Schedule 7

ELECTRIC HEATING

I. APPLICABILITY

This schedule is applicable only to Customers electing to receive Electricity Supply Service and Electric Delivery Service from the Company at those Customer locations where electricity is purchased or has been applied for under this schedule prior to July 1, 1972, for water heating, clothes drying, and space heating (not process heating) and where electricity is also purchased for other purposes at the same location in accordance with a general service schedule; or to those Customer locations where electricity is purchased for water heating only and was served prior to July 1, 1970, on a separate water heating schedule. Where electricity is used for space heating, and the same space is cooled by air conditioning equipment that serves no additional space, the air conditioning equipment may be served on this schedule through the same meter. If service is permanently discontinued at this location or if the two separate services are combined into one metered service at the Customer's option, service hereunder shall not again be available under this schedule.

II. MONTHLY RATE

- A. Distribution Service Charges
 - 1. Distribution kWh Charges
 - a. Distribution kWh Charge for All Customers
 All kWh

 (a) 1.3855¢ per kWh
 - b. Plus Distribution kWh Charge for Non-exempt Customers
 All kWh

 @ 0.0000¢ per kWh
 - 2. Plus each Distribution kilowatt-hour used is subject to all applicable riders in the Exhibit of Applicable Riders, including non-bypassable charges.

(Continued)

Schedule 7

ELECTRIC HEATING

(Continued)

- II. MONTHLY RATE (Continued)
 - B. Electricity Supply (ES) Service Charges
 - 1. Generation Demand Charge
 All kW of ES Demand Over 100 kW @ \$1.99 per kW
 - 2. Plus Generation kWh Charge
 - a. For the Billing Months of June September
 All Electricity Supply kWh

 (a) 4.3867¢ per kWh
 - 3. Plus Transmission kWh Charge
 All kWh

 (a) 0.603¢ per kWh
 - 4. Plus each Electricity Supply kilowatt-hour used is subject to all applicable riders in the Exhibit of Applicable Riders, including non-bypassable charges, as discussed in Paragraph VII., below.
 - C. The minimum charge shall be \$13.08 per billing month.

III. DETERMINATION OF ELECTRICITY SUPPLY DEMAND

The kW of demand will be determined as the highest average kW load measured in any 30-minute interval during the billing month.

(Continued)

Schedule 7

ELECTRIC HEATING

(Continued)

IV. METER READING AND BILLING

- A. Meters may be read in units of 10 kWh and bills rendered accordingly.
- B. The Company shall have the option of reading meters monthly or bimonthly. When the meter is read at other than monthly intervals, the Company may render an interim monthly bill based upon estimated kWh use during periods for which the meter was not read.
- C. When bills are calculated for a bimonthly period, the minimum charge and the Generation Demand Charge for all kW in excess of 100 kW will be multiplied by two.

V. EXEMPTION PROVISION FOR DISTRIBUTION KWH CHARGE

The Distribution kWh Charge in Paragraph II.A.1.b., above, shall not apply to Customers who are exempt from such charge pursuant to Virginia Code § 56-585.1 A. 5. c.

VI. EQUIPMENT SPECIFICATIONS

The type, design and size of tank, the size and number of heater units, and the method of water heater operation are subject to approval by the Company.

The type, design, capacity, method of operation, and installation of the electric space heating and air conditioning equipment are subject to approval by the Company. The electric space heating design and installation, and the air conditioning equipment design and installation, shall conform to good engineering practice and provide for satisfactory operation and comfort.

The type, design, capacity, method of operation, and installation of the electric clothes drying equipment are subject to approval by the Company.

VII. NON-BYPASSABLE CHARGES

Any Commission approved non-bypassable charges in the Exhibit of Applicable Riders shall apply to all Customers pursuant to Virginia Law, unless the Customer meets the statutory requirements for exemption from such charges.

VIII. TERM OF CONTRACT

The term of contract for the purchase of electricity under this schedule shall be such as may be mutually agreed upon, but not less than one year.