with benefits at the time of sale are assumed to defer retirement.:

Attained Age	Probability of Commencement
60	10%
61	10%
62	15%
63	15%
64	15%
65	35%

For Dominion Energy East, all participants are assumed to retire by age 70, or immediately if older.

### **Family Makeup**

It was assumed that 75% of active male participants and 35% of active female participants would elect employee and spouse coverage at retirement. Female spouses are assumed to be 2 years younger than the male participants (male spouses 2 years older than female participants).

### **Administrative Expenses**

Valued as part of per capita claims cost assumption. HRA administrative fees valued separately, as described above.

### **Asset Valuation**

Market value.

## Valuation Method

The projected unit credit valuation method was used in this valuation in accordance with the provisions of ASC 715. The annual service cost is equal to the present value of the portion of the projected benefit attributable to service during the upcoming year, and the Accumulated Post-retirement Benefit Obligation (APBO) is equal to the present value of the portion of the projected benefit attributable to the service before the valuation date.

For employees eligible to retire at age 55 with 10 years of service, liabilities are accrued from the later of age 45 and hire age to the later of age 55 and the age at which the employee has attained 10 years of service (or full eligibility). For employees eligible or expected to be eligible to retire at age 58 with 10 years of service, liabilities accrue from the later of age 48 and hire age to the later of age 58 and the age at which the employee has attained 10 years of service (or full eligibility).

## Valuation Data

January 1, 2022 census data, as supplemented by Dominion for special events, rolled forward to December 31, 2022 assuming that plan experience matches the assumptions for withdrawal, retirement, disability and mortality.

## Data

All census data used in the valuation was provided by Dominion and organizations identified by Dominion, including Alight Solutions, and Via Benefits.

## Amortization of Prior Service Costs/(Credits)

Amortization of net prior service cost/(credit) resulting from a plan change is included as a component of Net Periodic Postretirement Benefit Cost/(Income) in the year first recognized and every year thereafter until such time as it is fully amortized. The annual amortization payment is determined in the first year as the increase in Accumulated Postretirement Benefit Obligation due to the plan change divided by the average remaining service period to full eligibility for participating employees expected to receive benefits under the plans.

However, when the plan change reduces the Accumulated Postretirement Benefit Obligation, existing positive prior service costs are reduced or eliminated before a new prior service credit base is established.

## Amortization of Gains or Losses

Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions is included as a component of Net Periodic Postretirement Benefit Cost/(Income) for a year.

If, as of the beginning of the year, the net gain or loss exceeds 10% of the greater of the accumulated postretirement benefit obligation and the market value of assets, the amortization is that excess divided by the average remaining service period of participating employees expected to receive benefits under the plan. When “all or almost all” of the population of a plan is inactive, the average expected remaining lifetime of inactive participants is used in place of the average remaining service.

Under this methodology, the gain/loss amounts recognized in AOCI are not expected to be fully recognized in benefit cost until the plan is terminated (or an earlier event, like a settlement, triggers recognition) because the average expected remaining service of active participants expected to benefit under the plan or average expected remaining lifetime of inactive participants over which the amounts are amortized is re-determined each year and amounts that fall within the corridor described above are not amortized.

### **Plan Participation**

The following percentages of eligible employees were assumed to elect medical coverage at retirement:

- 90% of all non-union active participants
- 100% of all union IBEW active eligible participants (Local 50)

### **Timing of Medical Claims**

Non-HMO hospital and medical expenses were assumed to be paid two months after the claim was incurred. Other claims were assumed to be paid as incurred.

### **Retiree Drug Subsidy**

Beginning in 2013, Dominion participates in an Employer Group Waiver Plan (EGWP) and no longer participates in the RDS.

### **Employer Group Waiver Plan (EGWP)**

The claims data includes the post-65 prescription drug data reflecting the EGWP.

### **Medicare HMO Assumption**

Current retirees are valued based on their current coverage option, carrier and business unit. Medicare eligible participants enrolled in a Medicare HMO have no cost to Dominion. All future Medicare retirees are assumed to get stipend coverage at age 65.

## Income Incurred But Not Yet Reported (IBNR)

Dominion accounts for active and retiree Medical IBNR as of year-end as an accounting liability separate from ASC 715. IBNR in future years is inherent in the plan APBO, since the initial per-capita claims are on an incurred basis.

## Health Care Reform

We have made the following assumptions with regard to the Patient Protection and Affordable Care Act, and the Health Care and Education Reconciliation Act. The legislation includes many important provisions for retiree healthcare plans. The following describes the implications of PPACA on Dominion's 12/31/2022 disclosure:

- It is our understanding that Dominion's postretirement health plans are retiree only, based on separate IRS Form 5500 filings and conversations with Dominion. Therefore, the plans are exempt from health care reform mandates that might otherwise cause an increase in expected claims and trend. As of 12/31/2022, we understand that Dominion has not applied any of the health care reform mandates to the retiree plans.
- Legislation passed in 2019 repealed the excise tax. We had not previously reflected any potential impact of the excise tax on the retiree medical plans for purposes of Dominion's financial reporting.
- The costs associated with the Patient-Centered Outcomes Research Institute ("PCORI") fee and the Transition Reinsurance Fee, which apply to certain employer-sponsored medical plans through 2029 are not reflected as part of the postretirement medical valuations. The impact of this fee on future benefit cost will be insignificant.
- We have assumed no change to the availability of Medicare Advantage programs.
- As a result of the Inflation Reduction Act ("IRA") (passed in 2022), we assume no catastrophic drug (CatRX) for years 2024 and later.

This valuation reflects our understanding of the relevant provisions of PPACA and HCERA. The IRS has yet to issue final guidance with respect to many aspects of these laws. It is possible that future guidance may conflict with our understanding of these laws on currently available guidance and could therefore affect the results shown in this report.

**Sources and Methods for Development of Trend and Claims Assumptions**

The short-term health care cost trend rate assumption reflects Dominion’s best estimate of anticipated future claims costs, informed by the market environment as well as Dominion’s historical experience. More specifically, the approach that is used is to first research general historical and future trend expectation data obtained from plan surveys conducted by consulting firms and other sources. Examples of such would be annual surveys performed by WTW and the Kaiser Family Foundation/Health Research and Education Trust. Secondly, a review of historical projected trend statistics provided by the various health care vendors is performed. Examples of this type of information can be obtained from such vendors as Anthem, Highmark and Express Scripts. Lastly, an analysis is performed on the claim experience of the specific population to ascertain the historical trend pattern, but only in those instances where the claim experience is deemed sufficient to be a credible indicator of future trends. This analysis generally provides a directional adjustment that may be applied to the trend data obtained from the surveys and the health care vendors. All of this information, along with estimates of health care inflation, changes in health care utilization or delivery patterns, and changes in the health status of plan participants, is considered in the selection of the annual medical trend figure.

The average per capita claims assumption was based on a two-year average (2020-2021) of claims experience, adjusted for trend. The per capita claims costs included administrative costs and the EGWP savings.

Best estimate assumptions developed based on a review of recent claims experience.

**Net Claims (after deductibles, coinsurance, and Medicare)**

The claims costs presented below are the blended per capita claims costs, including administrative costs, and are before any adjustments for any waiver assumptions. Beginning in 2021, the pre-Medicare claims will be adjusted by 3.90% and the post-Medicare claims will be adjusted by 3.70% to reflect the drug savings due to the rebate structure with ESI. Please refer to our memo dated December 2, 2022 for a complete description of the per capita claims costs assumption and its development, and of the future trend rates applied to these claims within the valuation.

2022 Per Capita Claims Cost Dominion (Electric)	
Prior to Age 55	\$8,571
55-59	\$11,393
60-64	\$14,100
<b>Average Pre-65</b>	<b>\$13,242</b>
65-69	\$4,381
70-74	\$4,850
75-79	\$5,220
80-84	\$5,377
Age 85 and over	\$5,136
<b>Average Post-65</b>	<b>\$5,091</b>



CAO Services – Non-union

**Retirement Date**

<u>Age</u>	-	Before 1/1/85	On or after 1/1/85 and before 3/1/92	On or after 3/1/92 and before 1/1/01	PPO Plan 1 on or after 1/1/01
Group Number	Pre	42781-35	42781-21	42781-22	Anthem PPO
	Post	62715-01	62715-01	14371-22	Anthem PPO
Prior to Age 55		N/A	\$9,114	\$9,156	\$8,571
55 to 59		N/A	\$11,978	\$12,033	\$11,393
60 to 64		N/A	\$14,823	\$14,890	\$14,100
65 to 69		\$3,979	\$3,979	\$5,177	\$4,381
70 to 74		\$4,406	\$4,406	\$5,733	\$4,850
75 to 79		\$4,741	\$4,741	\$6,169	\$5,220
80 to 84		\$4,884	\$4,884	\$6,356	\$5,377
Age 85 and over		\$4,716	\$4,716	\$6,137	\$5,136

## Assumption Rationale for key Economic and Demographic Assumptions

### Discount Rate

The discount rates for the plans were selected based on a BOND:Link model as of the measurement date prepared by WTW that developed the rates which were rounded to the nearest 0.01%. Therefore, the assumption represents the actuary's observation of estimates inherent in market data.

### Expected Long-Term Rate of Return on Plan Assets (EROA)

Dominion selected an EROA of 8.35% for the 2023 fiscal year. This assumption represents an estimate of future experience for trust asset returns, reflecting the plan's current asset allocations, and current expected future market conditions. No guidance in selecting this assumption was provided by WTW.

### Per Capita Claims Costs and Associated Trend Rates

For Dominion Energy, please refer to our memo dated December 2, 2022 for a complete description of the per capita claims costs assumption and its development, and of the future trend rates applied to these claims within the valuation.

The trend rate applied to retiree contributions is based on historical increases adopted by Dominion. Furthermore, input from Dominion is necessary regarding expected future contribution increases.

### Healthcare Reimbursement Accounts (HRAs)

Certain retirees over age 65 are provided with stipends through HRAs to purchase medical coverage through an Exchange. These stipends are increased each year based on the increase in Medical CPI-U for the one-year period ending in June of the prior year. Stipends were assumed to increase at 3.50% per year based on an experience study performed in 2021. For 2022 to 2023, the actual increase of 4.55% was reflected.

The annual administrative fee per HRA account is based on actual average fees for the exchange across similar plans. This fee is assumed to increase at 2.00% per annum.

The annual cost per member for catastrophic out-of-pocket drug costs reimbursed by Dominion was assumed to be \$66, increasing at the same trend rates as used for per capita claims costs. This assumption was based on prevailing costs for catastrophic drug coverage.

### Administrative Expense (other than HRAs)

Because administrative expenses are included within per capita claims costs, the medical plan trend rate is applied to these expenses. Investment expenses expected to be paid from the trust during the year beginning on the measurement date are estimated by Dominion and are reflected in the Expected Return on Assets, which is assumed to be net of these expenses.

**Healthy Mortality**

Dominion has chosen and continued to use the base mortality table and the mortality improvement scale for all plan participants. The mortality is a blend of 70% of the white collar and 30% of the blue-collar table adjusted PRI-2021 non-disabled annuitant table, projected with Scale MP-2020. The assumption based on recent mortality rates and improvement scales released by the Society of Actuaries and the approximate demographic make-up of plan participants.

**Other Demographic**

Dominion selected the other demographic assumptions, such as the assumptions for rates of termination and retirement, participation assumptions and spouse coverage assumptions, based on the results described in the Experience Study Report dated November 24, 2021. We are not aware of any change in conditions that would warrant a change to these assumptions.

### Model Descriptions and Disclosures in accordance with ASOP No. 56

Quantify is the WTW centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans. Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports. Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations. Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected. Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence. Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

U.S. BOND: Link is a methodology to assist with the selection of discount rates used in the measurements related to employee benefit plans. Discount rates are derived by identifying a theoretical settlement portfolio of high-quality corporate bonds sufficient to provide for a plan's projected benefit payments. The single interest rate is then determined that results in a discounted value of the plan's benefit payments that equals the market value of the selected bond portfolio. Updated BOND: Link models are developed monthly as of the last day of the month. The construction of a BOND: Link model relies on bond data collected as of the measurement date. Parameters provide the user the ability to control aspects of the model. The model output allows the user to see the effect of those parameters. Information regarding quoted bond prices, yields and other bond related data is from Bloomberg Finance L.P.

AgeDist is a proprietary tool that applies relative cost factors by age to average per capita costs (pre- and post-Medicare) and census weights to produce age-graded plan costs for pre- and post-Medicare populations. We are not aware of any material inconsistencies among assumptions used in this work. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence. The calculation and presentation of results relies on the assumptions used and the reasonability of the assumptions selected. The output of the model(s) used in this analysis are considered reasonable based on the aggregation of assumptions used. However, a different set of results could also be considered reasonable based on a range of possible values used for each assumption.

The Pricing Tool used develops projected premium equivalent rates and employee contributions for self-insured employer health plans (medical and prescription drugs). The tool also develops rates by plan or in aggregate, leveraging historic claims, enrollment and plan design and administrative fee data for an employer. The model allows flexibility to incorporate plan design changes, seasonality and multiple methods of estimating incurred claims amounts from paid claims data.

# **ATTACHMENT D**

## **CALCULATION OF THE TOTAL OPEB EXPENSE DURING THE TRUE-UP YEAR**

## Total VEPCO OPEB Expense 2023

Line #		Amount
<b><u>VEPCO OPEB - Direct Charges</u></b>		
1	VEPCO OPEB	\$ (60,374,957) (a)
2	Expense Ratio (line 6)	<u>61.25%</u>
3	Total VEPCO OPEB, net of capitalization (line 1 * line 2)	\$ (36,981,645)
Expense Ratio - VEPCO:		
4	Total Operations & Maintenance Salaries & Wages	\$ 702,197,579 (b)
5	Total Salaries & Wages	<u>1,146,383,528 (c)</u>
6	Expense Ratio - VEPCO (line 4 / line 5)	61.25%
<b><u>VEPCO OPEB - Indirect Charges</u></b>		
<b><u>DTECH OPEB</u></b>		
7	DTECH OPEB	\$ (4,713,094) (a)
8	DTECH OPEB Billed to VEPCO	(4,712,897) (d)
9	Expense Ratio (line 13)	<u>58.39%</u>
10	DTECH OPEB Billed to VEPCO, net of capitalization (line 8 * line 9)	\$ (2,751,800)
Expense Ratio - DTECH:		
11	Total DTECH Salaries & Wages	\$ 91,654,033 (d)
12	Total DTECH O&M Salaries & Wages	<u>53,515,610 (d)</u>
13	Expense Ratio - DTECH (line 12 / line 11)	58.39%
<b><u>DES OPEB</u></b>		
14	DES OPEB	\$ (19,913,403) (a)
15	DES OPEB Billed to VEPCO, net of capitalization	\$ (7,404,064) (d)
16	<b>Total VEPCO OPEB Expense (line 3 + line 10 + line 15)</b>	<b>\$ (47,137,509)</b>

### Notes:

(a) Willis Towers Watson letter dated March 15, 2024, page 2.

(b) 2023 FERC Form 1, page 354-355, line 28.

(c) 2023 FERC Form 1, page 354-355, line 96.

(d) From Accounting records.