

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“Agreement”) is entered into this ___ day of March, 2016, by and among the James River Association (“JRA”) and Virginia Electric and Power Company d/b/a Dominion Virginia Power (“Dominion”) (each a “Party” and collectively the “Parties”).

RECITALS

A. Reissuance of VPDES Permit. On January 14, 2016, the State Water Control Board approved the reissuance of Virginia Pollutant Discharge Elimination System (“VPDES”) Permit No. 0004138 (the “Permit”) for Dominion’s Bremono Power Station in Fluvanna County, Virginia. The Virginia Department of Environmental Quality (“DEQ”) served the permit by electronic mail on January 19, 2016.

B. Appeal of VPDES Permit. On February 9, 2016, JRA mailed a Notice of Appeal to DEQ. The Notice of Appeal was timely received by DEQ.

C. Dominion’s Objectives. Dominion states as follows solely for purposes of background information, and without establishing or implying the agreement of the Parties as to the following statements. Dominion is committed to being one of the first electric utilities in the nation to close all of its inactive coal ash impoundments in accordance with the federal coal combustion residuals (CCR) rule and applicable state requirements. EPA and DEQ have both adopted rules to address potential environmental concerns associated with those impoundments. The Permit authorizes Dominion to remove and discharge the water from the impoundments at the Bremono Power Station. This is the first step in the closure process. Dominion is committed to treating all of this water. Dominion has designed and plans to install a treatment system capable of achieving substantially lower pollutant concentrations than the limits in the Permit. Dominion is committed to optimizing the performance of the treatment system.

D. JRA’s Objectives. JRA states as follows solely for purposes of background information, and without establishing or implying the agreement of the Parties as to the following statements. JRA seeks to ensure that the discharges from the impoundments at the Bremono Power Station are treated to reduce pollutant concentrations to the maximum extent practicable, that the discharges meet applicable ambient criteria to protect human health and aquatic life at the point of discharge at all times, and that the terms governing discharge are fully protective of all uses of the James River, including those of JRA and its members.

NOW, THEREFORE, in furtherance of the mutual interests of the Parties in protecting the quality of the James River as well as ensuring the prompt dewatering of the coal ash impoundments at the Bremono Power Station, as well as in furtherance of the other interests set forth above, the Parties enter into this Agreement to memorialize their intent as to the following enumerated items:

AGREEMENT

1. Amended Conceptual Engineering Report. Dominion shall submit, within three (3) days of the execution of this Agreement, the amended Conceptual Engineering Report (“CER”) attached as Exhibit A to DEQ for review and approval. For purposes of the inline process sampling associated with the pollutant concentration triggers set forth in Section 4.3.1 of the CER, samples will be collected every four (4) hours at an in-process point immediately prior to the enhanced treatment module(s), and analytical results will be returned within one (1) hour after collection. Pursuant to the terms of the CER, Dominion shall treat all coal ash wastewaters, including by making use of enhanced treatment as set forth in the CER. Further, Dominion shall exercise due diligence in the proper operation and maintenance of its treatment system to reduce loading of pollutants to meet the objectives of this Agreement. Dominion shall only discharge the treated coal ash wastewaters from the Bremo Power Station at a rate of 1,500 gallons per minute (2.16 million gallons per day) or less. For the avoidance of doubt, the enhanced treatment commitments in the amended CER are incorporated herein and enforceable hereunder, regardless of whether or when DEQ approves the CER. Dominion shall provide JRA with a monthly update as to whether and when enhanced treatment was activated, and shall make copies of the underlying operating logs available to JRA upon request.

2. Ambient Monitoring in the James River. Dominion shall conduct spring, summer and fall fish tissue sampling in the James River at up to four geographically separate sampling stations located upstream and downstream in the vicinity of the Bremo Power Station, pursuant to a monitoring plan and schedule that is mutually acceptable to the Parties. This monitoring shall continue until June 2018.

3. Resolution of Appeal. JRA will not file a Petition for Appeal relating to the Permit.

4. Costs and Expenses. The Parties will bear their own costs and expenses associated with the appeal of the Permit and compliance with this Agreement.

5. Joint Communications Regarding this Agreement. The Parties will work in good faith to develop joint statements to the media regarding this Agreement and resolution of the appeal of the Permit.

6. Dispute Resolution. Any dispute relating in any way to this Agreement shall be brought in the Circuit Court for the City of Richmond, Virginia (the “Circuit Court”). The Parties consent to the jurisdiction of the Circuit Court. **TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES WAIVE ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION RELATED TO THIS AGREEMENT AND COVENANT THAT THEY WILL NOT REQUEST A TRIAL BY JURY IN ANY ACTION RELATED TO THIS AGREEMENT.** Relief sought in such action is limited to injunctive relief.

7. Miscellaneous Provisions.

a. Governing Law. This Agreement shall be governed in all aspects by the laws of the Commonwealth of Virginia.

b. No Third Party Beneficiaries. This Agreement is solely for the Parties hereto and their successors and assignees and shall not confer any rights or benefits on any other person or entity.

c. Interpretation. This Agreement shall be construed in accordance with and governed for all purposes by the laws of the Commonwealth of Virginia. This Agreement shall be interpreted as if it were mutually drafted by the Parties. The captions and headings to the various paragraphs and subparagraphs of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

d. Integration. This Agreement contains all commitments and agreements of the Parties as of the date hereof with respect to the subject matter of this Agreement, and no verbal or written commitments other than this Agreement shall have any force or effect regarding the subject matter hereof.

e. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Parties further agree that a facsimile, scanned or electronic signature may substitute for and have the same legal effect as an original signature, and that any copy of this executed Agreement made by photocopy, facsimile or scanner shall be considered an original.

f. Power and Authority of the Parties. Each of the Parties represents and warrants that the undersigned has full power and authority to enter into and perform this Agreement on its behalf.


IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed in their names and on their behalf by the undersigned.

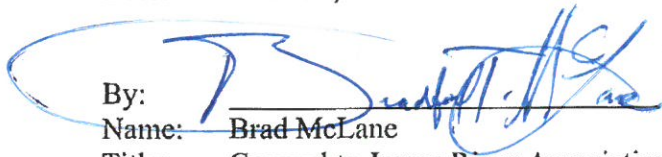
**VIRGINIA ELECTRIC AND POWER
COMPANY D/B/A/ DOMINION VIRGINIA
POWER**

By: _____
Name: Pamela F. Faggert
Title: Chief Environmental Officer
Date: March 7, 2016

By: _____
Name: Brooks M. Smith
Title: Counsel to Dominion Virginia Power
Date: March 7, 2016


JAMES RIVER ASSOCIATION


By:  _____
Name: William H. Street
Title: Chief Executive Officer
Date: March 7, 2016

By:  _____
Name: Brad McLane
Title: Counsel to James River Association
Date: March 7, 2016

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