

**VIRGINIA ELECTRIC AND POWER COMPANY**

**Adjusted ATRR and the True-Up Adjustment Before Interest for 2014**

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

In accordance with Section 2.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](http://www.pjm.com) website:

- (i) the adjusted ATRR for the previous calendar year, calculated by applying the methodology set out in Attachment H-16A Appendix A to VEPCO’s actual costs for that calendar year; and
- (ii) the True-Up Adjustment Before Interest for the previous calendar year, calculated pursuant to Attachment H-16A, Attachment 6.

The adjusted ATRR for the previous calendar year is provided on line 168 of Appendix A within the provided Excel file. The true-up adjustment before interest is provided on line E of Attachment 6 within the provided Excel file. A separate Excel file provides related work papers.

In addition to the above, VEPCO is also providing the adjusted Annual Revenue Requirement for the previous calendar year and True-up Adjustment before interest for each Annual Revenue Requirement included in Attachment 7 that is calculated in accordance with Attachment H-16A, Attachment 6A. This information is in Attachment 7 of the provided Excel file.

A Formula Rate modification recently accepted by FERC in Docket No. ER15-1504 modified how OPEB expenses are reflected in the Formula Rate. Due to the recent nature of this change and consistent with VEPCO’s filing in ER15-1504, the amount for the actual 2014 OPEB expense is provisionally populated in the “Stated OPEB” line of the “A&G Expenses – Other Post Employment Benefits” block in Attachment 5. Also affected is the “Total A&G” amount on line 69 of Appendix A. VEPCO is preparing to make the Federal Power Act Section 205 filing required under the modified Formula Rate to obtain the FERC-accepted “Stated OPEB” amount for inclusion in the referenced portion of Attachment 5. Accordingly, the Stated OPEB amount provisionally included in this posting will be revised if needed pursuant to the outcome of such filing.

Please note that in this instance the previous calendar year is 2014 and that the information being provided will not affect transmission rates until January 1, 2016.