

Preliminary Interconnection Policy

We appreciate parties' interest in the Atlantic Coast Pipeline, and the opportunity for growth and economic development through this new energy infrastructure. This document describes transportation services offered by Atlantic Coast, and our considerations for requesting access to this new pipeline.

Transportation Service

Services provided by the Atlantic Coast Pipeline will be regulated by the Federal Energy Regulatory Commission, as an "open access" interstate natural gas pipeline. This means that we will make gas transportation service available to shippers, whenever there is capacity available on the pipeline system. There are three general types of transportation service:

- Primary Firm – a specific quantity of service is reserved by the customer, who is entitled to deliver up to that quantity every day, between identified receipt and delivery points.
- Secondary Firm – this service is available for firm customers to use different receipt and delivery points on a given day. To the extent that customers are not using all of their service at a given primary point, other firm customers can use the capacity on a secondary basis.
- Interruptible – this service is offered on a 'pay as you go' basis. Each day, Atlantic Coast will post the capacity that has not been nominated for use by firm service customers. This space is available for transportation, at a per-unit rate that will be on file with the Commission.

Atlantic Coast will maintain a FERC Gas Tariff, detailing the features of each service. One required aspect of our service is a capacity release program, which enables firm service customers to 'sub-let' capacity to others, through an internet-based auction process that Atlantic Coast will administer. Through this program, parties may also purchase transportation capacity from existing firm subscribers to the pipeline.

Receipt and Delivery Points

The Atlantic Coast pipeline includes interconnections with our announced firm service customers and with the Dominion Transmission, Columbia Gas Transmission and Transcontinental Gas Pipe Line.

Parties may request an additional tap of the proposed line, in order to take service on a firm or interruptible basis. Note that the Atlantic Coast Pipeline is a high-pressure transmission pipeline, and is not suitable for residential or small-commercial interconnections. For larger-scale wholesale or industrial customers, Atlantic Coast will consider requests for taps, measuring stations and lateral facilities on a case by case basis.

In reviewing requests for interconnection, Atlantic Coast will take into account long-term service requirements of the customer, and available capacity on the pipeline for requested service. Attachment 1 includes draft FERC Gas Tariff provisions that list the operating, environmental and safety factors that will be reviewed. (See, in particular, § 22.4(A) of the draft tariff; note that these proposed general terms are subject to further review, and to approval by the Federal Energy Regulatory Commission.)

In rough estimated terms, the typical tap will cost between \$500,000 and \$1 million. Also as a preliminary estimate, a basic metering and regulation station would be expected to cost over \$5 million. As a rule of thumb, Atlantic Coast is willing to consider delivery point (tap and M&R) requests that are supported by long-term firm service contracts in excess of 10,000 Dt per day, with the premise that such requests would not require facility reimbursement; however, note that this benchmark is higher where lateral lines, access roads, site acquisition or environmental circumstances are involved – and where mainline capacity is not sufficient to meet the potential customer's firm service requirements.

Requesting Service

Wholesale customers may request service or interconnection from Atlantic Coast by contacting Lyle Henry, of the Dominion Transmission business development team, at (804) 771-4734 or lyle.a.henry@dom.com.

County and regional economic development agencies may request further information by contacting Bryan Smith, of the Dominion economic development organization, at (804) 771-3423 or bryan.smith@dom.com.

Atlantic Coast Pipeline will also offer limited additional long-term firm transportation capacity through a binding open season, to be conducted during September and/or October, 2014.

You can also obtain information from the project website: www.dom.com/acpipeline.

Attachment 1

**FERC Gas Tariff - DRAFT Section 22, General Terms and Conditions
SUBJECT TO FURTHER REVIEW AND REGULATORY APPROVAL**

22. CONSTRUCTION OF FACILITIES

- 22.1 Except as to this § 22, Pipeline shall have no obligation to construct, modify, improve, or alter any facilities in order to provide service under this Tariff. Nothing in this Tariff shall require Pipeline to file an application for a certificate of public convenience and necessity under § 7(c) of the Natural Gas Act. Further, nothing in this Tariff shall prevent Pipeline from contesting an application for service filed pursuant to § 7(a) of the NGA.
- 22.2 For the purposes of this § 22, "Requested Facilities" shall mean Taps, M&R Equipment and Laterals. Requested Facilities shall not include major expansion of transmission facilities. Tap shall mean a Delivery or Receipt tap and shall include, but shall not be limited to, flanges and block valves and sufficient pipeline from the Pipeline's existing transmission facilities to the edge of Pipeline's right-of-way. M&R Equipment shall include miscellaneous connecting pipeline to the Tap, meters, flow and pressure regulators, filters/separators, gas heaters, flanges, check valves, electronic gas measurement, communication equipment and gas conditioning and odorization equipment other than Tap equipment. Lateral shall mean any transmission pipeline extension (other than a mainline extension) built by Pipeline from an existing transmission pipeline facility or new Tap to Receive or Deliver Gas to or on behalf of one or more Customers, including new Points of Receipt or Delivery and enlargements or replacements of existing laterals. Construction shall mean the construction, modification, rearrangement or installation by Pipeline or its designee of Requested Facilities to perform any service, including any Requested Facilities necessary for Pipeline to Receive or Deliver Gas, or measure any Gas Received from or Delivered to or on behalf of any Customer requesting Pipeline's construction of such facilities.
- 22.3 A party shall submit a request for facilities under GT&C § 11 requesting Pipeline to construct Requested Facilities in conjunction with a request for transportation services (Requesting Customer). Pipeline will respond to each request for interconnect facilities within 60 days after receiving the request. Pipeline shall receive and process all such requests for construction of Requested Facilities in a manner that is not unduly discriminatory.
- 22.4 Pipeline shall construct Requested Facilities under the conditions provided below:
- A. Requested Facilities shall be established at a location that does not (i) adversely affect Pipeline's operations; (ii) diminish service to existing Customers; (iii) cause Pipeline to be in violation of any applicable environmental or safety laws or regulations; (iv) cause Pipeline to be in violation of its right-of-way agreements or any contractual obligations; and (v) cause Pipeline to expand its pipeline facilities or construct any facilities leading up to the point of interconnection;

- B. Pipeline and Requesting Customer shall cooperate to provide in a cost-effective manner the evidence and analysis necessary to obtain governmental approvals for their respective facilities from any government agency having jurisdiction including, but not limited to, all exhibits required by an application for FERC authorization;
 - C. Terms and conditions of the construction, ownership, operation and maintenance of Requested Facilities shall be mutually agreed to by Pipeline and Requesting Customer and set forth in a facilities agreement (unless Pipeline has agreed to pay for the cost of all Requested Facilities); and
 - D. Requesting Customer shall reimburse or agree to reimburse Pipeline for the cost of construction as provided for in GT&C § 22.5 below or agree to construct the Requested Facilities in compliance with Pipeline's technical requirements.
- 22.5 Subject to GT&C §§ 11 [Requests for Service] and 22.4, Pipeline shall construct, modify or rearrange Requested Facilities for any Requesting Customer that agrees to fully reimburse Pipeline for the cost of such Requested Facilities and their Construction as set forth in a facilities agreement. Pipeline may condition its Construction of Requested Facilities on payment from the Requesting Customer of (1) any or all costs of the Requested Facilities and their Construction and (2) other Related Costs incurred prior to the in-service date of the Requested Facilities, which shall be defined to include, but are not limited to, operating and maintenance expenses, administrative and general expenses, employee salaries on a time-devoted basis and related expenses, taxes other than income taxes, depreciation costs and the time value of money, as set forth in a facilities agreement, and (3) a gross-up for state and federal income taxes, if applicable. Unless Pipeline agrees to allow the Requesting Customer to pay such costs at some other time or in installments, any agreement for Construction of Requested Facilities shall provide that the Requesting Customer shall pay Pipeline the costs of Construction and Related Costs prior to the commencement of Construction. If actual costs are not known, Pipeline shall be entitled to bill the Requesting Customer based upon estimated costs and the Requesting Customer shall be required to pay such estimated costs, provided however, upon determining its actual costs, Pipeline shall have 30 days to either refund any over-collections or bill for any under-collections, as appropriate, to provide for Pipeline's collection of its actual costs, including the time value of money. If Pipeline fails to use due diligence in pursuing the Construction of Requested Facilities or the filing of the necessary governmental permits and such failure delays the commencement of service beyond 60 days of the agreed in-service date, Pipeline shall reimburse Requesting Customer the time value of money advanced for each day beyond the agreed in-service date at the FERC approved Interest Rate.
- 22.6 Pipeline may agree to pay all or part of the costs of the Requested Facilities and their Construction, Related Costs and tax gross up if the Construction is economically or operationally beneficial to Pipeline. In determining economic or operational benefit, Pipeline may consider, among factors: costs of the Requested Facilities and their Construction; estimated incremental throughput and/or revenues attributable to the Requested Facilities; the Related Costs and tax gross up attributable to the Requested Facilities; the marketability of

the capacity associated with the Requested Facilities; the location of the markets associated with the Requested Facilities; the interruptible or firm nature of the transportation service; the availability of capital funds on terms and conditions acceptable to Pipeline; the time value of money; increased system or operational reliability or flexibility; and increased access to new supplies or markets.

- 22.7 Subject to § 22.4 above, Requesting Customer may construct its own interconnecting facilities at its sole expense, which shall meet all of Pipeline's technical and engineering requirements; provided that only Pipeline shall construct the tap, at Requesting Customer's sole cost, to complete the interconnection.
- 22.8 Pipeline shall have the right to operate and maintain any facilities constructed pursuant to this § 22 regardless of ownership of such facilities. Customer shall fully reimburse Pipeline for all costs related to Pipeline's operation of such facilities including operating and maintenance expenses.