Large Filing Separator Sheet

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RENEWAL APP (CONT)

Based on stated maturity dates rather than early redemption dates that could be elected by instrument holders, the scheduled principal payments of long-term debt at December 31, 2009, were as follows:

	2010	2011	2012	2013	2014	Thereafter	Total
(millions, except percentages)							
Virginia Power	**$ 246**	**$ 15**	**$ 616**	**$ 418**	**$ 17**	**$ 5,149**	**$ 6,461**
Weighted-average coupon	**4.71%**	**7.74%**	**5.17%**	**4.88%**	**7.73%**	**6.01%**	
Dominion							
Secured Senior Notes	**$ 12**	**$ 13**	**$ 13**	**$ 11**	**$ 15**	**$ 119**	**$ 183**
Unsecured Senior Notes	**1,122**	**484**	**1,470**	**690**	**665**	**9,511**	**13,942**
Tax-Exempt Financings	**1**	**—**	**—**	**—**	**—**	**746**	**747**
Unsecured Junior Subordinated Notes Payable to Affiliated Trusts	**—**	**—**	**—**	**—**	**—**	**268**	**268**
Enhanced Junior Subordinated Notes	**—**	**—**	**—**	**—**	**—**	**1,485**	**1,485**
Total	**$1,135**	**$ 497**	**$1,483**	**$ 701**	**$ 680**	**$12,129**	**$16,625**
Weighted-average coupon	**4.45%**	**6.35%**	**5.62%**	**5.01%**	**5.27%**	**6.26%**	

Dominion's and Virginia Power's short-term credit facilities and long-term debt agreements contain customary covenants and default provisions. As of December 31, 2009, there were no events of default under these covenants.

Convertible Securities

As of December 31, 2009, Dominion has $202 million of outstanding contingent convertible senior notes that are convertible by holders into a combination of cash and shares of Dominion's common stock under certain circumstances. The conversion feature requires that the principal amount of each note be repaid in cash, while amounts payable in excess of the principal amount will be paid in common stock. At issuance, the notes were valued at a conversion rate of 27.173 shares of common stock per $1,000 principal amount of senior notes, which represented a conversion price of $36.80. The conversion rate is subject to adjustment upon certain events such as subdivisions, splits, combinations of common stock or the issuance to all common stock holders of certain common stock rights, warrants or options and certain dividend increases. As of December 31, 2009, the conversion rate had been adjusted to 28.1237 shares, primarily due to individual dividend payments above the level paid at issuance. In January 2010, Dominion's Board of Directors declared dividends payable March 20, 2010 of 45.75 cents per share of common stock which will increase the conversion rate to 28.22 effective as of February 24, 2010.

The number of shares included in the denominator of the diluted EPS calculation is calculated as the net shares issuable for the reporting period based upon the average market price for the period. This results in an increase in the average shares outstanding used in the calculation of Dominion's diluted EPS when the conversion price of $36.80 is lower than the average market price of Dominion's common stock over the period, and results in no adjustment when the conversion price exceeds the average market price.

The senior notes are convertible by holders into a combination of cash and shares of Dominion's common stock under any of the following circumstances:

(1) The closing price of Dominion's common stock exceeds the applicable conversion price ($42.52 as of February 24, 2010) for at least 20 out of the last 30 consecutive trading days ending on the last trading day of the previous calendar quarter;
(2) The senior notes are called for redemption by Dominion;
(3) The occurrence of specified corporate transactions; or
(4) The credit rating assigned to the senior notes by Moody's is below Baa3 and by Standard & Poor's is below BBB- or the ratings are discontinued for any reason.

The senior notes have not been eligible for conversion during 2009 and as of December 31, 2009, the closing price of Dominion's common stock was not equal to $42.67 per share or higher for at least 20 out of the last 30 consecutive trading days; therefore, the senior notes are not eligible for conversion during the first quarter of 2010. During 2008, approximately $18 million of the contingent convertible senior notes were converted by holders. Beginning in 2007, the notes have been eligible for contingent interest if the average trading price as defined in the indenture equals or exceeds 120% of the principal amount of the senior notes. In December 2008, Dominion amended the terms of its Series C 2.125% Convertible Senior Notes and the related Twenty-Seventh Supplemental Indenture. The amendment eliminates Dominion's ability to redeem the Notes before December 2011. The amendment also establishes a new repurchase date in December 2011. Holders have the right to require Dominion to purchase these senior notes for cash at 100% of the principal amount plus accrued interest in December 2011, 2013 or 2018, or if Dominion undergoes certain fundamental changes.

Junior Subordinated Notes Payable to Affiliated Trusts

In previous years, Dominion and Virginia Power established several subsidiary capital trusts, each as a finance subsidiary of the respective parent company, which holds 100% of the voting interests. The trusts sold trust preferred securities representing preferred beneficial interests and 97% beneficial ownership in the assets held by the trusts. In exchange for the funds realized from the sale of the trust preferred securities and common securities that represent the remaining 3% beneficial ownership interest in the assets held by the capital trusts, Dominion and Virginia Power issued various junior subordinated notes. The junior subordinated notes constitute 100% of each capital trust's assets.

Each trust must redeem its trust preferred securities when their respective junior subordinated notes are repaid at maturity or if redeemed prior to maturity.

In May 2008, Virginia Power repaid its $412 million 7.375% unsecured junior subordinated notes and redeemed all 16 million units of the $400 million 7.375% Virginia Power Capital Trust II preferred securities due July 30, 2042. These securities were redeemed at a price of $25 per preferred security plus accrued and unpaid distributions.

In July and August 2007, Dominion repaid $248 million of its 8.4% unsecured junior subordinated notes and redeemed approximately 240 thousand units of the $250 million 8.4% Dominion Resources Capital Trust III preferred securities due January 15, 2031. The securities were redeemed at an average price of $1,209 per preferred security plus accrued and unpaid distributions.

In July 2007, Dominion repaid $206 million of its 7.8% unsecured junior subordinated notes and redeemed all 8 million units of the $200 million 7.8% Dominion CNG Capital Trust I preferred securities due October 31, 2041. The securities were redeemed at a price of $25 per preferred security plus accrued and unpaid distributions.

The following table provides summary information about the trust preferred securities and junior subordinated notes outstanding as of December 31, 2009:

Date Established	Capital Trusts	Units	Rate	Trust Preferred Securities Amount	Common Securities Amount
		(thousands)			(millions)
December 1997	Dominion Resources Capital Trust I[1]	**250**	**7.83%**	**$250**	**$7.7**
January 2001	Dominion Resources Capital Trust III[2]	**10**	**8.4%**	**10**	**0.3**

Junior subordinated notes/debentures held as assets by each capital trust were as follows:
(1) $258 million—Dominion Resources, Inc. 7.83% Debentures due 12/1/2027.
(2) $10 million—Dominion Resources, Inc. 8.4% Debentures due 1/15/2031.

The following table presents interest charges related to the Companies' junior subordinated notes payable to affiliated trusts:

	2009	2008	2007
(millions)			
Dominion	**$21**	$33	$73
Virginia Power	**$—**	$12	$30

Distribution payments on the trust preferred securities are considered to be fully and unconditionally guaranteed by the respective parent company that issued the debt instruments held by each trust when all of the related agreements are taken into consideration. Each guarantee agreement only provides for the guarantee of distribution payments on the relevant trust preferred securities to the extent that the trust has funds legally and immediately available to make distributions. The trust's ability to pay amounts when they are due on the trust preferred securities is dependent solely upon the payment of amounts by Dominion when they are due on the junior subordinated notes. Dominion may defer interest payments on the junior subordinated notes on one or more occasions for up to five consecutive years and the related trusts must also defer distributions. If the payment on the junior subordinated notes is deferred, Dominion may not make distributions related to its capital stock, including dividends, redemptions, repurchases, liquidation payments or guarantee payments. Also, during the deferral period, Dominion may not make any payments on, redeem or repurchase any debt securities that are equal in right of payment with, or subordinated to, the junior subordinated notes.

Enhanced Junior Subordinated Notes

In June 2006 and September 2006, Dominion issued $300 million of 2006 Series A Enhanced Junior Subordinated Notes due 2066 (June 2006 hybrids) and $500 million of 2006 Series B Enhanced Junior Subordinated Notes due 2066 (September 2006 hybrids), respectively. The June 2006 hybrids will bear interest at 7.5% per year until June 30, 2016. Thereafter, they will bear interest at the three-month LIBOR plus 2.825%, reset quarterly. The September 2006 hybrids will bear interest at 6.3% per year until September 30, 2011. Thereafter, they will bear interest at the three-month LIBOR plus 2.3%, reset quarterly.

In June 2009, Dominion issued $685 million (including $60 million related to the underwriter's option to purchase additional notes to cover over-allotments) of its 8.375% Series A Enhanced Junior Subordinated Notes (June 2009 hybrids) that will mature in 2064, subject to extensions no later than 2079. The June 2009 hybrids are listed on the New York Stock Exchange under the symbol DRU.

Dominion may defer interest payments on the hybrids on one or more occasions for up to 10 consecutive years. If the interest payments on the hybrids are deferred, Dominion may not make distributions related to its capital stock, including dividends, redemptions, repurchases, liquidation payments or guarantee payments. Also, during the deferral period, Dominion may not make any payments on or redeem or repurchase any debt securities that are equal in right of payment with, or subordinated to, the hybrids.

Note 19. Preferred Stock

Dominion is authorized to issue up to 20 million shares of preferred stock; however, none were issued and outstanding at December 31, 2009 or 2008.

Virginia Power is authorized to issue up to 10 million shares of preferred stock, $100 liquidation preference, and had 2.59 million preferred shares issued and outstanding at December 31, 2009 and 2008. Upon involuntary liquidation, dissolution or winding-up of Virginia Power, each share would be entitled to receive $100 plus accrued dividends. Dividends are cumulative.

Holders of Virginia Power's outstanding preferred stock are not entitled to voting rights except, under certain provisions of the amended and restated articles of incorporation and related provisions of Virginia law restricting corporate action, or upon default in dividends, or in special statutory proceedings and as required by Virginia law (such as mergers, consolidations, sales of assets, dissolution and changes in voting rights or priorities of preferred stock).

Presented below are the series of Virginia Power preferred stock not subject to mandatory redemption that were outstanding as of December 31, 2009:

Dividend	Issued and Outstanding Shares	Entitled Per Share Upon Liquidation
	(thousands)	
$5.00	**107**	**$112.50**
4.04	**13**	**102.27**
4.20	**15**	**102.50**
4.12	**32**	**103.73**
4.80	**73**	**101.00**
7.05	**500**	**101.41**(1)
6.98	**600**	**101.40**(2)
Flex MMP 12/02, Series A	**1,250**	**100.00**(3)
Total	**2,590**	

(1) Through 7/31/2010; $101.06 commencing 8/1/2010; amounts decline in steps thereafter to $100.00 by 8/1/2013.
(2) Through 8/31/2010; $101.05 commencing 9/1/2010; amounts decline in steps thereafter to $100.00 by 9/1/2013.
(3) Dividend rate was 5.50% through 12/20/2007. Dividend rate is now 6.25% through 3/20/2011; after which, the rate will be determined according to periodic auctions for periods established by Virginia Power at the time of the auction process.

NOTE 20. SHAREHOLDERS' EQUITY

Issuance of Common Stock

DOMINION

In January 2009, Dominion entered into sales agency agreements pursuant to which Dominion may offer from time to time up to $400 million aggregate amount of its common stock. Sales of common stock can be made by means of privately negotiated transactions, as transactions on the New York Stock Exchange at market prices or in such other transactions as are agreed upon by Dominion and the sales agents and in conformance with applicable securities laws.

During 2009, Dominion issued 14 million shares of common stock for cash proceeds of $456 million. Dominion issued 6.2 million shares through at-the-market issuances under its sales agency agreements and received cash proceeds of $191 million, net of fees and commissions paid of $2 million. Following these issuances, Dominion has the ability to issue up to $207 million of stock under sales agency agreements. Dominion also issued 76,000 shares of its common stock to its officers and directors under a private placement program for aggregate consideration of approximately $2 million. The remainder of the shares issued and cash proceeds received during 2009 were through Dominion Direct®, employee savings plans and the exercise of employee stock options. In February 2010, Dominion began purchasing its common stock on the open market with proceeds received through Dominion Direct® and employee savings plans, rather than having additional new common shares issued.

Additionally, in February 2009, Dominion issued approximately 1.6 million shares of common stock to an existing holder of its senior notes, in a privately negotiated transaction, in exchange for approximately $56 million of the principal of two series of its outstanding senior notes, which were retired. The transaction was exempt from registration pursuant to Section 3(a)(9) of the Securities Act and no commission or remuneration was paid in connection with the exchange.

VIRGINIA POWER

In 2009, Virginia Power issued 31,877 shares of its common stock to Dominion reflecting the conversion of $1 billion of short-term demand note borrowings from Dominion to equity.

Shares Reserved for Issuance

At December 31, 2009, Dominion had approximately 62 million shares reserved and available for issuance for Dominion Direct®, employee stock awards, employee savings plans, director stock compensation plans and contingent convertible senior notes.

Accumulated Other Comprehensive Income (Loss)

Presented in the table below is a summary of AOCI by component:

At December 31,	2009	2008
(millions)		
Dominion		
Net unrealized gains (losses) on derivatives—hedging activities, net of tax of $(170) and $(311), respectively	**$ 281**	$ 507
Net unrealized gains (losses) on nuclear decommissioning trust funds, net of tax of $(97) and $(18), respectively	**151**	27
Net unrecognized pension and other postretirement benefit costs, net of tax of $444 and $562, respectively	**(643)**	(803)
Total AOCI	**$(211)**	$(269)
Virginia Power		
Net unrealized gains (losses) on derivatives—hedging activities, net of tax of $(8) and $(3), respectively	**$ 13**	$ 4
Net unrealized gains (losses) on nuclear decommissioning trust funds, net of tax of $(9) and $(1), respectively	**13**	1
Total AOCI	**$ 26**	$ 5

Stock-Based Awards

In April 2005, Dominion's shareholders approved the 2005 Incentive Compensation Plan (2005 Incentive Plan) for employees and the Non-Employee Directors Compensation Plan (Non-Employee Directors Plan). In May 2009, Dominion's shareholders approved an amendment and restatement of the 2005 Incentive Plan. The 2005 Incentive Plan, as amended, permits stock-based awards that include restricted stock, performance grants, goal-based stock, stock options, and stock appreciation rights. The Non-Employee Directors Plan permits grants of restricted stock and stock options. Under provisions of both plans, employees and non-employee directors may be granted options to purchase common stock at a price not less than its fair market value at the date of grant with a maximum term of eight years. Option terms are set at the discretion of the CGN Committee of the Board of Directors or the Board of Directors itself, as provided under each plan. At December 31, 2009, approximately 34 million shares were available for future grants under these plans. Prior to April 2005, Dominion had an incentive compensation plan that provided stock options and restricted stock awards to directors, executives and other key employees with vesting periods from one to five years. Stock options generally had contractual terms from six and one half to ten years in length.

Dominion measures and recognizes compensation expense relating to share-based payment transactions based on the fair value of the equity or liability instruments issued. Dominion's results for the years ended December 31, 2009, 2008 and 2007 include $44 million, $46 million, and $57 million, respectively, of compensation costs and $17 million, $17 million, and $21 million, respectively of income tax benefits related to Dominion's stock-based compensation arrangements. Stock-based compensation cost is reported in other operations and maintenance expense in Dominion's Consolidated Statements of Income. Benefits of tax deductions in excess of the compensation cost recognized for stock-based compensation (excess tax benefits) are classified as a financing cash flow. During the years ended December 31, 2009, 2008 and 2007, Dominion realized $5 million, $7 million, and $46 million, respectively, of excess tax benefits from the vesting of restricted stock awards and exercise of stock options.

Stock Options

The following table provides a summary of changes in amounts of stock options outstanding as of and for the years ended December 31, 2009, 2008 and 2007. No options were granted under any plan in 2009, 2008 or 2007.

	Shares	Weighted-average Exercise Price	Weighted-average Remaining Contractual Life	Aggregated Intrinsic Value[1]
	(thousands)		(years)	(millions)
Outstanding and exercisable at December 31, 2006	14,491	$30.26		
Exercised	(7,453)	$30.06		$108
Forfeited/expired	(17)	$30.44		
Outstanding and exercisable at December 31, 2007	7,021	$30.46		
Exercised	(1,458)	$30.20		$ 17
Forfeited/expired	(5)	$28.85		
Outstanding and exercisable at December 31, 2008	5,558	$30.53		$ 30
Exercised	**(1,706)**	**$28.93**		**$ 10**
Forfeited/expired	**(30)**	**$28.89**		
Outstanding and exercisable at December 31, 2009	**3,822**	**$31.25**	**1.7**	**$ 29**

(1) Intrinsic value represents the difference between the exercise price of the option and the market value of Dominion's stock.

Dominion issues new shares to satisfy stock option exercises. Dominion received cash proceeds from the exercise of stock options of approximately $49 million, $43 million, and $226 million in the years ended December 31, 2009, 2008 and 2007, respectively.

Restricted Stock

The fair value of Dominion's restricted stock awards is equal to the market price of Dominion's stock on the date of grant. Restricted stock awards generally vest over a three-year service period. The following table provides a summary of restricted stock activity for the years ended December 31, 2009, 2008 and 2007:

	Shares	Weighted-average Grant Date Fair Value
	(thousands)	
Nonvested at December 31, 2006	2,493	$32.72
Granted	508	44.53
Vested	(897)	33.00
Cancelled and forfeited	(90)	38.33
Nonvested at December 31, 2007	2,014	$35.31
Granted	546	40.99
Vested	(935)	32.09
Cancelled and forfeited	(69)	39.51
Converted from goal-based stock to restricted stock	200	34.77
Nonvested at December 31, 2008	1,756	$38.55
Granted	**533**	**33.84**
Vested	**(913)**	**34.81**
Cancelled and forfeited	**(77)**	**38.32**
Converted from goal-based stock to restricted stock	**185**	**44.18**
Nonvested at December 31, 2009	**1,484**	**$39.88**

As of December 31, 2009, unrecognized compensation cost related to nonvested restricted stock awards totaled $21 million and is expected to be recognized over a weighted-average period of 1.4 years. The fair value of restricted stock awards that vested was $29 million, $40 million, and $30 million in 2009, 2008 and 2007, respectively. Employees may elect to have shares of restricted stock withheld upon vesting to satisfy tax withholding obligations. The number of shares withheld will vary for each employee depending on the vesting date fair market value of Dominion stock and the applicable federal, state and local tax withholding rates. Shares tendered for taxes are added to the shares remaining to be issued and become available for reissuance as incentive awards.

Goal-Based Stock

In recent years, goal-based stock awards have been granted to key contributors who are non-officer employees. Goal-based stock awards have also been granted in lieu of cash-based performance grants to certain officers who have not achieved a certain targeted level of share ownership. Current outstanding goal-based shares include awards granted in April 2008, February 2009 and April 2009.

The issuance of awards is based on the achievement of multiple performance metrics during a two-year period, including return on invested capital, book value per share, and total shareholder return relative to that of a peer group of companies. The actual number of shares issued will vary between zero and 200% of targeted shares depending on the level of performance metrics achieved. The fair value of goal-based stock is equal to the market price of Dominion's stock on the date of grant. Goal-based stock awards granted to key non-officer employees convert to restricted stock at the end of the two-year performance period and generally vest three years from the original grant date. Awards to officers vest at the end of the two-year performance period. All goal-based stock awards are settled by issuing new shares.

After the performance period for the April 2006 grants ended on December 31, 2007, the CGN Committee determined the actual performance against metrics established for those awards, and 130 thousand shares of the outstanding goal-based stock awards granted in April 2006 were converted to 200 thousand shares of restricted stock for the remaining term of the vesting period ending in April 2009.

After the performance period for the April 2007 grants ended on December 31, 2008, the CGN Committee determined the actual performance against metrics established for those awards. For awards to key non-officer employees, 127 thousand shares of the outstanding goal-based stock awards granted in April 2007 were converted to 185 thousand shares of restricted stock for the remaining term of the vesting period ending in April 2010. For awards to officers, 27 thousand shares of the outstanding goal-based stock awards were converted to 38 thousand non-restricted shares and issued to the officers.

The following table provides a summary of goal-based stock activity for the years ended December 31, 2009, 2008 and 2007:

	Targeted Number of Shares	Weighted-average Grant Date Fair Value
	(thousands)	
Nonvested at December 31, 2006	194	$34.77
Granted	160	44.24
Vested	(32)	34.77
Cancelled and forfeited	(33)	35.03
Nonvested at December 31, 2007	289	$39.16
Granted	164	40.97
Vested	(1)	43.78
Cancelled and forfeited	(7)	43.33
Converted from goal-based stock to restricted stock	(130)	34.77
Nonvested at December 31, 2008	315	$42.56
Granted	**165**	**31.43**
Vested	**(28)**	**44.38**
Cancelled and forfeited	**(2)**	**37.24**
Converted from goal-based stock to restricted stock	**(127)**	**44.18**
Nonvested at December 31, 2009	**323**	**$36.12**

At December 31, 2009, the targeted number of shares expected to be issued under the April 2008, February 2009 and April 2009 awards was approximately 323 thousand. In January 2010, the CGN Committee determined the actual performance against metrics established for the April 2008 awards with a performance period that ended December 31, 2009. Based on that determination, the total number of shares to be issued under the goal-based stock awards was approximately 365 thousand.

As of December 31, 2009, unrecognized compensation cost related to nonvested goal-based stock awards totaled $7 million and is expected to be recognized over a weighted-average period of 1.5 years.

Cash-Based Performance Grant

Cash-based performance grants are made to Dominion's officers under Dominion's Long-Term Incentive Program. The actual payout of cash-based performance grants will vary between zero and 200% of the targeted amount based on the level of performance metrics achieved.

The targeted amount of the cash-based performance grant made to officers in April 2006 was $13 million, but the actual payout of the award in February 2008 determined by the CGN Committee was $18 million, based on the level of performance metrics achieved. At December 31, 2007, a liability of $18 million had been accrued for this award.

The targeted amount of the cash-based performance grant made to officers in April 2007 was $11 million, but the actual payout of the award in February 2009 determined by the CGN Committee was $16 million, based on the level of performance metrics achieved. At December 31, 2008, a liability of $16 million had been accrued for this award.

In April 2008, a cash-based performance grant was made to officers. Payout of the performance grant occurred in February 2010 based on the achievement of three performance metrics during 2008 and 2009: return on invested capital, book value per share and total shareholder return relative to that of a peer group of companies. At December 31, 2009, the targeted amount of the grant was $12 million. Based on the achievement of the performance metrics, payout of the 2008 cash-based performance grants was $15 million. At December 31, 2009, a liability of $15 million had been accrued for this award.

In February 2009, a cash-based performance grant was made to officers. Payout of the performance grant will occur by March 15, 2011 based on the achievement of three performance metrics during 2009 and 2010: return on invested capital, book value per share and total shareholder return relative to that of a peer group of companies. At December 31, 2009, the targeted amount of the grant was $11 million and a liability of $5 million had been accrued for this award.

Note 21. Dividend Restrictions

The Virginia Commission may prohibit any public service company, including Virginia Power, from declaring or paying a dividend to an affiliate if found to be detrimental to the public interest. At December 31, 2009, the Virginia Commission had not restricted the payment of dividends by Virginia Power.

Certain agreements associated with Dominion's and Virginia Power's credit facilities contain restrictions on the ratio of debt to total capitalization. These limitations did not restrict Dominion's or Virginia Power's ability to pay dividends or receive dividends from their subsidiaries at December 31, 2009.

See Note 18 for a description of potential restrictions on dividend payments by Dominion in connection with the deferral of interest payments on junior subordinated notes.

Note 22. Employee Benefit Plans

Dominion

Dominion provides certain benefits to eligible active employees, retirees and qualifying dependents. Under the terms of its benefit plans, Dominion reserves the right to change, modify or terminate the plans. From time to time in the past, benefits have changed, and some of these changes have reduced benefits.

Dominion maintains qualified noncontributory defined benefit pension plans covering virtually all employees. Retirement benefits are based primarily on years of service, age and the employee's compensation. Dominion's funding policy is to contribute annually an amount that is in accordance with the provisions of ERISA. The pension program also provides benefits to certain retired executives under a company-sponsored nonqualified employee benefit plan. The nonqualified plan is funded through contributions to a grantor trust.

Dominion provides retiree healthcare and life insurance benefits with annual employee premiums based on several factors such as age, retirement date and years of service.

Pension and other postretirement benefit costs are affected by employee demographics (including age, compensation levels and years of service), the level of contributions made to the plans and earnings on plan assets. These costs may also be affected by changes in key assumptions, including expected long-term rates of return on plan assets, discount rates, healthcare cost trend rates and the rate of compensation increases.

Dominion uses December 31 as the measurement date for all of its employee benefit plans. Dominion uses the market-related value of pension plan assets to determine the expected return on plan assets, a component of net periodic pension cost. The market-related value recognizes changes in fair value on a straight-line basis over a four-year period, which reduces year-to-year volatility. Changes in fair value are measured as the difference between the expected and actual plan asset returns, including dividends, interest and realized and unrealized investment gains and losses. Since the market-related value recognizes changes in fair value over a four-year period, the future market-related value of pension plan assets will be impacted as previously unrecognized changes in fair value are recognized.

Dominion's pension and other postretirement benefit plans hold investments in trusts to fund employee benefit payments. Aggregate actual returns for Dominion's pension and other postretirement plan assets were $777 million in 2009 and negative $1.4 billion in 2008, versus expected returns of $462 million and $484 million, respectively. Differences between actual and expected returns on plan assets are accumulated and amortized during future periods. As such, investment-related declines in these trusts, such as those experienced during 2008, will result in future increases in the periodic cost recognized for such employee benefit plans and will be included in the determination of the amount of cash to be contributed to the employee benefit plans.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Medicare Act) was signed into law. The Medicare Act introduces a prescription drug benefit under Medicare (Medicare Part D), as well as a federal subsidy to sponsors of retiree healthcare benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. Dominion determined that the prescription drug benefit offered under its other postretirement benefit plans is at least actuarially equivalent to Medicare Part D. In 2009 and 2008, Dominion received a federal subsidy of $4 million and $3 million, respectively, and expects to continue to receive the subsidy offered under the Medicare Act.

The following table summarizes the changes in Dominion's pension plan and other postretirement benefit plan obligations and plan assets and includes a statement of the plans' funded status:

	Pension Benefits		Other Postretirement Benefits	
Year Ended December 31,	**2009**	2008	**2009**	2008
(millions, except percentages)				
Changes in benefit obligation:				
Benefit obligation at beginning of year	**$3,893**	$ 3,693	**$1,554**	$1,464
Service cost	**106**	102	**60**	60
Interest cost	**250**	236	**100**	93
Benefits paid	**(179)**	(196)	**(77)**	(73)
Actuarial (gains) losses during the year	**54**	54	**(85)**	19
Plan amendments	**1**	4	**(1)**	(6)
Settlements and Curtailments	**1**	—	**—**	(11)
Adoption of new accounting standard[1]	**—**	—	**—**	5
Medicare Part D reimbursement	**—**	—	**4**	3
Benefit obligation at end of year	**$4,126**	$ 3,893	**$1,555**	$1,554
Changes in fair value of plan assets:				
Fair value of plan assets at beginning of year	**$3,757**	$ 5,098	**$ 747**	$ 960
Actual return (loss) on plan assets	**633**	(1,179)	**144**	(213)
Employer contributions	**15**	34	**64**	36
Benefits paid	**(179)**	(196)	**(37)**	(36)
Fair value of plan assets at end of year	**$4,226**	$ 3,757	**$ 918**	$ 747
Funded status at end of year	**$ 100**	$ (136)	**$ (637)**	$ (807)
Amounts recognized in the Consolidated Balance Sheets at December 31:				
Assets held for sale[2]	**$ 47**	$ 99	**$ —**	$ —
Noncurrent pension and other postretirement benefit assets	**695**	512	**7**	2
Liabilities held for sale[2]	**—**	—	**(11)**	(21)
Other current liabilities	**(13)**	(10)	**(2)**	—
Pension and other postretirement benefit liabilities	**(629)**	(737)	**(631)**	(788)
Net amount recognized	**$ 100**	$ (136)	**$ (637)**	$ (807)
Significant assumptions used to determine benefit obligations as of December 31:				
Discount rate	**6.60%**	6.60%	**6.60%**	6.60%
Weighted average rate of increase for compensation	**4.76%**	4.79%	**4.79%**	4.78%

(1) Represents split-dollar life insurance liability resulting from the adoption of new accounting guidance for deferred compensation and postretirement benefit aspects of endorsement split-dollar life insurance

arrangements on January 1, 2008. This accounting guidance requires an employer to recognize a liability for future obligations (employee benefits) related to its endorsement split-dollar life insurance plans where benefits extend into postretirement periods.

(2) *Represents pension plan assets classified as assets held for sale for Peoples at December 31, 2009 and Peoples and Hope at December 31, 2008, and other postretirement benefit plan obligations classified as liabilities held for sale for Peoples at December 31, 2009 and Peoples and Hope at December 31, 2008, in Dominion's Consolidated Balance Sheets.*

The accumulated benefit obligation (ABO) for all of Dominion's defined benefit pension plans was $3.6 billion and $3.4 billion at December 31, 2009 and 2008, respectively.

Under its funding policies, Dominion evaluates plan funding requirements annually, usually in the fourth quarter after receiving updated plan information from its actuary. Based on the funded status of each plan and other factors, Dominion determines the amount of contributions for the current year, if any, at that time. No contributions to its pension plans are currently expected in 2010. Certain regulatory authorities have held that amounts recovered in utility customers' rates for other postretirement benefits, in excess of benefits actually paid during the year, must be deposited in trust funds dedicated for the sole purpose of paying such benefits. Accordingly, certain of Dominion's subsidiaries fund other postretirement benefit costs through VEBAs. Dominion's remaining subsidiaries do not prefund other postretirement benefit costs but instead pay claims as presented. Dominion expects to contribute $56 million to the Dominion VEBAs in 2010.

Dominion does not expect any pension or other postretirement plan assets to be returned to the Company during 2010.

The following table provides information on the benefit obligations and fair value of plan assets for plans with a benefit obligation in excess of plan assets:

	Pension Benefits		Other Postretirement Benefits	
As of December 31,	**2009**	2008	**2009**	2008
(millions)				
Benefit obligation	**$3,537**	$3,320	**$1,430**	$1,546
Fair value of plan assets	**2,902**	2,577	**786**	737

The following table provides information on the ABO and fair value of plan assets for pension plans with an ABO in excess of plan assets:

As of December 31,	**2009**	2008
(millions)		
Accumulated benefit obligation	**$3,085**	$2,881
Fair value of plan assets	**2,902**	2,577

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Estimated Future Benefit Payments	
	Pension Benefits	Other Postretirement Benefits
(millions)		
2010	**$ 197**	**$ 91**
2011	**201**	**99**
2012	**216**	**106**
2013	**230**	**112**
2014	**248**	**118**
2015-2019	**1,623**	**677**

The above benefit payments for other postretirement benefit plans are expected to be offset by Medicare Part D subsidies of approximately $5 million in 2010, $6 million annually for the period 2011 through 2013, $7 million in 2014 and $44 million during the period 2015 through 2019.

Dominion's overall objective for investing its pension and other postretirement plan assets is to achieve the best possible long-term rates of return commensurate with prudent levels of risk. To minimize risk, funds are broadly diversified among asset classes, investment strategies and investment advisors. The strategic target asset allocations for its pension funds are 34% U.S. equity, 12% non-U.S. equity, 22% fixed income, 7% real estate and 25% other, such as private equity investments. U.S. equity includes investments in large-cap, mid-cap and small-cap companies located in the United States. Non-U.S. equity includes investments in large-cap companies located outside of the United States including both developed and emerging markets. Fixed income includes corporate debt securities of companies from diversified industries and U.S. Treasuries. The U.S. equity, non-U.S. equity and fixed income investments are in individual securities as well as mutual funds and commingled funds. Real estate includes equity real estate investment trusts (REITs) and investments in commingled funds and partnerships. Other investments include partnership investments in private equity and other funds that follow several different strategies.

Dominion maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Fair value is based on actively-quoted market prices, if available. In the absence of actively-quoted market prices, Dominion seeks price information from external sources, including broker quotes and industry publications. If pricing information from external sources is not available, or if Dominion believes that observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value.

The Plan's investments are valued based on the values of the investments and the underlying investments which have been determined as follows:

- *Securities, Mutual Funds and REITs*—Investments in U.S. government securities, corporate debt instruments, common and preferred stock, registered investment companies and mutual funds are presented at fair value using quoted market prices in active markets, including quoted prices for similar assets or liabilities in active markets, and quoted prices for identical or similar assets or liabilities in inactive markets.
- *Commingled Funds*—Investments in commingled funds are stated at fair value, which has been determined based on the unit value of each fund. Unit values are determined by dividing the net asset value of the fund (based on the fair value of the underlying investments) by the total number of units outstanding.
- *Partnerships*—Investments in partnerships are generally valued using net asset value based on Dominion's proportionate share of the partnership's fair value as determined by reference to the most recent audited fair value financial statements or fair value statements provided by the investment manager, adjusted for any significant events occurring between the investment manager's and Dominion's measurement date.

Dominion also utilizes the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value, into three broad levels:

- *Level 1*—Quoted prices (unadjusted) in active markets for identical assets and liabilities that it has the ability to access at the measurement date.
- *Level 2*—Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from observable market data by correlation or other means.
- *Level 3*—Unobservable inputs for the asset or liability, including situations where there is little, if any, market activity for the asset or liability.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The fair values of Dominion's pension plan assets by asset category are as follows:

	Fair Value Measurements							
	Pension Plans							
At December 31,	2009				2008			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
(millions)								
Cash equivalents	$ —	$ 233	$ —	$ 233	$ —	$ 46	$ —	$ 46
U.S. equity:								
Securities	991	1	—	992	786	—	—	786
Mutual funds	63	—	—	63	97	—	—	97
Commingled funds	—	113	—	113	—	135	—	135
Non-U.S. equity:								
Securities	81	—	—	81	72	—	—	72
Mutual funds	257	—	—	257	208	—	—	208
Commingled funds	—	147	—	147	—	126	—	126
Fixed income:								
Commingled funds	—	675	—	675	—	742	—	742
Mutual funds	139	—	—	139	97	—	—	97
Corporate debt securities	—	126	—	126	—	153	—	153
U.S. Government/other securities	26	10	—	36	30	6	—	36
Real estate:								
REITs	33	—	—	33	22	—	—	22
Commingled funds	—	—	108	108	—	—	165	165
Partnerships	—	—	118	118	—	—	146	146
Other investments:								
Partnerships	—	—	1,091	1,091	—	—	909	909
Total(1)	$1,590	$1,305	$1,317	$4,212	$1,312	$1,208	$1,220	$3,740

(1) Excludes net assets related to cash and pending sales and purchases of securities of $14 million and $17 million at December 31, 2009 and 2008, respectively.

The fair values of Dominion's other postretirement plan assets by asset category are as follows:

	Fair Value Measurements							
	Other Postretirement Plans							
At December 31,	2009				2008			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
(millions)								
Cash equivalents	$ —	$ 13	$ —	$ 13	$ —	$ 4	$ —	$ 4
U.S. equity:								
Securities	49	—	—	49	37	—	—	37
Mutual funds	251	—	—	251	210	—	—	210
Commingled funds	—	35	—	35	—	6	—	6
Non-U.S. equity:								
Mutual funds	85	—	—	85	58	—	—	58
Other	4	7	—	11	3	6	—	9
Fixed income:								
Commingled funds	—	321	—	321	—	285	—	285
Other	8	7	—	15	5	9	—	14
Real estate:								
Partnerships	—	—	14	14	—	—	18	18
Other	2	—	5	7	1	—	8	9
Other investments:								
Partnerships	—	—	116	116	—	—	96	96
Total(1)	$399	$383	$135	$917	$314	$310	$122	$746

(1) Excludes net assets related to cash and pending sales and purchases of securities of $1 million each at December 31, 2009 and 2008.

The following table presents the changes in Dominion's pension plan and other postretirement plan assets that are measured at fair value and included in the Level 3 fair value category:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)					
	Pension Plans			Other Postretirement Plans		
	Real Estate	Other Investments	Total	Real Estate	Other Investments	Total
(millions)						
Balance at December 31, 2008	$311	$ 909	$1,220	$26	$ 96	$122
Actual return on plan assets:						
Relating to assets still held at the reporting date	(82)	138	56	(8)	15	7
Relating to assets sold during the period	(1)	1	—	—	—	—
Purchases, sales and settlements	(2)	43	41	1	5	6
Transfers in and/or out of Level 3	—	—	—	—	—	—
Balance at December 31, 2009	$226	$1,081	$1,317	$19	$116	$135

Strategic investment policies are established for each of Dominion's prefunded benefit plans based upon periodic asset/liability studies. Factors considered in setting the investment policy include employee demographics, liability growth rates, future discount rates, the funded status of the plans and the expected long-term rate of return on plan assets. Deviations from the plans' strategic allocation are a function of Dominion's assessments regarding short-term risk and reward opportunities in the capital markets and/or short-term market movements which result in the plans' actual asset allocations varying from the strategic target asset allocations. Through periodic rebalancing, actual allocations are brought back in line with the target. Financial derivatives may be used to obtain or manage market exposures and to hedge assets and liabilities.

The components of the provision for net periodic benefit (credit) cost and amounts recognized in other comprehensive income and regulatory assets and liabilities are as follows:

	Pension Benefits			Other Postretirement Benefits		
Year Ended December 31,	**2009**	2008	2007	**2009**	2008	2007
(millions, except percentages)						
Service cost	**$ 106**	$ 102	$ 112	**$ 60**	$ 60	$ 55
Interest cost	**250**	236	222	**100**	93	77
Expected return on plan assets	**(405)**	(411)	(391)	**(57)**	(73)	(71)
Amortization of prior service (credit) cost	**4**	4	4	**(7)**	(6)	(6)
Amortization of transition obligation	**—**	—	—	**—**	—	3
Amortization of net actuarial loss	**38**	7	37	**30**	8	6
Settlements and curtailments(1)	**3**	—	11	**—**	—	(3)
Plan amendments(2)	**1**	—	4	**—**	1	9
Net periodic benefit (credit) cost	**$ (3)**	$ (62)	$ (1)	**$ 126**	$ 83	$ 70
Changes in plan assets and benefit obligations recognized in other comprehensive income and regulatory assets and liabilities:						
Current year net actuarial (gain) loss	**$(174)**	$1,643	$(209)	**$ (172)**	$ 306	$ 137
Prior service (credit) cost	**—**	4	3	**(1)**	(7)	(8)
Transition asset	**—**	—	—	**—**	—	(17)
Settlements and curtailments	**(2)**	—	(21)	**—**	(11)	—
Less amounts included in net periodic benefit (credit) cost:						
Amortization of net actuarial loss	**(38)**	(7)	(37)	**(30)**	(8)	(6)
Amortization of prior service credit (cost)	**(4)**	(4)	(4)	**7**	6	6
Amortization of transition obligation	**—**	—	—	**—**	—	(3)
Plan amendments	**—**	—	—	**—**	—	(2)
Total recognized in other comprehensive income and regulatory assets and liabilities	**$(218)**	$1,636	$(268)	**$ (196)**	$ 286	$ 107
Significant assumptions used to determine periodic cost:						
Discount rate	**6.60%**	6.60%	6.20%	**6.60%**	6.50%	6.10%
Expected long-term rate of return on plan assets	**8.50%**	8.50%	8.75%	**7.75%**	7.75%	8.00%
Weighted average rate of increase for compensation	**4.79%**	4.79%	4.79%	**4.78%**	4.70%	4.70%
Healthcare cost trend rate				**8.00%**	9.00%	9.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)				**4.90%**	4.90%	5.00%
Year that the rate reaches the ultimate trend rate				**2060**	2059	2011

(1) Relates to the sale of Dominion's non-Appalachian E&P operations and the impact of distributions to retired executives.
(2) Represents a one-time benefit enhancement for certain employees in connection with the disposition of Dominion's non-Appalachian E&P business.

The components of AOCI and regulatory assets and liabilities that have not been recognized as components of periodic benefit (credit) cost are as follows:

	Pension Benefits		Other Postretirement Benefits	
At December 31,	**2009**	2008	**2009**	2008
(millions)				
Net actuarial loss	**$1,788**	$2,001	**$271**	$472
Prior service (credit) cost	**19**	23	**(36)**	(41)
Total(1)	**$1,807**	$2,024	**$235**	$431

(1) As of December 31, 2009, of the $1.8 billion and $235 million related to pension benefits and other postretirement benefits, $1 billion and $87 million, respectively, are included in AOCI, with the remainder included in regulatory assets and liabilities. As of December 31, 2008, of the $2 billion and $431 million related to pension benefits and other postretirement benefits, $1.1 billion and $228 million, respectively, are included in AOCI, with the remainder included in regulatory assets and liabilities.

The following table provides the components of AOCI and regulatory assets and liabilities as of December 31, 2009 that are expected to be amortized as components of periodic benefit cost in 2010:

	Pension Benefits	Other Postretirement Benefits
(millions)		
Net actuarial loss	**$64**	**$13**
Prior service (credit) cost	**3**	**(7)**

Dominion determines the expected long-term rates of return on plan assets for its pension plans and other postretirement benefit plans by using a combination of:

- Historical return analysis to determine expected future risk premiums, asset volatilities and correlations;
- Forward-looking return expectations derived from the yield on long-term bonds and the price earnings ratios of major stock market indices;
- Expected inflation and risk-free interest rate assumptions; and
- The types of investments expected to be held by the plans.

Dominion develops assumptions, which are then compared to the forecasts of other independent investment advisors to ensure reasonableness. An internal committee selects the final assumptions.

Dominion determines discount rates from analyses of AA/Aa rated bonds with cash flows matching the expected payments to be made under its plans.

Assumed healthcare cost trend rates have a significant effect on the amounts reported for Dominion's retiree healthcare plans. A one percentage point change in assumed healthcare cost trend rates would have had the following effects:

	Other Postretirement Benefits	
	One percentage point increase	One percentage point decrease
(millions)		
Effect on total of service and interest cost components for 2009	**$ 24**	**$ (21)**
Effect on other postretirement benefit obligation at December 31, 2009	**191**	**(149)**

In addition, Dominion sponsors defined contribution thrift-type savings plans. During 2009, 2008 and 2007, Dominion recognized $42 million, $39 million and $37 million, respectively, as contributions to these plans.

Virginia Power

Virginia Power participates in a defined benefit pension plan sponsored by Dominion. Benefits payable under the plan are based primarily on years of service, age and the employee's compensation. As a participating employer, Virginia Power is subject to Dominion's funding policy, which is to contribute annually an amount that is in accordance with the provisions of ERISA. Virginia Power's net periodic pension cost related to this plan was $48 million, $32 million and $37 million in 2009, 2008 and 2007, respectively. Employee compensation is the basis for determining Virginia Power's share of total pension costs. Virginia Power did not contribute to the pension plan in 2009, 2008 or 2007.

Virginia Power participates in a plan that provides certain retiree healthcare and life insurance benefits to multiple Dominion subsidiaries. Annual employee premiums are based on several factors such as age, retirement date and years of service. Virginia Power's net periodic benefit cost related to this plan was $55 million, $33 million and $24 million in 2009, 2008 and 2007, respectively. Employee headcount is the basis for determining Virginia Power's share of total benefit costs.

Certain regulatory authorities have held that amounts recovered in rates for other postretirement benefits, in excess of benefits actually paid during the year, must be deposited in trust funds dedicated for the sole purpose of paying such benefits. Accordingly, Virginia Power funds other postretirement benefit costs through a VEBA. Virginia Power's contributions to the VEBA were $34 million, $15 million and $7 million in 2009, 2008 and 2007, respectively. Virginia Power expects to contribute $35 million to the VEBA in 2010.

Dominion holds investments in trusts to fund employee benefit payments for its pension and other postretirement benefit plans, in which Virginia Power's employees participate. Investment-related declines in these trusts, such as those experienced during 2008, will result in future increases in the periodic cost recognized for such employee benefit plans and will be included in the determination of the amount of cash that Virginia Power will provide to Dominion for its share of employee benefit plan contributions.

Virginia Power also participates in Dominion-sponsored employee savings plans that cover substantially all employees. Employer matching contributions of $14 million, $14 million and $12 million were incurred in 2009, 2008 and 2007, respectively.

Note 23. Commitments and Contingencies

As the result of issues generated in the ordinary course of business, Dominion and Virginia Power are involved in legal, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies, some of which involve substantial amounts of money. The ultimate outcome of such proceedings cannot be predicted at this time; however, for current proceedings not specifically reported herein, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on Dominion's or Virginia Power's financial position, liquidity or results of operations.

Long-Term Purchase Agreements

At December 31, 2009, Virginia Power had the following long-term commitments that are noncancelable or are cancelable only under certain conditions, and that third parties have used to secure financing for the facilities that will provide the contracted goods or services:

	2010	2011	2012	2013	2014	Thereafter	Total
(millions)							
Purchased electric capacity(1)	**$345**	**$345**	**$349**	**$352**	**$360**	**$1,126**	**$2,877**

(1) Commitments represent estimated amounts payable for capacity under power purchase contracts with qualifying facilities and independent power producers, the last of which ends in 2021. Capacity payments under the contracts are generally based on fixed dollar amounts per month, subject to escalation using broad-based economic indices. At December 31, 2009, the present value of Virginia Power's total commitment for capacity payments is $2 billion. Capacity payments totaled $356 million, $379 million, and $410 million, and energy payments totaled $254 million, $372 million, and $360 million for 2009, 2008 and 2007, respectively.

Lease Commitments

Dominion and Virginia Power lease various facilities, vehicles and equipment primarily under operating leases. Payments under certain leases are escalated based on an index such as the consumer price index. Future minimum lease payments under noncancelable operating and capital leases that have initial or remaining lease terms in excess of one year as of December 31, 2009 are as follows:

	2010	2011	2012	2013	2014	Thereafter	Total
(millions)							
Dominion	**$143**	**$135**	**$118**	**$90**	**$37**	**$147**	**$670**
Virginia Power	**$ 35**	**$ 31**	**$ 22**	**$14**	**$10**	**$ 23**	**$135**

Rental expense for Dominion totaled $172 million, $160 million, and $185 million for 2009, 2008 and 2007, respectively. Rental expense for Virginia Power totaled $49 million, $39 million, and $37 million for 2009, 2008, and 2007, respectively. The majority of rental expense is reflected in other operations and maintenance expense.

Dominion leases the Fairless power station, which began commercial operations in June 2004. During construction, Dominion acted as the construction agent for the lessor, controlled the design and construction of the facility and has since been reimbursed for all project costs ($898 million) advanced to the lessor. Dominion makes annual lease payments of $53 million that are reflected in the lease commitments table. The lease expires in 2013 and at that time, Dominion may renew the lease at negotiated amounts based on original project costs and current market conditions, subject to lessor approval; purchase Fairless at its original construction cost; or sell Fairless, on behalf of the lessor, to an independent third party. If Fairless is sold and the proceeds from the sale are less than its original construction cost, Dominion would be required to make a payment to the lessor in an amount up to 70.75% of the original project costs adjusted for certain other costs as specified in the lease. The lease agreement does not contain any provisions that involve credit rating or stock price trigger events.

Environmental Matters

Dominion and Virginia Power are subject to costs resulting from a number of federal, state and local laws and regulations designed to protect human health and the environment. These laws and regulations affect future planning and existing operations. They can result in increased capital, operating and other costs as a result of compliance, remediation, containment and monitoring obligations.

Air

The CAA is a comprehensive program utilizing a broad range of regulatory tools to protect and preserve the nation's air quality. At a minimum, states are required to establish regulatory programs to address all requirements of the CAA. However, states may choose to develop regulatory programs that are more restrictive. Many of Dominion's and Virginia Power's facilities are subject to the CAA's permitting and other requirements.

In March 2005, the EPA Administrator signed both CAIR and CAMR.

In February 2008, Dominion received a request for information pursuant to Section 114 of the CAA from the EPA. The request concerns historical operating changes and capital improvements undertaken at Dominion's State Line and Kincaid power stations. In April 2009, Dominion received a second request for information. Dominion provided information in response to both requests. Also in April, Dominion received a Notice and Finding of Violations from the EPA claiming new source review violations, new source performance standards violations, and Title V permit program violations pursuant to the CAA and the respective State Implementation Plans. Dominion is currently evaluating the impact of the Notice and cannot predict the outcome of this matter.

In February 2008, the D.C. Appeals Court issued a ruling that vacates CAMR as promulgated by the EPA. The EPA Administration has announced that the EPA will proceed with a Maximum Achievable Control Technology rulemaking for coal and oil-fired electric utility steam generating units. These rules could require significant reductions in mercury and other hazardous air pollutants from electric generation facilities. It should be noted that Dominion continues to be governed by individual state mercury emission reduction regulations in Massachusetts and Illinois that were largely unaffected by the CAMR ruling.

In July 2008, the D.C. Appeals Court issued a ruling vacating CAIR as promulgated by the EPA. In December 2008, the Court denied rehearing, but also issued a decision to remand CAIR to the EPA, so the CAIR rules remain in effect. The remand allows CAIR to remain in place until such time that the EPA develops and implements a new rulemaking addressing the issues identified by the Court. Dominion and Virginia Power cannot predict how a new rulemaking will impact future SO_2 and NO_X emission reduction requirements beyond CAIR. In January 2010, the EPA proposed a new, more stringent National Ambient Air Quality Standard for ozone, which could require additional NO_X controls in certain areas where the Companies operate.

In June 2005, the EPA finalized amendments to the Regional Haze Rule, also known as the Clean Air Visibility Rule. Although Dominion and Virginia Power anticipate that the emission reductions achieved through compliance with other CAA required programs will generally address the Clean Air Visibility Rule if those rules proceed, additional emission reduction requirements may be imposed on the Companies' facilities.

Implementation of projects to comply with SO_2, NO_X and mercury limitations, and other state emission control programs are ongoing and will be influenced by changes in the regulatory environment, availability of emission allowances and emission control technology. In response to the federal CAA and state regulatory requirements, Dominion and Virginia Power estimate that they will make capital expenditures at their affected generating facilities of approximately $597 million and $159 million, respectively, during the period 2010 through 2014.

In December 2009, the EPA issued their *Final Endangerment and Cause or Contribute Findings for Greenhouse Gases Under Section 202(a) of the Clean Air Act*, finding that GHGs "endanger both the public health and the public welfare of current and future generations." If GHGs become regulated pollutants under the CAA, Dominion and Virginia Power will be required to obtain permits for GHG emissions from new and modified facilities and amend operating permits for major sources of GHG emissions. Until these actions occur, and the EPA establishes guidance for GHG permitting, including Best Available Control Technology, it is not possible to determine the impact on Dominion's or Virginia Power's facilities that emit GHGs.

WATER

The Clean Water Act is a comprehensive program requiring a broad range of regulatory tools including a permit program to authorize and regulate discharges to surface waters with strong enforcement mechanisms. Dominion and Virginia Power must comply with all aspects of the Clean Water Act programs at their operating facilities. In July 2004, the EPA published regulations under Clean Water Act Section 316b that govern existing utilities that employ a cooling water intake structure and that have flow levels exceeding a minimum threshold. The EPA's rule presented several compliance options. However, in January 2007, the U.S. Court of Appeals for the Second Circuit issued a decision on an appeal of the regulations, remanding the rule to the EPA. In July 2007, the EPA suspended the regulations pending further rulemaking, consistent with the decision issued by the U.S. Court of Appeals for the Second Circuit. In November 2007, a number of industries appealed the lower court decision to the U.S. Supreme Court. In April 2008, the U.S. Supreme Court granted the industry request to review the question of whether Section 316b of the Clean Water Act authorizes the EPA to compare costs with benefits in determining the best technology available for minimizing "adverse environmental impact" at cooling water intake structures. The U.S. Supreme Court ruled in April 2009 that the EPA has the authority to consider costs versus environmental benefits in selecting best technology available for reducing impacts of cooling water intakes at power stations. It is currently unknown how the EPA will interpret the ruling in its ongoing rulemaking activity addressing cooling water intakes as well as how the states will implement this decision. Dominion has sixteen facilities, including eight at Virginia Power, that are likely to be subject to these regulations. Dominion and Virginia Power cannot predict the outcome of the judicial or EPA regulatory processes, nor can they determine with any certainty what specific controls may be required.

In August 2006, the Connecticut Department of Environmental Protection issued a notice of a Tentative Determination to renew the National Pollutant Discharge Elimination System permit for Dominion's Millstone power station, which included a draft copy of the revised permit. In October 2007, Connecticut Department of Environmental Protection issued a report to the hearing officer for the tentative determination stating the agency's intent to further revise the draft permit. In December 2007, the Connecticut Department of Environmental Protection issued a new draft permit. An administrative hearing on the draft permit began in January 2009 and was completed in February 2009. In February 2010, the hearing officer issued a proposed final decision, recommending that the Connecticut Department of Environmental Protection Commissioner issue the revised draft permit without change. A final determination is expected to be issued by the Connecticut Department of Environmental Protection in 2010. Until the final permit is reissued, it is not possible to predict any financial impact that may result.

In October 2003, the EPA and the Massachusetts Department of Environmental Protection each issued new National Pollutant Discharge Elimination System permits for Dominion's Brayton Point power station. The new permits contained identical conditions that in effect require the installation of cooling towers to address concerns over the withdrawal and discharge of cooling water. Currently, Dominion estimates the total cost to install these cooling towers at approximately $650 million, which is included in its planned capital expenditures through 2014.

In October 2007, the Virginia State Water Control Board issued a renewed water discharge (VPDES) permit for Virginia Power's North Anna power station. The Blue Ridge Environmental Defense League, and other persons, appealed the Virginia State Water Control Board's decision to the Richmond Circuit Court, challenging several permit provisions related to North Anna's discharge of cooling water. In February 2009, the court ruled that the Virginia State Water Control Board was required to regulate the thermal discharge from North Anna into the waste heat treatment facility. Virginia Power filed a motion for reconsideration with the court in February 2009, which was denied. The final order was issued by the court in September 2009. The court's order allows North Anna to continue to operate pursuant to the currently issued VPDES permit. In October 2009, Virginia Power filed a Notice of Appeal of the court's Order with the Richmond Circuit Court, initiating the appeals process to the Virginia Court of Appeals. Until the appeals process is complete and any revised permit is issued, it is not possible to predict any financial impact that may result.

SOLID AND HAZARDOUS WASTE

The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, provides for an immediate response and removal actions coordinated by the EPA in the event of threatened releases of hazardous substances into the environment and authorizes the U.S. government either to clean up sites at which hazardous substances have created actual or potential environmental hazards or to order persons responsible for the situation to do so. Under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, generators and transporters of hazardous substances, as well as past and present owners and operators of contaminated sites, can be strictly, jointly and severally liable for the cost of cleanup. These potentially responsible parties can be ordered to perform a cleanup, be sued for costs associated with an EPA-directed cleanup, voluntarily settle with the U.S. government concerning their liability for cleanup costs, or voluntarily begin a site investigation and site remediation under state oversight.

From time to time, Dominion or Virginia Power may be identified as potentially responsible parties to a Superfund site. The EPA (or a state) can either allow such a party to conduct and pay for a remedial investigation, feasibility study and remedial action; or conduct the remedial investigation and action itself and then seek reimbursement from the potentially responsible parties. Each party can be held jointly, severally and strictly liable for the cleanup costs. These parties can also bring contribution actions against each other and seek reimbursement from their insurance companies. As a result, Dominion or Virginia Power may be responsible for the costs of remedial investigation and actions under the Superfund law or other laws or regulations regarding the remediation of waste. The Companies do not believe that any currently identified sites will result in significant liabilities.

Dominion has determined that it is associated with 17 former manufactured gas plant sites. Studies conducted by other utilities at their former manufactured gas plant sites have indicated that those sites contain coal tar and other potentially harmful materials. None of the 17 former sites with which Dominion is associated is under investigation by any state or federal environmental agency. At one of the former sites Dominion is conducting a state approved post closure groundwater monitoring program and an environmental land use restriction has been recorded. Another site has been accepted into a state-based voluntary remediation program and Dominion has not yet estimated the future remediation costs. It is not known to what degree the other former sites may contain environmental contamination. Dominion is not able to estimate the cost, if any, that may be required for the possible remediation of these other sites.

The EPA has announced that it will propose regulations for management of coal combustion byproducts at power plants under the Resource Conservation and Recovery Act. It is expected that such regulations will address ash impoundments, ash landfills, and ash handling practices. If these regulations are adopted, significant expenditures could be required at facilities that generate coal combustion byproducts. Due to the uncertain nature of the content and timing of these regulations, Dominion and Virginia Power cannot predict the financial impact at this time.

Climate Change Legislation and Regulation

In June 2009, the U.S. House of Representatives passed comprehensive legislation titled the "American Clean Energy and Security Act of 2009" to encourage the development of clean energy sources and reduce GHG emissions. The legislation contains provisions establishing federal renewable energy standards for electric suppliers. The legislation also includes cap-and-trade provisions for the reduction of GHG emissions. Similar legislation has been introduced in the U.S. Senate. In addition, the EPA has proposed one rule and finalized another rule that together hold that GHGs are air pollutants subject to the provisions of the CAA. These are the EPA *Final Endangerment and Cause or Contribute Findings for Greenhouse Gases Under Section 202(a) of the Clean Air Act* and the *Proposed Rulemaking To Establish Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards* (proposed September 2009). Possible outcomes from these actions include regulation of GHG emissions from various sources, including electric generation and gas transmission and distribution facilities.

Dominion and Virginia Power currently support the enactment of federal legislation that regulates GHG emissions economy-wide, establishes a system of tradable allowances, slows the growth of GHG emissions in the near term and reduces GHG emissions in the long term. In addition, the Companies support legislation that sets a realistic baseline year and schedule and that is designed in a way to limit potential harm to the economy and competitive businesses.

In addition to possible federal action, some regions and states in which Dominion and Virginia Power operate have already adopted or may adopt GHG emission reduction programs. For example, the Virginia Energy Plan, released by the Governor of Virginia in September 2007, includes a goal of reducing GHG emissions state-wide back to 2000 levels by 2025. The Governor formed a Commission on Climate Change to develop a plan to achieve this goal. In November 2008, the Commission on Climate Change formulated its recommendations to the Governor.

In July 2008, Massachusetts passed the Global Warming Solutions Act. Among other provisions, the Global Warming Solutions Act sets economy-wide GHG emissions reduction goals for Massachusetts, including reductions of 10% to 25% below 1990 levels by 2020, interim goals for 2030 and 2040, and reductions of 80% below 1990 levels by 2050. Regulations requiring the implementation of the Global Warming Solutions Act have not yet been proposed. Dominion operates two coal/oil-fired generating power stations in Massachusetts that are subject to the implementation of the Global Warming Solutions Act.

Additionally, Massachusetts, Rhode Island and Connecticut, among other states, have joined the RGGI, a multi-state effort to reduce CO_2 emissions in the Northeast implemented through state specific regulations. Under the initiative, aggregate CO_2 emissions from power plants in participating states are required to be stabilized at current levels from 2009 to 2015. Further reductions from current levels would be required to be phased in starting in 2016 such that by 2019 there would be a 10% reduction in participating state power plant CO_2 emissions.

Until December 31, 2008, two of Dominion's facilities in Massachusetts, Brayton Point and Salem Harbor, were subject to existing regulations on CO_2 under Massachusetts Regulation 310 CMR 7.29. These facilities could comply with these regulations either through procurement of GHG emission credits or payment into the Massachusetts GHG Expendable Trust. The combined 2008 CO_2 compliance obligation for these two power stations was 474,687 tons of CO_2, which was settled by September 1, 2009. Dominion procured 381,864 tons of GHG emissions credits from a combination of Dominion's GHG emission credit projects (251,582 tons), as well as procurement from third party projects (130,282 tons). Payment into the GHG Expendable Trust for the two power stations covered the remainder of Dominion's compliance obligation. This Massachusetts CO_2 program is now superseded by RGGI. Three of Dominion's facilities, Brayton Point, Salem Harbor and Manchester Street, are subject to RGGI. Beginning with calendar year 2009, RGGI requires that Dominion cover each ton of CO_2 direct stack emissions from these facilities with either an allowance or an offset. The allowances can be purchased through auction or through a secondary market. Dominion participated in RGGI allowance auctions to date and has procured allowances to meet its estimated compliance requirements under RGGI for 2009 and 2010 and partially for 2011. Dominion does not expect these allowances to have a material impact on its results of operations or financial condition.

In December 2009, the governors of 11 Northeast and mid-Atlantic states, including Connecticut, Maryland, Massachusetts, New York, Pennsylvania, and Rhode Island (RGGI states plus Pennsylvania) signed a memorandum of understanding committing their states toward developing a low carbon fuel standard to reduce GHG emissions from vehicles. The memorandum of understanding establishes a process to develop a regional framework by 2011 and examine the economic impacts of a low carbon fuel standard program.

The U.S. is currently not a party to the Kyoto Protocol, which is a protocol to the United Nations Framework Convention on Climate Change that became effective for signatories on February 16, 2005. The Kyoto Protocol process generally requires developed countries to cap GHG emissions at certain levels during the 2008-2012 time period. At the conclusion of the December 2009 United Nations Climate Change Conference in Copenhagen, Denmark, the Copenhagen Accord was adopted, which includes a collection of non-binding, voluntary actions by various countries, including the U.S, to keep the increase in global mean temperature below 2 degrees Celsius. It does not include specific emissions targets, but calls for industrial nations to offer up emissions reduction targets for 2020 and for developing nations to commit to "national appropriate mitigation actions". The U.S. is expected to participate in this process.

The cost of compliance with future GHG emission reduction programs could be significant. Given the highly uncertain outcome and timing of future action by the U.S. federal government and states on this issue, Dominion and Virginia Power cannot predict the financial impact of future GHG emission reduction programs on their operations or their customers at this time.

Nuclear Operations

NUCLEAR DECOMMISSIONING—MINIMUM FINANCIAL ASSURANCE

The NRC requires nuclear power plant owners to annually update minimum financial assurance amounts for the future decommissioning of their nuclear facilities. The 2009 calculation for the NRC minimum financial assurance amount, aggregated for Dominion's and Virginia Power's nuclear units, was $2.6 billion and $1.5 billion, respectively, and has been satisfied by a combination of the funds being collected and deposited in the nuclear decommissioning trusts and the real annual rate of return growth of the funds allowed by the NRC. Dominion believes that the amounts currently available in its decommissioning trusts and their expected earnings will be sufficient to cover expected decommissioning costs for the Millstone and Kewaunee units. Virginia Power also believes that the decommissioning funds and their expected earnings for the Surry and North Anna units will be sufficient, particularly when combined with future ratepayer collections and contributions to these decommissioning trusts, if such future collections and contributions are required. This reflects a positive long-term outlook for trust fund investment returns as the units will not be decommissioned for decades. Dominion and Virginia Power will continue to monitor these trusts to ensure they meet the minimum financial assurance requirement, which may include the use of parent company guarantees, surety bonding or other financial guarantees recognized by the NRC.

NUCLEAR INSURANCE

The Price-Anderson Act provides the public up to $12.5 billion of liability protection per nuclear incident via obligations required of owners of nuclear power plants. The Price-Anderson Act Amendment of 1988 allows for an inflationary provision adjustment every five years. Dominion and Virginia Power have purchased $300 million of coverage from commercial insurance pools for each reactor site with the remainder provided through a mandatory industry risk-sharing program. In the event of a nuclear incident at any licensed nuclear reactor in the U.S., the Companies could be assessed up to $118 million for each of their licensed reactors not to exceed $18 million per year per reactor. There is no limit to the number of incidents for which this retrospective premium can be assessed.

The current level of property insurance coverage for Dominion's and Virginia Power's nuclear units is as follows:

	Coverage(1)
(billions)	
Dominion	
Millstone	**$2.75**
Kewaunee	**1.80**
Virginia Power	
Surry	**$2.55**
North Anna	**2.55**

(1) Coverage for each unit exceeds the NRC minimum requirement.

The Companies' coverage exceeds the NRC minimum requirement for nuclear power plant licensees of $1.06 billion per reactor site and includes coverage for premature decommissioning and functional total loss. The NRC requires that the proceeds from this insurance be used first, to return the reactor to and maintain it in a safe and stable condition and second, to decontaminate the reactor and station site in accordance with a plan approved by the NRC. Nuclear property insurance is provided by the Nuclear Electric Insurance Limited (NEIL), a mutual insurance company, and is subject to retrospective premium assessments in any policy year in which losses exceed the funds available to the insurance company. Dominion's and Virginia Power's maximum assessment for the current policy period is $95 million and $49 million, respectively. Based on the severity of the incident, the board of directors of the nuclear insurer has the discretion to lower or eliminate the maximum retrospective premium assessment. Dominion and Virginia Power have the financial responsibility for any losses that exceed the limits or for which insurance proceeds are not available because they must first be used for stabilization and decontamination.

Dominion and Virginia Power purchase insurance from NEIL to mitigate certain expenses, including replacement power costs, associated with the prolonged outage of a nuclear unit due to direct physical damage. Under this program, the Companies are subject to a retrospective premium assessment for any policy year in which losses exceed funds available to NEIL. Dominion's and Virginia Power's maximum assessment for the current policy period is $33 million and $19 million, respectively.

ODEC, a part owner of North Anna, and Massachusetts Municipal Wholesale Electric Company and Central Vermont Public Service Corporation, part owners of Millstone's Unit 3, are responsible to Dominion and Virginia Power for their share of the nuclear decommissioning obligation and insurance premiums on applicable units, including any retrospective premium assessments and any losses not covered by insurance.

SPENT NUCLEAR FUEL

Under provisions of the Nuclear Waste Policy Act of 1982, Dominion and Virginia Power entered into contracts with the DOE for the disposal of spent nuclear fuel. The DOE failed to begin accepting the spent fuel on January 31, 1998, the date provided by the Nuclear Waste Policy Act and by the Companies' contracts with the DOE. In January 2004, Dominion and Virginia Power filed lawsuits in the U.S. Court of Federal Claims against the DOE requesting damages in connection with its failure to commence accepting spent nuclear fuel. A trial occurred in May 2008 and post-trial briefing and argument concluded in July 2008. On October 15, 2008, the Court issued an opinion and order for Dominion in the amount of approximately $155 million, which includes approximately $112 million in damages incurred by Virginia Power for spent fuel-related costs at its Surry and North Anna power stations and approximately $43 million in damages incurred for spent nuclear fuel-related costs at Dominion's Millstone power station through June 30, 2006. Judgment was entered by the Court on October 28, 2008. In December 2008, the government appealed the judgment to the U. S. Court of Appeals for the Federal Circuit and the appeal was docketed. In March 2009, the Federal Circuit granted the government's request to stay the appeal. With the exception of one case, the Federal Circuit has issued such stays in all other currently pending appeals from spent fuel damage awards. In November 2009, Dominion and Virginia Power filed a motion to lift the stay and the government has opposed this motion. Once the stay is lifted, briefing on the appeal will take place. Payment of any damages will not occur until the appeal process has been resolved. Dominion and Virginia Power cannot predict the outcome of this matter; however, in the event that they recover damages, such recovery, including amounts attributable to joint owners, is not expected to have a material impact on their results of operations. A lawsuit was also filed for Dominion's Kewaunee power station, and that lawsuit is presently stayed through March 15, 2010. The Companies will continue to manage their spent fuel until it is accepted by the DOE.

Guarantees, Surety Bonds and Letters of Credit

Dominion

At December 31, 2009, Dominion had issued $261 million of guarantees to support third parties and equity method investees (issued guarantees). This includes $182 million of guarantees to support Dominion's investment in a joint venture with Shell to develop NedPower. These NedPower guarantees are primarily comprised of a limited-scope guarantee and indemnification for one-half of the project-level financing for phases one and two of the NedPower wind farm, which would require Dominion to pay one-half of NedPower's debt, only if it is unable to do so, as a direct result of an unfavorable ruling associated with current litigation seeking to halt the project. In February 2010, the underlying litigation was dismissed by the applicable court pursuant to an agreed dismissal order, and Dominion is in the process of seeking a formal acknowledgement from NedPower's lenders that the termination provisions of Dominion's litigation guaranty agreement have been satisfied. No significant amounts have been recorded. Dominion's exposure under this litigation-related guarantee totaled $156 million as of December 31, 2009. Shell has provided an identical guarantee for the other one-half of NedPower's borrowings.

Issued guarantees also include $21 million of guarantees to support Dominion's investment in a joint venture with BP to develop Fowler Ridge. The guarantees primarily relate to certain reserve requirements associated with Fowler Ridge's non-recourse financing. Dominion's exposure under these guarantees was $21 million as of December 31, 2009. BP has provided identical guarantees for the other one-half of these joint venture commitments.

In addition to the above guarantees, Dominion and its partners, Shell and BP, may be required to make additional periodic equity contributions to NedPower and Fowler Ridge in connection with certain funding requirements associated with their respective non-recourse financings. As of December 31, 2009, Dominion's maximum remaining cumulative exposure under these equity funding agreements is $156 million through 2019 and its maximum annual future contributions could range from approximately $14 million to $19 million. Dominion expects the operating cash flows for these projects to be sufficient to meet its financing requirements.

Dominion also enters into guarantee arrangements on behalf of its consolidated subsidiaries, primarily to facilitate their commercial transactions with third parties. To the extent that a liability subject to a guarantee has been incurred by one of Dominion's consolidated subsidiaries, that liability is included in its Consolidated Financial Statements. Dominion is not required to recognize liabilities for guarantees issued on behalf of its subsidiaries unless it becomes probable that it will have to perform under the guarantees. Dominion believes it is unlikely that it would be required to perform or otherwise incur any losses associated with guarantees of its subsidiaries' obligations.

At December 31, 2009, Dominion had issued the following subsidiary guarantees:

	Stated Limit	Value[1]
(millions)		
Subsidiary debt[2]	**$ 126**	**$ 126**
Commodity transactions[3]	**2,734**	**244**
Lease obligation for power generation facility[4]	**811**	**811**
Nuclear obligations[5]	**211**	**80**
Other	**495**	**127**
Total	**$4,377**	**$1,388**

(1) Represents the estimated portion of the guarantee's stated limit that is utilized as of December 31, 2009 based upon prevailing economic conditions and fact patterns specific to each guarantee arrangement. For those guarantees related to obligations that are recorded as liabilities by Dominion's subsidiaries, the value includes the recorded amount.

(2) Guarantees of debt of certain DEI subsidiaries. In the event of default by the subsidiaries, Dominion would be obligated to repay such amounts.

(3) Guarantees related to energy trading and marketing activities and other commodity commitments of certain subsidiaries, including subsidiaries of Virginia Power and DEI. These guarantees were provided to counterparties in order to facilitate physical and financial transactions in gas, oil, electricity, pipeline capacity, transportation and related commodities and services. If any of these subsidiaries fail to perform or pay under the contracts and the counterparties seek performance or payment, Dominion would be obligated to satisfy such obligation. Dominion and its subsidiaries receive similar guarantees as collateral for credit extended to others. The value provided includes certain guarantees that do not have stated limits.

(4) Guarantee of a DEI subsidiary's leasing obligation for Fairless.

(5) Guarantees related to certain DEI subsidiaries' potential retrospective premiums that could be assessed if there is a nuclear incident under Dominion's nuclear insurance programs and guarantees for a DEI subsidiary's and Virginia Power's commitment to buy nuclear fuel. Excludes Dominion's agreement to provide up to $150 million and $60 million to two DEI subsidiaries to pay the operating expenses of Millstone and Kewaunee, respectively, in the event of a prolonged outage, as part of satisfying certain NRC requirements concerned with ensuring adequate funding for the operations of nuclear power stations.

Additionally, as of December 31, 2009, Dominion had purchased \$151 million of surety bonds and authorized the issuance of standby letters of credit by financial institutions of \$204 million to facilitate commercial transactions by its subsidiaries with third parties. Under the terms of surety bonds, Dominion is obligated to indemnify the respective surety bond company for any amounts paid.

Virginia Power

As of December 31, 2009, Virginia Power had issued \$16 million of guarantees primarily to support tax exempt debt issued through conduits. Virginia Power had also purchased \$89 million of surety bonds for various purposes, including providing workers' compensation coverage. Under the terms of surety bonds, Virginia Power is obligated to indemnify the respective surety bond company for any amounts paid.

Indemnifications

As part of commercial contract negotiations in the normal course of business, Dominion and Virginia Power may sometimes agree to make payments to compensate or indemnify other parties for possible future unfavorable financial consequences resulting from specified events. The specified events may involve an adverse judgment in a lawsuit or the imposition of additional taxes due to a change in tax law or interpretation of the tax law. Dominion and Virginia Power are unable to develop an estimate of the maximum potential amount of future payments under these contracts because events that would obligate them have not yet occurred or, if any such event has occurred, they have not been notified of its occurrence. However, at December 31, 2009, Dominion and Virginia Power believe future payments, if any, that could ultimately become payable under these contract provisions, would not have a material impact on their results of operations, cash flows or financial position.

Litigation

Gas and Oil Operations

Dominion has been involved in litigation since 2006 with certain royalty owners seeking to recover damages as a result of Dominion allegedly underpaying royalties by improperly deducting post-production costs and not paying fair market value for the gas produced from their leases. The plaintiffs sought class action status on behalf of all West Virginia residents and others who are parties to, or beneficiaries of, oil and gas leases with Dominion. In 2008, the Court preliminarily approved settlement of the class action and conditionally certified a temporary settlement class. Following preliminary approval by the Court, settlement notices were sent out to potential class members. In 2009, the Court entered a Memorandum Opinion and Final Order approving settlement and certifying the settlement class and the Final Judgment Order. In 2007, Dominion established a litigation reserve representing its best estimate of the probable loss related to this matter and does not believe that final resolution of the matter will have a material adverse effect on its results of operations or financial condition.

Electric Utility Operations

Virginia Power is a co-owner with ODEC of the Clover power station. Virginia Power has been in litigation with Norfolk Southern Railway Company (Norfolk Southern) regarding a long term coal transportation agreement for the delivery of coal to the facility. The trial court agreed with Norfolk Southern's interpretation that the agreement specifies the use of an index (NS Index) which Norfolk Southern claims should have been applied to adjust the base rate and which should be applied going forward. The trial court assessed damages of approximately \$78 million for the contract period from December 1, 2003 through November 30, 2007 and imposed prejudgment interest of approximately \$9 million. Virginia Power's share would have been one-half of the total judgment, or approximately \$44 million. On appeal, the Supreme Court of Virginia in September 2009 affirmed the decisions of the trial court on all issues except for the calculation of damages. The Supreme Court of Virginia remanded the case to the trial court to recalculate damages in accordance with its opinion and in November 2009, the Circuit Court of Halifax County, Virginia entered a final order calculating damages and prejudgment interest through September 30, 2009 of approximately \$11 million, of which Virginia Power has paid its one-half share.

Note 24. Credit Risk

Credit risk is the risk of financial loss if counterparties fail to perform their contractual obligations. In order to minimize overall credit risk, credit policies are maintained, including the evaluation of counterparty financial condition, collateral requirements and the use of standardized agreements that facilitate the netting of cash flows associated with a single counterparty. In addition, counterparties may make available collateral, including letters of credit or cash held as margin deposits, as a result of exceeding agreed-upon credit limits, or may be required to prepay the transaction.

Dominion and Virginia Power maintain a provision for credit losses based on factors surrounding the credit risk of their customers, historical trends and other information. Management believes, based on credit policies and the December 31, 2009 provision for credit losses, that it is unlikely that a material adverse effect on financial position, results of operations or cash flows would occur as a result of counterparty nonperformance.

General

Dominion

As a diversified energy company, Dominion transacts primarily with major companies in the energy industry and with commercial and residential energy consumers. These transactions principally occur in the Northeast, mid-Atlantic and Midwest regions of the U.S. and Texas. Dominion does not believe that this geographic concentration contributes significantly to its overall exposure to credit risk. In addition, as a result of its large and diverse customer base, Dominion is not exposed to a significant concentration of credit risk for receivables arising from electric and gas utility operations.

Dominion's exposure to credit risk is concentrated primarily within its energy marketing and price risk management activities, as Dominion transacts with a smaller, less diverse group of counterparties and transactions may involve large notional volumes and potentially volatile commodity prices. Energy marketing and price risk management activities include trading of energy-related commodities, marketing of merchant generation output, structured transactions and the use of financial contracts for enterprise-wide hedging purposes. Gross credit exposure for each counterparty is calculated as outstanding receivables plus any unrealized on- or off-balance sheet exposure, taking into account contractual netting rights. Gross credit exposure is calculated prior to the application of collateral. At December 31, 2009, Dominion's gross credit exposure totaled $753 million. After the application of collateral, credit exposure is reduced to $650 million. Of this amount, investment grade counterparties, including those internally rated, represented 94%. Two counterparty exposures are greater than 10% of Dominion's total exposure, one representing 13% and the other 10%, both of which are large financial institutions rated investment grade.

Virginia Power

Virginia Power sells electricity and provides distribution and transmission services to customers in Virginia and northeastern North Carolina. Management believes that this geographic concentration risk is mitigated by the diversity of Virginia Power's customer base, which includes residential, commercial and industrial customers, as well as rural electric cooperatives and municipalities. Credit risk associated with trade accounts receivable from energy consumers is limited due to the large number of customers. Virginia Power's exposure to potential concentrations of credit risk results primarily from sales to wholesale customers. Virginia Power's gross credit exposure for each counterparty is calculated as outstanding receivables plus any unrealized on- or off-balance sheet exposure, taking into account contractual netting rights. Gross credit exposure is calculated prior to the application of collateral. At December 31, 2009, Virginia Power's gross credit exposure totaled $39 million. After the application of collateral, credit exposure is reduced to $28 million. Of this amount, investment grade counterparties, including those internally rated, represented 82%, and no single counterparty exceeded 33%.

Credit-related Contingent Provisions

The majority of Dominion's and certain of Virginia Power's derivative instruments contain credit-related contingent provisions. These provisions require the Companies to provide collateral upon the occurrence of specific events, primarily a credit downgrade. If the credit-related contingent features underlying these instruments that are in a liability position and not fully collateralized with cash were fully triggered as of December 31, 2009, Dominion and Virginia Power would be required to post an additional $36 million and $2 million, respectively, of collateral to their counterparties. The collateral that would be required to be posted includes the impacts of any offsetting asset positions and any amounts already posted for derivatives, non-derivative contracts and derivatives elected under the normal purchases and normal sales exception, per contractual terms. As of December 31, 2009, Dominion has posted $62 million in collateral, including $48 million of letters of credit and Virginia Power has not posted any collateral, related to derivatives with credit-related contingent provisions that are in a liability position and not fully collateralized with cash. The collateral posted includes any amounts paid related to non-derivative contracts and derivatives elected under the normal purchases and normal sales exception, per contractual terms. The aggregate fair value of all derivative instruments with credit-related contingent provisions that are in a liability position and not fully collateralized with cash as of December 31, 2009 is $181 million for Dominion and $2 million for Virginia Power and does not include the impact of any offsetting asset positions. See Note 8 for further information about derivative instruments.

Note 25. Dominion Capital, Inc.

At December 31, 2007, DCI held an investment in the subordinated notes of a third-party CDO entity. The CDO entity's primary focus is the purchase and origination of middle market senior secured first and second lien commercial and industrial loans in both the primary and secondary loan markets. Dominion concluded previously that the CDO entity was a VIE and that DCI was the primary beneficiary of the CDO entity and therefore Dominion consolidated the CDO entity at December 31, 2007.

In March 2008, Dominion reached an agreement to sell its remaining interest in the subordinated notes to a third party, effectively eliminating the variability of its interest, and therefore deconsolidated the CDO entity as of March 31, 2008 and recognized impairment losses of $62 million ($38 million after-tax), which were recorded in other operations and maintenance expense in its Consolidated Statement of Income. In connection with the sale of the subordinated notes, in April 2008, Dominion received proceeds of $54 million, including accrued interest. This sale concluded Dominion's efforts to divest of DCI, since its remaining assets are aligned with Dominion's core business.

In 2007, DCI had impairment losses associated with DCI operations of $98 million ($67 million after-tax) related to its investments in retained interests from CMO securitizations, loans held for resale and venture capital and other equity investments.

Note 26. Related-party Transactions

Virginia Power engages in related-party transactions primarily with other Dominion subsidiaries (affiliates). Virginia Power's receivable and payable balances with affiliates are settled based on contractual terms or on a monthly basis, depending on the nature of the underlying transactions. Virginia Power is included in Dominion's consolidated federal income tax return and participates in certain Dominion benefit plans. A discussion of significant related party transactions follows.

Transactions with Affiliates

Virginia Power transacts with affiliates for certain quantities of natural gas and other commodities in the ordinary course of business. Virginia Power also enters into certain commodity derivative contracts with affiliates. Virginia Power uses these contracts, which are principally comprised of commodity swaps and options, to manage commodity price risks associated with purchases of natural gas. Virginia Power designates the majority of these contracts as cash flow hedges for accounting purposes.

DRS provides accounting, legal, finance and certain administrative and technical services to Virginia Power. In addition, Virginia Power provides certain services to affiliates, including charges for facilities and equipment usage.

Presented below are significant transactions with DRS and other affiliates:

Year Ended December 31,	2009	2008	2007
(millions)			
Commodity purchases from affiliates	**$327**	$527	$373
Services provided by affiliates	**420**	399	345

During 2009, Virginia Power purchased turbines from an affiliate for $58 million to be used in the Bear Garden power station, currently under construction.

In September 2008, Virginia Power purchased a gas-fired turbine from an affiliate for $36 million as part of an expansion at its Ladysmith power station (Unit 5) to supply electricity during periods of peak demand.

The following table presents Virginia Power's borrowings from Dominion under short-term arrangements:

At December 31,	2009	2008
(millions)		
Outstanding borrowings, net of repayments, under the Dominion money pool for Virginia Power's nonregulated subsidiaries	**$ 2**	$198
Short-term demand note borrowings from Dominion	**—**	219

In 2008, Virginia Power merged with Dominion Nuclear North Anna as part of continued development efforts associated with the possible construction of a third nuclear unit at North Anna. This merger was approved by the Virginia and North Carolina Commissions and became effective in December 2008. As a result of the merger, Virginia Power recorded assets and liabilities of $48 million, primarily reflecting the acquisition of an Early Site Permit and an in-process COL, and a payable to an affiliate that was settled in 2009.

Virginia Power incurred interest charges related to its borrowings from Dominion of $5 million, $10 million, and $27 million in 2009, 2008 and 2007, respectively.

In 2009, Virginia Power issued 31,877 shares of its common stock to Dominion reflecting the conversion of $1 billion of short-term demand note borrowings from Dominion to equity. In 2008, Virginia Power issued 11,786 shares of its common stock to Dominion reflecting the conversion of $350 million of short-term demand note borrowings from Dominion to equity. In 2007, Virginia Power recorded contributed capital of $220 million reflecting the conversion of a $220 million note payable to Dominion to equity.

Note 27. Operating Segments

Dominion and Virginia Power are organized primarily on the basis of products and services sold in the U.S. A description of the operations included in the Companies' primary operating segments is as follows:

Primary Operating Segment	Description of Operations	Dominion	Virginia Power
DVP	Regulated electric distribution	X	X
	Regulated electric transmission	X	X
	Nonregulated retail energy marketing (electric and gas)	X	
Dominion Generation	Regulated electric fleet	X	X
	Merchant electric fleet	X	
Dominion Energy	Gas transmission and storage	X	
	Gas distribution	X	
	LNG import and storage	X	
	Appalachian gas exploration and production	X	
	Producer services	X	

In addition to the operating segments above, the Companies also report a Corporate and Other segment.

The Corporate and Other Segment of Virginia Power primarily includes specific items attributable to its operating segments that are not included in profit measures evaluated by executive management in assessing the segments' performance or allocating resources among the segments.

The Corporate and Other Segment of Dominion includes its corporate, service company and other functions (including unallocated debt) and the net impact of certain operations disposed of or to be disposed of, which are discussed in Note 5 to the Consolidated Financial Statements. Operations to be disposed of at December 31, 2009 include Peoples, which Dominion sold in February 2010. Operations disposed of during 2008 included certain DCI operations. Operations disposed of during 2007 included all of Dominion's non-Appalachian E&P operations, three natural gas-fired merchant generation peaker facilities and certain DCI operations. In addition, Corporate and Other includes specific items attributable to Dominion's operating segments that are not included in profit measures evaluated by executive management in assessing the segments' performance or allocating resources among the segments.

Prior to the fourth quarter of 2009, Hope was included in Dominion's Corporate and Other segment and its assets and liabilities were classified as held for sale. During the fourth quarter of 2009, following Dominion's decision to retain this subsidiary, Hope was transferred to the Dominion Energy operating segment and its assets and liabilities were reclassified from held for sale. All segment information for prior years has been recast to conform to the new segment structure.

DOMINION

In 2009, Dominion reported net expenses of $677 million in the Corporate and Other segment attributable to its operating segments. The net expenses in 2009 primarily related to the impact of the following items:

- A $455 million ($281 million after-tax) ceiling test impairment charge related to the carrying value of Dominion's E&P properties, attributable to Dominion Energy;
- A $712 million ($435 million after-tax) charge in connection with the proposed settlement of Virginia Power's 2009 rate case proceedings, attributable to:
  - Dominion Generation ($257 million after-tax); and
  - DVP ($178 million after-tax); and
- A $103 million ($62 million after-tax) reduction in other operations and maintenance expense due to a downward revision in the nuclear decommissioning ARO for a power station unit that is no longer in service, attributable to Dominion Generation.

In 2008, Dominion reported net expenses of $137 million in the Corporate and Other segment attributable to its operating segments. The net expenses in 2008 primarily related to the impact of the following items attributable to Dominion Generation:

- $180 million ($109 million after-tax) of certain impairment charges reflecting other-than-temporary declines in the fair value of securities held as investments in nuclear decommissioning trusts as of December 31, 2008; and
- $39 million ($24 million after-tax) of impairment charges related to non-refundable deposits for certain generation-related vendor contracts.

In 2007, Dominion reported net expenses of $618 million in the Corporate and Other segment attributable to Dominion's operating segments. The net expenses in 2007 primarily related to the impact of the following items attributable to Dominion Generation:

- A $387 million ($252 million after-tax) charge related to the impairment of Dresden;
- A $259 million ($158 million after-tax) extraordinary charge due to the reapplication of accounting guidance for cost-based regulation to the Virginia jurisdiction of Virginia Power's utility generation operations; and
- A $231 million ($137 million after-tax) charge resulting from the termination of the long-term power sales agreement associated with State Line.

Intersegment sales and transfers are based on underlying contractual arrangements and agreements and may result in intersegment profit or loss.

The following table presents segment information pertaining to Dominion's operations:

Year Ended December 31,	DVP	Dominion Generation	Dominion Energy	Corporate and Other	Adjustments & Eliminations	Consolidated Total
(millions)						
2009						
Total revenue from external customers	**$3,107**	**$8,390**	**$2,604**	**$ (58)**	**$ 1,088**	**$15,131**
Intersegment revenue	**174**	**361**	**1,208**	**711**	**(2,452)**	**—**
Total operating revenue	**3,281**	**8,751**	**3,810**	**653**	**(1,364)**	**15,131**
Depreciation, depletion and amortization	**341**	**492**	**258**	**48**	**—**	**1,139**
Equity in earnings of equity method investees	**—**	**8**	**21**	**13**	**—**	**42**
Interest income	**13**	**49**	**16**	**116**	**(118)**	**76**
Interest and related charges	**159**	**201**	**113**	**539**	**(118)**	**894**
Income taxes	**233**	**694**	**319**	**(634)**	**—**	**612**
Net income (loss) attributable to Dominion	**384**	**1,281**	**517**	**(895)**	**—**	**1,287**
Investment in equity method investees	**9**	**439**	**102**	**45**	**—**	**595**
Capital expenditures	**841**	**2,140**	**737**	**119**	**—**	**3,837**
Total assets (billions)	**9.8**	**18.7**	**10.1**	**12.6**	**(8.6)**	**42.6**
2008						
Total revenue from external customers	$2,977	$8,569	$2,641	$ 513	$ 1,590	$16,290
Intersegment revenue	134	102	1,829	740	(2,805)	—
Total operating revenue	3,111	8,671	4,470	1,253	(1,215)	16,290
Depreciation, depletion and amortization	312	423	284	17	(2)	1,034
Equity in earnings of equity method investees	—	27	17	8	—	52
Interest income	22	78	35	120	(167)	88
Interest and related charges	149	230	141	484	(167)	837
Income taxes	232	688	283	(324)	—	879
Loss from discontinued operations, net of tax	—	—	—	(2)	—	(2)
Net income (loss) attributable to Dominion	380	1,227	470	(243)	—	1,834
Investment in equity method investees	6	557	114	49	—	726
Capital expenditures	797	1,665	940	152	—	3,554
Total assets (billions)	9.4	19.2	11.5	15.0	(13.0)	42.1
2007						
Total revenue from external customers	$2,804	$7,630	$2,196	$1,005	$ 1,181	$14,816
Intersegment revenue	151	135	1,501	603	(2,390)	—
Total operating revenue	2,955	7,765	3,697	1,608	(1,209)	14,816
Depreciation, depletion and amortization	300	363	250	458	(3)	1,368
Equity in earnings of equity method investees	1	15	13	6	—	35
Interest income	14	67	32	176	(144)	145
Interest and related charges	139	256	115	795	(144)	1,161
Income taxes	263	494	241	785	—	1,783
Loss from discontinued operations, net of tax	—	—	—	(8)	—	(8)
Extraordinary item, net of tax	—	—	—	(158)	—	(158)
Net income attributable to Dominion	415	756	387	981	—	2,539
Capital expenditures	564	1,026	945	1,437	—	3,972

At December 31, 2009, 2008, and 2007, none of Dominion's long-lived assets and no significant percentage of its operating revenues were associated with international operations.

Virginia Power

The majority of Virginia Power's revenue is provided through tariff rates. Generally, such revenue is allocated for management reporting based on an unbundled rate methodology among Virginia Power's DVP and Dominion Generation segments.

In 2009, Virginia Power's Corporate and Other segment included $430 million of net after-tax expenses attributable to its operating segments. The net expenses in 2009 primarily related to a $700 million ($427 million after-tax) charge in connection with the proposed settlement of the 2009 rate case proceedings, attributable to Dominion Generation ($257 million after-tax) and DVP ($170 million after-tax).

In 2008, Virginia Power's Corporate and Other segment included $23 million of net after-tax expenses attributable to its Dominion Generation segment. The net expenses in 2008 primarily related to impairment charges of $18 million ($11 million after-tax) related to non-refundable deposits for certain generation-related vendor contracts and $8 million ($5 million after-tax) reflecting other-than-temporary declines in the fair value of securities held as investments in nuclear decommissioning trusts.

In 2007, Virginia Power's Corporate and Other segment included $166 million of net after-tax expenses attributable to its Dominion Generation segment. The net expenses in 2007 largely resulted from a $259 million ($158 million after-tax) extraordinary charge in connection with the reapplication of accounting guidance for cost-based regulation to the Virginia jurisdiction of Virginia Power's generation operations.

The following table presents segment information pertaining to Virginia Power's operations:

Year Ended December 31,	DVP	Dominion Generation	Corporate and Other	Adjustments & Eliminations	Consolidated Total
(millions)					
2009					
Operating revenue	**$1,465**	**$5,560**	**$(441)**	**$ —**	**$6,584**
Depreciation and amortization	**320**	**320**	**1**	**—**	**641**
Interest income	**11**	**6**	**—**	**—**	**17**
Interest and related charges	**158**	**191**	**—**	**—**	**349**
Income taxes	**183**	**241**	**(277)**	**—**	**147**
Net income (loss)	**313**	**475**	**(432)**	**—**	**356**
Capital expenditures	**839**	**1,649**	**—**	**—**	**2,488**
Total assets (billions)	**9.0**	**12.3**	**—**	**(1.2)**	**20.1**
2008					
Operating revenue	$1,439	$5,478	$ 17	$ —	$6,934
Depreciation and amortization	310	298	—	—	608
Interest income	15	9	—	(3)	21
Interest and related charges	144	167	1	(3)	309
Income taxes	182	331	(13)	—	500
Net income (loss)	307	583	(26)	—	864
Capital expenditures	792	1,245	—	—	2,037
Total assets (billions)	8.3	11.9	—	(1.4)	18.8
2007					
Operating revenue	$1,467	$4,709	$ 5	$ —	$6,181
Depreciation and amortization	299	254	15	—	568
Interest income	6	9	8	(7)	16
Interest and related charges	133	174	3	(6)	304
Income taxes	212	166	(7)	—	371
Extraordinary item, net of tax	—	—	(158)	—	(158)
Net income (loss)	342	276	(170)	—	448
Capital expenditures	559	736	—	—	1,295

Note 28. Gas and Oil Producing Activities (Unaudited)

In 2007, Dominion sold its non-Appalachian E&P operations. Dominion's remaining Appalachian E&P operations do not qualify as significant gas and oil producing activities for 2009 or 2008. As a result, the following information only details Dominion's gas and oil operations for 2007.

Total Costs Incurred

The following costs were incurred in gas and oil producing activities:

Year Ended December 31,	Total	U.S.	Canada
			2007
(millions)			
Property acquisition costs:			
Proved properties	$ 19	$ 19	$—
Unproved properties	77	75	2
Total property acquisition costs	96	94	2
Exploration costs	132	126	6
Development costs[1]	1,114	1,086	28
Total	$1,342	$1,306	$36

(1) Development costs incurred for proved undeveloped reserves were $445 million for 2007.

Results of Operations

Dominion cautions that the following standard disclosures required by the FASB do not represent its results of operations based on its historical financial statements. In addition to requiring different determinations of revenue and costs, the disclosures exclude the impact of interest expense and corporate overhead.

Year Ended December 31,	Total	U.S.	Canada
			2007
(millions)			
Revenue (net of royalties) from:			
Sales to nonaffiliated companies	$1,367	$1,291	$76
Transfers to other operations	298	298	—
Total	1,665	1,589	76
Less:			
Production (lifting) costs	396	369	27
Depreciation, depletion and amortization	536	514	22
Income tax expense	271	262	9
Results of operations	$ 462	$ 444	$18

Company-Owned Reserves

Estimated net quantities of proved gas and oil (including condensate) reserves in the U.S. and Canada at December 31, 2007, and changes in the reserves during the year, is shown in the two schedules that follow:

			2007
	Total	U.S.	Canada
(bcf)			
Proved developed and undeveloped reserves—Gas			
At January 1	5,136	4,961	175
Changes in reserves:			
Extensions, discoveries and other additions	139	130	9
Revisions of previous estimates	88	88	—
Production	(214)	(206)	(8)
Purchases of gas in place	44	44	—
Sales of gas in place	(4,174)	(3,998)	(176)
At December 31	1,019	1,019	—
Proved developed reserves—Gas			
At January 1	3,556	3,424	132
At December 31	636	636	—
(thousands of barrels)			
Proved developed and undeveloped reserves—Oil			
At January 1	232,259	216,849	15,410
Changes in reserves:			
Extensions, discoveries and other additions	3,094	2,853	241
Revisions of previous estimates(1)	932	932	—
Production	(12,185)	(11,626)	(559)
Purchases of oil in place	3	3	—
Sales of oil in place	(211,490)	(196,398)	(15,092)
At December 31(2)	12,613	12,613	—
Proved developed reserves—Oil			
At January 1	180,779	173,718	7,061
At December 31	12,613	12,613	—

(1) Natural gas liquids revisions were primarily the result of additional contractual changes with third-party gas processors in which Dominion now takes title to its processed NGLs, and residue gas and liquids reserve amounts recognized under such contracts. Oil/condensate revisions were primarily the result of positive performance revisions at Gulf of Mexico deepwater locations.

(2) Ending reserves included 0.3 million barrels of oil/condensate and 12.3 million barrels of NGLs.

Standardized Measure of Discounted Future Net Cash Flows and Changes Therein

The following tabulation has been prepared in accordance with the FASB's rules for disclosure of a standardized measure of discounted future net cash flows relating to proved gas and oil reserve quantities that Dominion owns:

			2007
	Total	U.S.	Canada
(millions)			
Future cash inflows(1)	$8,128	$8,128	$—
Less:			
Future development costs	671	671	—
Future production costs	1,235	1,235	—
Future income tax expense	2,432	2,432	—
Future cash flows	3,790	3,790	—
Less annual discount (10% a year)	2,346	2,346	—
Standardized measure of discounted future net cash flows	$1,444	$1,444	$—

(1) Amounts exclude the effect of derivative instruments designated as hedges of future sales of production at December 31, 2007.

In the foregoing determination of future cash inflows, sales prices for gas and oil were based on contractual arrangements or market prices at December 31, 2007. Future costs of developing and producing the proved gas and oil reserves reported were based on costs determined at December 31, 2007, assuming the continuation of existing economic conditions. Future income taxes were computed by applying the December 31, 2007 statutory tax rate to future pretax net cash flows, less the tax basis of the properties involved, and giving effect to tax deductions, permanent differences and tax credits.

It is not intended that the FASB's standardized measure of discounted future net cash flows represent the fair market value of Dominion's proved reserves. Dominion cautions that the disclosures shown are based on estimates of proved reserve quantities and future production schedules which are inherently imprecise and subject to revision, and the 10% discount rate is arbitrary. In addition, costs and prices as of the measurement date are used in the determinations, and no value may be assigned to probable or possible reserves.

The following tabulation is a summary of changes between the total standardized measure of discounted future net cash flows at the beginning and end of 2007:

	2007
(millions)	
Standardized measure of discounted future net cash flows at January 1	$ 8,109
Changes in the year resulting from:	
Sales and transfers of gas and oil produced during the year, less production costs	(1,270)
Prices and production and development costs related to future production	289
Extensions, discoveries and other additions, less production and development costs	419
Previously estimated development costs incurred during the year	467
Revisions of previous quantity estimates	286
Accretion of discount	181
Income taxes	3,173
Other purchases and sales of proved reserves in place	(10,197)
Other (principally timing of production)	(13)
Standardized measure of discounted future net cash flows at December 31	$ 1,444

NOTE 29. QUARTERLY FINANCIAL AND COMMON STOCK DATA (UNAUDITED)

A summary of Dominion's and Virginia Power's quarterly results of operations for the years ended December 31, 2009 and 2008 follows. Amounts reflect all adjustments necessary in the opinion of management for a fair statement of the results for the interim periods. Results for interim periods may fluctuate as a result of weather conditions, changes in rates and other factors.

DOMINION

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
(millions, except per share amounts)					
2009					
Operating revenue	**$4,778**	**$3,450**	**$3,648**	**$3,255**	**$15,131**
Income from operations	**705**	**902**	**1,072**	**(50)**	**2,629**
Net income including noncontrolling interests	**252**	**458**	**598**	**(4)**	**1,304**
Net income attributable to Dominion	**248**	**454**	**594**	**(9)**	**1,287**
Basic and Diluted EPS:					
Net income attributable to Dominion	**0.42**	**0.76**	**1.00**	**(0.01)**	**2.17**
Dividends paid per share	**0.4375**	**0.4375**	**0.4375**	**0.4375**	**1.75**
Common stock prices (high-low)	**$37.18 - 27.15**	**$33.93 - 28.70**	**$34.84 - 32.10**	**$39.79 - 33.15**	**$39.79 - 27.15**
2008					
Operating revenue	$ 4,353	$ 3,399	$ 4,365	$ 4,173	$16,290
Income from operations	1,059	711	1,055	801	3,626
Income from continuing operations(1)	680	300	508	348	1,836
Loss from discontinued operations(1)(2)	—	(2)	—	—	(2)
Net income including noncontrolling interest	684	302	512	352	1,850
Net income attributable to Dominion	680	298	508	348	1,834
Basic EPS:					
Net income attributable to Dominion(2)	1.18	0.52	0.88	0.60	3.17
Diluted EPS:					
Net income attributable to Dominion(2)	1.18	0.51	0.87	0.60	3.16
Dividends paid per share	0.395	0.395	0.395	0.395	1.58
Common stock prices (high-low)	$48.50 - 38.63	$48.28 - 41.12	$48.50 - 40.51	$44.46 - 31.26	$48.50 - 31.26

(1) Amounts attributable to Dominion's common shareholders.
(2) Loss from discontinued operations had no impact on basic or diluted EPS.

Dominion's 2009 results include the impact of the following significant items:

- First quarter results include a $272 million after-tax ceiling impairment charge related to the carrying value of its E&P properties and a $50 million after-tax net loss on investments held in nuclear decommissioning trust funds.
- Second quarter results include a $62 million after-tax reduction in other operations and maintenance expense due to a downward revision in the nuclear decommissioning ARO for a power station unit that is no longer in service.
- Third quarter results include a $34 million after-tax net gain on investments held in nuclear decommissioning trust funds.
- Fourth quarter results include a $435 million after-tax charge in connection with the proposed settlement of Virginia Power's 2009 rate case proceedings.

Dominion's 2008 results include the impact of the following significant items:

- First quarter results include a $136 million after-tax benefit due to the reversal of deferred tax liabilities associated with the planned sale of Peoples and Hope. Results also include a $38 million after-tax charge resulting from the impairment of a DCI investment.
- Third quarter results include a $26 million after-tax adjustment to the gain from the disposition of Dominion's U.S. non-Appalachian E&P operations.
- Fourth quarter results include after-tax charges of $58 million reflecting other-than-temporary declines in the fair value of certain securities held as investments in nuclear decommissioning trusts and a $24 million after-tax impairment charge related to non-refundable deposits for certain generation-related vendor contracts.

Virginia Power

Virginia Power's quarterly results of operations were as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
(millions)					
2009					
Operating revenue	**$1,859**	**$1,675**	**$1,938**	**$1,112**	**$6,584**
Income (loss) from operations	**402**	**299**	**554**	**(507)**	**748**
Net income (loss)	**204**	**149**	**315**	**(312)**	**356**
Balance available for common stock	**200**	**145**	**311**	**(317)**	**339**
2008					
Operating revenue	$1,524	$1,546	$2,177	$1,687	$6,934
Income from operations	418	390	561	252	1,621
Net income	222	200	303	139	864
Balance available for common stock	218	196	299	134	847

Virginia Power's 2009 results include the impact of the following significant item:

- Fourth quarter results include a $427 million after-tax charge in connection with the proposed settlement of its 2009 rate case proceedings.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Dominion

Senior management, including Dominion's CEO and CFO, evaluated the effectiveness of Dominion's disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation process, Dominion's CEO and CFO have concluded that Dominion's disclosure controls and procedures are effective. There were no changes in Dominion's internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, Dominion's internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Management of Dominion Resources, Inc. (Dominion) understands and accepts responsibility for Dominion's financial statements and related disclosures and the effectiveness of internal control over financial reporting (internal control). Dominion continuously strives to identify opportunities to enhance the effectiveness and efficiency of internal control, just as Dominion does throughout all aspects of its business.

Dominion maintains a system of internal control designed to provide reasonable assurance, at a reasonable cost, that its assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed and recorded in accordance with established procedures. This system includes written policies, an organizational structure designed to ensure appropriate segregation of responsibilities, careful selection and training of qualified personnel and internal audits.

The Audit Committee of the Board of Directors of Dominion, composed entirely of independent directors, meets periodically with the independent registered public accounting firm, the internal auditors and management to discuss auditing, internal control, and financial reporting matters of Dominion and to ensure that each is properly discharging its responsibilities. Both the independent registered public accounting firm and the internal auditors periodically meet alone with the Audit Committee and have free access to the Committee at any time.

SEC rules implementing Section 404 of the Sarbanes-Oxley Act of 2002 require Dominion's 2009 Annual Report to contain a management's report and a report of the independent registered public accounting firm regarding the effectiveness of internal control. As a basis for the report, Dominion tested and evaluated the design and operating effectiveness of internal controls. Based on its assessment as of December 31, 2009, Dominion makes the following assertion:

Management is responsible for establishing and maintaining effective internal control over financial reporting of Dominion.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Dominion evaluated its internal control over financial reporting as of December 31, 2009. This assessment was based on criteria for effective internal control over financial reporting described in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, Dominion believes that it maintained effective internal control over financial reporting as of December 31, 2009.

Dominion's independent registered public accounting firm is engaged to express an opinion on Dominion's internal control over financial reporting, as stated in their report which is included herein.

February 26, 2010

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Dominion Resources, Inc.
Richmond, Virginia

We have audited the internal control over financial reporting of Dominion Resources, Inc. and subsidiaries ("Dominion") as of December 31, 2009, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Dominion's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on Dominion's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Dominion maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2009 of Dominion and our report dated February 26, 2010, expressed an unqualified opinion on those financial statements and includes an explanatory paragraph relating to the adoption of a new accounting standard.

/s/ Deloitte & Touche LLP
Richmond, Virginia
February 26, 2010

Item 9A(T). Controls and Procedures

VIRGINIA POWER

Senior management, including Virginia Power's CEO and CFO, evaluated the effectiveness of Virginia Power's disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation process, Virginia Power's CEO and CFO have concluded that Virginia Power's disclosure controls and procedures are effective. There were no changes in Virginia Power's internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, Virginia Power's internal control over financial reporting.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Virginia Electric and Power Company (Virginia Power) understands and accepts responsibility for Virginia Power's financial statements and related disclosures and the effectiveness of internal control over financial reporting (internal control). Virginia Power continuously strives to identify opportunities to enhance the effectiveness and efficiency of internal control, just as it does throughout all aspects of its business.

Virginia Power maintains a system of internal control designed to provide reasonable assurance, at a reasonable cost, that its assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed and recorded in accordance with established procedures. This system includes written policies, an organizational structure designed to ensure appropriate segregation of responsibilities, careful selection and training of qualified personnel and internal audits.

The Board of Directors also serves as Virginia Power's Audit Committee and meets periodically with the independent registered public accounting firm, the internal auditors and management to discuss Virginia Power's auditing, internal accounting control and financial reporting matters and to ensure that each is properly discharging its responsibilities.

SEC rules implementing Section 404 of the Sarbanes-Oxley Act require Virginia Power's 2009 Annual Report to contain a management's report regarding the effectiveness of internal control. As a basis for the report, Virginia Power tested and evaluated the design and operating effectiveness of internal controls. Based on the assessment as of December 31, 2009, Virginia Power makes the following assertion:

Management is responsible for establishing and maintaining effective internal control over financial reporting of Virginia Power.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Virginia Power evaluated its internal control over financial reporting as of December 31, 2009. This assessment was based on criteria for effective internal control over financial reporting described in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, Virginia Power believes that it maintained effective internal control over financial reporting as of December 31, 2009.

This annual report does not include an attestation report of Virginia Power's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by Virginia Power's independent registered public accounting firm pursuant to temporary rules of the SEC that permit Virginia Power to provide only management's report in this annual report.

Since management's assessment is required without a report by the company's independent registered public accounting firm regarding internal control over financial reporting, management's report will be considered to be "furnished" rather than "filed" and therefore not subject to liability under Section 18 of the Exchange Act.

February 26, 2010

Item 9B. Other Information

Explanatory Note: The following information is provided here in lieu of filing a Form 8-K that would otherwise have been filed under Item 5.03 for events occurring on February 26, 2010.

Effective February 26, 2010, the Board of Directors of Dominion adopted amendments to its Bylaws in order to restate and implement Article X, Shareholder Proposals. This section was amended to specify additional information required to be provided by a shareholder who wishes to present shareholder proposals before the Annual Meeting of Shareholders and to clarify the manner in which those matters can be submitted. The full text of the Amendment is filed herewith as Exhibit 3.2.a.1.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

Dominion

The following information for Dominion is incorporated by reference from the 2010 Proxy Statement, File No. 001-08489, which will be filed on or around March 31, 2010 (the 2010 Proxy Statement):

- Information regarding the directors required by this item is found under the heading *Election of Directors.*
- Information regarding compliance with Section 16 of the Exchange Act required by this item is found under the heading *Section 16(a) Beneficial Ownership Reporting Compliance.*
- Information regarding Dominion's Audit Committee Financial expert(s) required by this item is found under the headings *Director Independence* and *Committees and Meeting Attendance.*
- Information regarding Dominion's Audit Committee required by this item is found under the headings *The Audit Committee Report* and *Committees and Meeting Attendance.*
- Information regarding Dominion's Code of Ethics required by this item is found under the heading *Corporate Governance and Board Matters.*

The information concerning the executive officers of Dominion required by this item is included in Part I of this Form 10-K under the caption *Executive Officers of the Registrant.*

Virginia Power

Information concerning directors of Virginia Power, each of whom is elected annually, is as follows:

Name and Age	Principal Occupation and Directorships in Public Corporations for Last Five Years(1)	Year First Elected as Director
Thomas F. Farrell II (55)	Chairman of the Board of Directors and CEO of Virginia Power from February 2006 to date; Chairman of the Board of Directors of Dominion from April 2007 to date; President and CEO of Dominion from January 2006 to date; Chairman of the Board of Directors, President and CEO of CNG from January 2006 to June 2007; Director of Dominion from March 2005 to April 2007; President and COO of Dominion and CNG from January 2004 to December 2005. Mr. Farrell is a director of Altria Group, Inc.	1999
Mark F. McGettrick (52)	Executive Vice President and CFO of Virginia Power and Dominion from June 2009 to date; President and COO—Generation of Virginia Power from February 2006 to May 2009; Executive Vice President of Dominion from April 2006 to May 2009; President and CEO—Generation of Virginia Power from January 2003 to January 2006.	2009
Steven A. Rogers (48)	Senior Vice President and CAO of Dominion and President and CAO of DRS from October 2007 to date; Senior Vice President and Chief Accounting Officer of Virginia Power and Dominion from January 2007 to September 2007 and CNG from January 2007 to June 2007; Senior Vice President and Controller of Dominion and CNG from April 2006 to December 2006; Senior Vice President and Principal Accounting Officer of Virginia Power from April 2006 to December 2006; Vice President and Principal Accounting Officer of Virginia Power and Vice President and Controller of Dominion and CNG from June 2000 to April 2006.	2007

(1) Any service listed for Dominion, DRS and CNG reflects service at a parent, subsidiary or affiliate. Virginia Power is a wholly-owned subsidiary of Dominion. DRS is an affiliate of Virginia Power and is also a subsidiary of Dominion. CNG is a former subsidiary of Dominion that merged with and into Dominion.

Section 16(a) Beneficial Ownership Reporting Compliance

To Virginia Power's knowledge, for the fiscal year ended December 31, 2009, all Section 16(a) filing requirements applicable to its executive officers and directors were satisfied.

Audit Committee Financial Experts

Virginia Power is a wholly-owned subsidiary of Dominion. As permitted by SEC rules, its Board of Directors serves as the Company's Audit Committee and is comprised entirely of executive officers of Virginia Power or Dominion. Virginia Power's Board of Directors has determined that Thomas F. Farrell II, Mark F. McGettrick and Steven A. Rogers are "audit committee financial experts" as defined by the SEC. As executive officers of Virginia Power and/or Dominion, Thomas F. Farrell II, Mark F. McGettrick and Steven A. Rogers are not deemed independent.

Information concerning the executive officers of Virginia Power, each of whom is elected annually is as follows:

Name and Age	Business Experience Past Five Years[1]
Thomas F. Farrell II (55)	Chairman of the Board of Directors and CEO of Virginia Power from February 2006 to date; Chairman of the Board of Directors of Dominion from April 2007 to date; President and CEO of Dominion from January 2006 to date; Chairman of the Board of Directors, President and CEO of CNG from January 2006 to June 2007; Director of Dominion from March 2005 to April 2007; President and COO of Dominion and CNG from January 2004 to December 2005.
Mark F. McGettrick (52)	Executive Vice President and CFO of Virginia Power and Dominion from June 2009 to date; President and COO—Generation of Virginia Power from February 2006 to June 2009; Executive Vice President of Dominion from April 2006 to May 2009; President and CEO—Generation of Virginia Power from January 2003 to January 2006.
Paul D. Koonce (50)	President and COO of Virginia Power from June 2009 to date; Executive Vice President of Dominion from April 2006 to date; President and COO—Energy of Virginia Power from February 2006 to September 2007; CEO—Energy of Virginia Power from January 2004 to January 2006.
David A. Christian (55)	President and COO of Virginia Power from June 2009 to date; President and CNO of Virginia Power from October 2007 to May 2009; Senior Vice President—Nuclear Operations and CNO of Virginia Power from April 2000 to September 2007.
David A. Heacock (52)	President and CNO of Virginia Power from June 2009 to date; President and COO—DVP of Virginia Power and Senior Vice President of Dominion from June 2008 to May 2009; Senior Vice President—DVP of Virginia Power from October 2007 to May 2008; Senior Vice President—Fossil & Hydro of Virginia Power from April 2005 to September 2007; Vice President—Fossil & Hydro System Operations of Virginia Power from December 2003 to April 2005.
Ashwini Sawhney (60)	Vice President—Accounting of Virginia Power from April 2006 to date; Vice President and Controller (Chief Accounting Officer) of Dominion from July 2009 to date; Vice President and Controller of Dominion from April 2007 to June 2009; Vice President—Accounting and Controller of Dominion from January 2007 to April 2007 and of CNG from January 2007 to June 2007; Vice President—Accounting of Dominion and CNG from April 2006 to December 2006; Assistant Corporate Controller of Dominion from June 2002 to April 2006; Assistant Corporate Controller of Virginia Power from January 1999 to April 2006.

(1) Any service listed for Dominion, DRS and CNG reflects services at a parent, subsidiary or affiliate.

Code of Ethics

Virginia Power has adopted a Code of Ethics that applies to its principal executive, financial and accounting officers, as well as its employees. This Code of Ethics is the same as Dominion adopted and available on the corporate governance section of Dominion's website (*www.dom.com*). You may also request a copy of the Code of Ethics, free of charge, by writing or telephoning at: Corporate Secretary, 120 Tredegar Street, Richmond, Virginia 23219, Telephone (804) 819-2000. Any waivers or changes to Virginia Power's Code of Ethics will be posted on the Dominion website.

Item 11. Executive Compensation

Dominion

Dominion's information is contained in the 2010 Proxy Statement and is incorporated by reference: the information regarding executive compensation contained under the headings *Compensation Discussion and Analysis* and *Executive Compensation*; the information regarding Compensation Committee interlocks contained under the heading *Compensation Committee Interlocks and Insider Participation*; the *Compensation, Governance and Nominating Committee Report*; and the information regarding director compensation contained under the heading *Non-Employee Director Compensation*.

Virginia Power

Compensation Discussion and Analysis

Virginia Power is a wholly-owned subsidiary of Dominion. Virginia Power's Board is comprised of Messrs. Farrell, McGettrick and Rogers. Messrs. Farrell and McGettrick are not independent because they are executive officers of Virginia Power. Mr. Rogers is not deemed independent because of his employment with Dominion. Virginia Power's Board believes that it is more appropriate for its compensation program to be managed under the direction of individuals who are independent and, therefore, Virginia Power does not have a compensation committee. Instead, Virginia Power's board depends on the advice and recommendations of Dominion's CGN Committee, which is comprised of independent directors and which retained the consulting firm of PM&P to advise the committee on compensation matters. Virginia Power's Board approves all compensation paid to executive officers based on the CGN Committee's recommendations. None of Virginia Power's directors receive any compensation for services they provide as directors.

Because the CGN Committee effectively administers one compensation program for all of Dominion, the following discussion and analysis is based on Dominion's overall compensation program.

Introduction

This CD&A provides a detailed explanation of the objectives and principles that underlie Dominion's executive compensation program, its elements and the way successful performance is measured, evaluated and rewarded. It also describes Dominion's compensation decision-making process. The program and processes generally apply to all officers, but this discussion and analysis focuses primarily on compensation for the NEOs of Virginia Power. During 2009, Virginia Power's NEOs were:

- Thomas F. Farrell II, Chairman and CEO
- Mark F. McGettrick, Executive Vice President and CFO
- Thomas N. Chewning, Executive Vice President and CFO (*retired June 1, 2009*)
- Paul D. Koonce, President and COO – DVP
- David A. Christian, President and COO – Generation
- David A. Heacock, President and CNO

The CGN Committee determines the compensation payable to officers of Dominion and its wholly-owned subsidiaries on an aggregate basis, taking into account all services performed by the officers, whether for Dominion or one or more of its subsidiaries. These aggregate amounts are reported in the Summary Compensation Table (and related tables) in Dominion's annual proxy statement. For purposes of reporting each NEO's compensation from Virginia Power in the Summary Compensation Table (and the related tables that follow) in this Item 11, the aggregate compensation for each NEO is pro-rated based on the ratio of services performed by the NEO for Virginia Power to the NEO's total services performed for all of Dominion. For officers who are NEOs of both Virginia Power and Dominion, the amounts reported in the tables below are part of, and not in addition to, the aggregate compensation amounts that are reported for these NEOs in Dominion's 2010 proxy statement. The CD&A below discusses the CGN Committee's decisions with respect to each NEO's aggregate compensation for all services performed for all of Dominion, not just the pro-rata portion attributable to the NEO's services for Virginia Power.

Objectives of Dominion's Executive Compensation Program and The Compensation Decision-Making Process

Objectives

The major objectives of Dominion's compensation program are to:

- attract, develop and retain an experienced and highly-qualified management team;
- motivate and reward superior performance that supports the business and strategic plans and contributes to the long-term health of the Company;
- align the interests of management with those of Dominion's shareholders by placing a substantial portion of pay at risk through performance goals that, if achieved, are expected to increase total shareholder return;
- promote internal pay equity; and
- reinforce Dominion's core values of safety, ethics, excellence and "One Dominion" – Dominion's term for teamwork.

These objectives provide the framework for compensation decisions. To determine if Dominion is meeting the objectives of the compensation program, the CGN Committee reviews and compares Dominion's actual performance to short-term and long-term goals, its strategies and performance at Dominion's peer companies.

Dominion's 2009 performance indicates that the design of the compensation program is meeting these objectives. The NEOs have service with Dominion ranging from 11 to 34 years. Dominion has attracted, motivated and maintained a superior leadership team with skills, industry knowledge and institutional experience that strengthen their ability to act as sound stewards of Dominion shareholder dollars. Dominion is performing well relative to its internal goals and as compared to its peers.

The Process for Setting Compensation

The CGN Committee is responsible for reviewing and approving NEO compensation and the overall executive compensation program. Each year, the CGN Committee conducts a comprehensive assessment and analysis of the executive compensation program, including each NEO's compensation, with input from management and the independent compensation consultant. As part of the assessment, the CGN Committee reviews the performance of the CEO and other executive officers, meets at least annually with the CEO to discuss succession planning for his position and the positions of the Company's senior officers, reviews the share ownership guidelines and executive officer compliance with the guidelines, and establishes compensation programs designed to achieve Dominion's objectives.

The Role of the Independent Compensation Consultant

The CGN Committee's practice has been to retain an independent compensation consultant, PM&P, to advise the committee on executive and director compensation matters. PM&P does not provide any services to Dominion other than its consulting services to the CGN Committee related to executive and director compensation. The PM&P consultant participates in CGN Committee meetings as requested by the chairman of the committee, either in person or by teleconference. The consultant also communicates directly with the chairman of the committee outside of meetings. PM&P provided the following services related to the 2009 executive compensation program:

- performed a detailed review of base salary plus annual bonus potential (total cash compensation), the value of targeted long-term incentives, and total direct compensation (the sum of total cash and targeted long-term incentive compensation) for the NEOs, and provided a full report to the CGN Committee on its findings;
- participated in the selection of the peer companies, providing independent advice to the CGN Committee on the process used to select the peer group and the appropriateness of the peer group;
- participated in CGN Committee executive sessions without management present to discuss CEO compensation and any other relevant matters, including the appropriate relationship between pay and performance and emerging trends, to answer technical questions, and to review and comment on management proposals and analyses of compensation data; and

- generally reviewed and offered advice as requested by or on behalf of the CGN Committee regarding other aspects of the executive compensation program, including special projects, best practices and other matters.

Management's Role in The Process

Although the CGN Committee has the responsibility to approve and monitor all compensation for the NEOs, management plays an important role in determining executive compensation. Dominion's internal compensation specialists provide the CGN Committee data, analysis and counsel regarding the executive compensation program, including an ongoing assessment of the effectiveness of the program, peer practices, and executive compensation trends and best practices. Working with the CEO, the CFO and his team, and others, the internal compensation specialists assist in the design of the incentive compensation plans, including performance target recommendations consistent with the strategic goals of the Company, and in establishing the peer group. Management also works with the Chairman of the CGN Committee to establish the agenda and prepare meeting information for each committee meeting.

On an annual basis, the CEO is responsible for reviewing with the CGN Committee Dominion's succession plans for his own position and for Dominion's senior officers. He is also responsible for reviewing the performance of his senior officers, including the other NEOs, with the CGN Committee at least annually. He makes recommendations on the compensation and benefits for the NEOs (other than himself) to the CGN Committee and provides other information and counsel as appropriate or as requested by the CGN Committee, but all decisions are ultimately made by the CGN Committee. The CEO typically does not make any recommendations with respect to his own compensation. In early 2009, however, he made a request that the CGN Committee not consider any increase in his compensation for 2009.

The Peer Group and Peer Group Comparisons

Each year, the CGN Committee approves a peer group of companies. In selecting the peer group, Dominion uses a methodology recommended by PM&P to identify companies in the industry that compete for customers, executive talent and investment capital. Dominion screens this group based on size and usually eliminates companies that are much smaller or larger than Dominion's size in revenues, assets and market capitalization. Dominion also considers the geographic locations and the regulatory environment in which potential peer companies operate.

Dominion's peer group is generally consistent from year to year, with merger and acquisition activity being the primary reason for any changes. The 2009 peer group was a diversified group consisting of the following 14 energy companies:

Ameren Corporation	FirstEnergy Corp.
American Electric Power Company, Inc.	FPL Group, Inc.
Constellation Energy Group, Inc.	NiSource, Inc.
DTE Energy Company	PPL Corporation
Duke Energy Corporation	Progress Energy, Inc.
Entergy Corporation	Public Service Enterprise Group Inc.
Exelon Corporation	Southern Company

The CGN Committee, PM&P and management use peer company data to: (i) compare Dominion's stock and financial performance against its peers using a number of different metrics and time periods to evaluate how Dominion is performing as compared to the peers; (ii) analyze compensation practices within the industry; (iii) evaluate peer company practices and determine peer median and 75th percentile ranges for base pay, annual incentive pay, long-term incentive pay, total direct compensation generally and for specific positions; and (iv) compare the Employment Continuity Agreements and other benefits. In setting the levels for base pay, annual incentive pay, long-term incentive pay and total direct compensation, the CGN Committee also takes into consideration Dominion's larger size compared with the median of the peer group. As of year-end 2009, Dominion ranked above the peer market median in market capitalization, assets and revenues.

Survey Data

Historically, PM&P and management have considered survey data in addition to peer company data to establish blended market benchmarks for the NEO positions. For 2009 compensation decisions, however, PM&P and management reviewed broad-based and industry-specific survey compensation data only for general purposes to obtain a general understanding of compensation practices. Due to the volatile and uncertain market conditions during the period that survey data was compiled, Dominion did not believe it was appropriate to benchmark or otherwise use market data or peer group data as the basis for 2009 compensation decisions.

Compensation Design and Risk

The CGN Committee, with the assistance of Dominion's chief risk officer and other executives, annually reviews the overall structure of Dominion's executive compensation program and policies to ensure they are consistent with effective management of enterprise key risks and that they do not encourage executives to take unnecessary or excessive risks that could threaten the value of the enterprise.

With respect to the programs and policies that apply to the NEOs, this review includes:

- analysis of how different elements of compensation may increase or mitigate risk-taking;
- analysis of performance metrics used for annual and long-term incentive programs and the relation of such incentives to the objectives of a particular position or business unit;
- analysis of whether the performance measurement periods for short-term and long-term incentive compensation are appropriate;
- analysis of the overall structure of compensation programs as related to business risks; and
- an annual review of Dominion's share ownership guidelines, including share ownership levels and retention practices.

Based on this review, the CGN Committee believes Dominion's well-balanced mix of salary and short-term and long-term incentives, as well as the performance metrics that are included in the incentive programs, are appropriate and consistent with Dominion's risk management practices and overall strategies. In addition, as described in *Recovery of Incentive Compensation*, the

CGN Committee's authority to recover or "clawback" performance-based compensation deters excessive risk-taking and other performance-related misconduct. Other aspects of the compensation program deter excessive risk-taking, such as the requirement that payouts of performance grants for officers who retire are based on actual performance determined at the end of the performance period; strong share ownership guidelines; and prohibitions on hedging, pledging, and other derivative transactions related to Dominion stock.

Other Tools

The CGN Committee uses a number of tools in its annual review of the compensation of the CEO and other NEOs, including charts illustrating the total range of payouts for each performance-based compensation element under a number of different scenarios; spreadsheets showing the cumulative dollar impact on total direct compensation that could result from implementing proposals on any single element of compensation; graphs showing the relationship between the CEO's pay and that of the next highest-paid officer and NEOs as a group; and other information the CGN Committee may request in its discretion. Management's internal compensation specialists provide the CGN Committee with detailed comparisons of the design and features of Dominion's long-term incentive and other executive benefit programs with available information regarding similar programs at the peer companies. These tools are used as part of the overall process to ensure that the program results in appropriate pay relationships as compared to the market and internally among the NEOs, and that an appropriate balance of at-risk, performance-based compensation is maintained to support the program's core objectives.

Elements of Dominion's Compensation Program

The executive compensation program consists of four basic elements:

Pay Element	Primary Objectives	Key Features & Behavioral Focus
Base Salary	• Provide competitive level of fixed cash compensation for performing day-to-day responsibilities • Attract and retain talent	• Targeted at market median with adjustments based on internal equity and other Company considerations • Rewards individual performance and level of experience
Annual Incentive Plan	• Provide competitive level of at-risk cash compensation for achievement of short-term financial and operational goals • Align short-term compensation with the annual budget, earnings goals, business plans and core values	• Cash payments based on achievement of annual financial and individual operating and stewardship goals • Rewards achievement of annual financial goals for Dominion and business unit and individual goals selected to support longer-term strategies
Long-Term Incentive Program	• Provide competitive level of at-risk compensation for achievement of long-term performance goals • Create long-term shareholder value • Retain talent	• A combination of performance-based cash and restricted stock awards (for 2009, a 50/50 mix) • Encourages and rewards officers for making decisions and investments that create long-term shareholder value as reflected in superior relative TSR, as well as achieving desired returns on invested capital and BVP
Employee and Executive Benefits	• Provide competitive retirement and other benefit programs that attract and retain highly-qualified individuals • Provide competitive terms to encourage officers to remain with Dominion during any potential change in control to ensure an orderly transition of management	• Dominion-wide benefit programs, supplemented by executive retirement plans, limited perquisites, and change in control and other agreements • Encourages officers to remain with Dominion long-term and to act in the best interest of shareholders, even during any potential change in control

Factors in Setting Compensation

In setting compensation for 2009, Dominion did not follow the same process it has followed in recent years due to volatile market conditions and budget considerations. Instead of evaluating compensation for each officer on an individual basis and in comparison to market benchmarks, Dominion provided the same base salary increase of 2.5% for most officers and maintained its 2008 annual and long-term incentive target levels. There were a few exceptions, including for two of the NEOs. Mr. Farrell did not receive any increase in his compensation in 2009. An adjustment to Mr. Christian's annual incentive target for reasons other than market-based pay considerations is described below in *Annual Incentive Plan.*

As part of the process of setting compensation targets, approving payouts and designing future programs, the CGN Committee evaluates Dominion's overall performance versus its business plans and strategies, its short-term and long-term goals and as compared to its peer companies. In addition to considering Dominion's overall performance for the year, the CGN Committee takes into consideration several individual factors that are not given any specific weighting in setting each element of compensation for each NEO, including:

- an officer's experience and job performance;
- the scope of responsibility for a position, including any differences from peer company positions and general market survey data;
- internal pay equity considerations, such as the relative importance of a particular position or individual officer to Dominion's strategy and success, and comparability to other officer positions at Dominion;
- retention and market competitive concerns; and
- the officer's role in any succession plans for other key positions.

Generally, in prior years the compensation program has been designed to pay base salary and total cash compensation at or slightly above the 50th percentile for the officers as a group. Total direct compensation for officers as a group has been designed to be in a range between the 50th and 75th percentiles, but actual achievement of the incentive-based compensation goals will determine what is actually earned. As part of this analysis, Dominion has taken into account its larger size and complexity compared with its peer companies. However, as discussed above comparative data was not a factor in setting compensation for 2009.

CEO Compensation Relative to Other NEOs

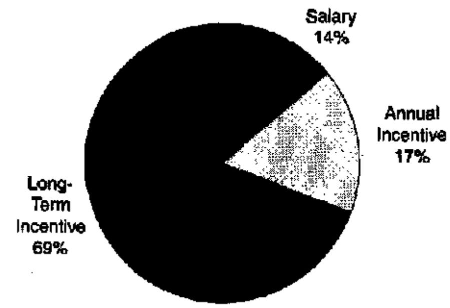
Mr. Farrell participates in the same compensation programs and receives compensation based on the same philosophy and factors as other NEOs. Application of the same philosophy and factors to Mr. Farrell's position results in overall CEO compensation that is significantly higher than the compensation of the other NEOs. His compensation is commensurate with his greater responsibilities and decision-making authority, broader scope of duties that encompasses the entirety of Dominion (as compared to the other NEOs who are responsible for significant but distinct areas within Dominion) and his overall responsibility for corporate strategy. His compensation also reflects his role as the primary corporate representative to investors, customers, regulators, analysts, legislators, industry and the media.

Dominion considers CEO compensation trends versus the next highest-paid officer and executive officers as a group over a multi-year period to monitor the ratio of Mr. Farrell's pay relative to the pay of other executive officers based on (i) salary only and (ii) total direct compensation. Dominion also compares the ratios to that of the peers to confirm that the ratios are consistent with practices at the peer companies. There is no particular targeted ratio or goal, but instead the CGN Committee considers year-to-year trends and comparisons with the peers. The CGN Committee did not make any adjustments to the compensation of any NEOs based on this review in 2009.

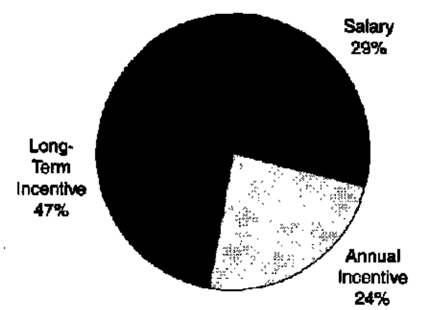
Allocation of Total Direct Compensation in 2009

Consistent with the objective to reward strong performance based on the achievement of short-term and long-term goals, a significant portion of total cash and total direct compensation is at risk. Approximately 86% of Mr. Farrell's targeted 2009 total direct compensation is performance-based, tied to pre-approved performance metrics or tied to the performance of Dominion's stock. For the other NEOs, performance-based and stock-based compensation ranges from 64% to 77% of targeted 2009 total direct compensation. This compares to an average of approximately 53% of targeted compensation at risk for most officers at the vice president level and an average of approximately 12% of total pay at risk for non-officer employees.

The charts below illustrate the elements of total direct compensation opportunities in 2009 for Mr. Farrell and the other NEOs as a group (excluding Mr. Chewning who retired June 1, 2009) and the allocation of such compensation among base salary, targeted 2009 AIP award and targeted 2009 long-term incentive compensation.



Allocation of Mr. Farrell's Total Direct Compensation Opportunities



Allocation of Average Total Direct Compensation Opportunities for other NEOs

Base Salary

Base salary compensates officers, along with the rest of the workforce, for committing significant time to working on Dominion's behalf. Annual salary reviews achieve two primary purposes: (i) an annual adjustment, as appropriate, to keep salaries in line and competitive with the market and to reflect changes in responsibility, including promotions; and (ii) a motivational tool to acknowledge and reward excellent individual performance, special skills, experience, the strategic impact of a position relative to other Dominion executives and other relevant considerations.

Although the base salary component of the program generally is targeted at or slightly above market median, the primary goal is to compensate the officers at a level that best achieves Dominion's objectives and reflects the considerations discussed above. Dominion finds that market data resources for particular positions can vary greatly from year to year; therefore, Dominion considers market trends for certain positions over a period of years rather than a one-year period in setting base salaries for such positions. Dominion believes that an overall goal of targeting base salary at or slightly above the market median is a conservative but appropriate target for base pay. In addition to being above the peer group market median in 2009 in terms of market capitalization, assets and revenues, Dominion's business operations are complex and unique in its industry. Successfully managing such a broad and complex business requires a skilled and experienced management team. Dominion believes it would not be able to successfully recruit and retain such a team if the base pay for officers was below market median, or in the case of Dominion's nuclear officers, below levels closer to the 75th percentile.

As explained above, Dominion did not use market data as the basis for 2009 compensation decisions. Individual and Company performance would have supported merit increases for 2009 of 3.5% or more for the NEOs, but due to uncertain market conditions and the current economic climate, the CGN Committee capped merit base salary increases at 2.5% for most officers, including the NEOs. At Mr. Farrell's request, the CGN Committee set his 2009 base salary at the same level as 2008.

Annual Incentive Plan

Overview

The AIP plays an important role in meeting Dominion's overall objective of rewarding strong performance. The AIP is a cash-based program focused on short-term goal accomplishments. All non-union employees (including the NEOs) scheduled to work 1,000 hours or more in a calendar year are eligible to participate in the AIP. Union employees covered under collective bargaining agreements that provide for participation in an annual incentive plan are also eligible to participate in the AIP.

The AIP is designed to:

- tie interests of Dominion's shareholders and employees closely together;
- focus the workforce on company, operating group, team and individual goals that ultimately influence operational and financial results;
- reward corporate and operating group earnings performance;
- reward safety and other operating and stewardship goal success;
- emphasize teamwork by focusing on common goals;
- appropriately balance risk and reward; and
- provide a competitive total compensation opportunity.

Target Awards

An NEO's compensation opportunity under the AIP is based on his target award. Target awards are determined as a percentage of a participant's base salary (for example, 95% of base salary). The target award is the amount of cash that will be paid if a participant achieves a score of 100% for the goals established at the beginning of the year and the plan is funded at the full funding target set for the year. Participants who retire during the plan year are eligible to receive a pro-rated payment of their AIP award after the end of the plan year based on final funding and goal achievement. Participants who terminate employment during the plan year and who are not eligible to retire (before attainment of age 55) forfeit their AIP award.

In prior years, the AIP target awards established for the NEOs and other officers were generally designed so that an officer's total cash compensation for the year would be at or slightly above the market median if the plan goals and full funding are achieved. For nuclear officers as a group, Dominion targeted compensation that was more consistent with market 75th percentile overall in recognition of the significant size and outstanding performance of the nuclear unit, competition in that industry, and the unique skills and experience that the nuclear officers contribute to that critical area of the business strategy. Annual incentive target award levels were also consistent with the intent to have a significant portion of NEO compensation at risk.

If AIP goals are exceeded, as they were in 2009, an officer's total cash compensation may be higher than market median depending on the extent to which goals are exceeded, and if the goals are not achieved, an officer's total cash compensation may be significantly lower than market median depending on the extent to which goals are not achieved. Dominion does not, however, review comparative data at the end of the performance period to determine the extent to which AIP payouts may be above or below market median because the intent is to pay for actual performance at Dominion.

As explained above, 2009 AIP targets as a percentage of base salary generally were maintained at 2008 levels. The 2009 AIP targets for the NEOs, as a percentage of their base salary, were: Mr. Farrell – 125%; Mr. McGettrick – 95%; Mr. Chewning – 95%; Mr. Koonce – 90%; Mr. Christian – 80%; and Mr. Heacock – 70%. Based on internal pay equity considerations, including the relative importance of Mr. Christian's position at the time, as well as succession planning considerations, the CGN Committee increased the AIP target for Mr. Christian from 70% to 80% in 2009 while Mr. Christian was the CNO; he was promoted to CEO – Dominion Generation on June 1, 2009.

Funding of the 2009 AIP

Funding of the 2009 AIP was based solely on consolidated operating EPS, with potential funding ranging from 0% to 200% of the target funding. Consolidated operating EPS are Dominion's reported earnings determined in accordance with GAAP, adjusted for certain items. Dominion believes that by placing a focus on pre-established consolidated operating EPS targets, Dominion increases employee awareness of the Company's financial objectives and encourages behavior and performance that will help achieve these objectives.

The 2009 AIP had a full funding target of $3.25 operating EPS for Dominion, the approximate mid-point of Dominion's 2009 earnings guidance announced in January 2009, or $1.92 billion in consolidated operating earnings. Funding is based on a formula that provides proportionate sharing of consolidated operating earnings between AIP participants and Dominion shareholders until the full funding target is achieved. Consolidated operating earnings above the full funding target of $3.25 operating EPS are shared equally with shareholders, up to the maximum AIP funding level of 200% at $3.37 operating EPS.

Full funding means that the AIP is 100% funded and participants can receive their full targeted AIP payout if they achieve a score of 100% for their particular goal package, as described below in *How AIP Payouts Are Determined*. At the maximum plan funding level of 200%, participants can earn up to two times their targeted AIP payout, subject to achievement of their individual goal packages.

Dominion's consolidated operating earnings for the year ended December 31, 2009 were $1.94 billion or $3.27 per share as compared to its consolidated reported earnings in accordance with GAAP of $1.29 billion or $2.17 per share.* This resulted in 116% funding for the 2009 AIP.

**Reconciliation of 2009 Consolidated Operating Earnings to Reported Earnings. The following items, which are net of tax, are included in Dominion's 2009 reported earnings, but are excluded from consolidated operating earnings: $281 million impairment charge related to gas and oil properties, $435 million charge for proposed Virginia base rate case settlement, $62 million benefit related to revision of a nuclear decommissioning ARO for a power station no longer in service, $26 million of earnings from Peoples and $27 million net expense related to other items.*

How AIP Payouts Are Determined

For most officers, payout of their funded AIP awards for 2009 was subject to the accomplishment of business unit financial and operating and stewardship goals, including a required safety goal. The percentage allocated to each category of goals represents the percentage of the funded award subject to the performance of that goal. Officer goals are weighted according to their responsibilities. The overall score cannot exceed 100% scoring.

Business unit financial goals provide a line-of-sight performance target for officers within a business unit and, on a combined basis, support the consolidated operating earnings target for Dominion. Operating and stewardship goals provide line-of-sight performance targets that may not be financial and that can be customized for each individual or by segments of each business unit. Operating and stewardship goals promote Dominion's core values of safety, ethics, excellence and teamwork, which in turn contribute to Dominion's financial success.

The AIP is designed so that AIP payouts earned by the NEOs will qualify as tax deductible "performance-based" compensation under Section 162(m) of the Internal Revenue Code (the Code). Code Section 162(m) requires (i) that performance goals be established during the initial 90 days of the performance period and (ii) that the goals are not altered during the performance period. To preserve the tax deduction for payouts made to the NEOs, their payout, if any, is contingent solely on the achievement of the consolidated financial goal (weighted 100%). If the consolidated financial goal is met, the CGN Committee has the authority to exercise negative discretion to lower payouts if additional discretionary goals are adopted and these discretionary goals are not achieved.

For the 2009 AIP, all of the NEOs adopted a discretionary safety goal. Messrs. Koonce, Christian and Heacock adopted discretionary business unit financial goals, and Mr. Heacock also adopted discretionary operating and stewardship goals. These goals are described under *2009 AIP Payouts*. The table below shows the goal weightings applied to these discretionary goals.

Name	Consolidated Financial Goal	Business Unit Financial Goals	Operating/ Stewardship*
Thomas F. Farrell II	**95%**	**n/a**	**5%**
Mark F. McGettrick	**95%**	**n/a**	**5%**
Thomas N. Chewning	**95%**	**n/a**	**5%**
Paul D. Koonce	**65%**	**30%**	**5%**
David A. Christian	**65%**	**30%**	**5%**
David A. Heacock	**40%**	**30%**	**30%**

* *5% goal weighting shown is for a safety goal. Mr. Heacock had other, non-safety operating and stewardship goals, as described below.*

2009 AIP Payouts

The formula for calculating an award is:

Base Salary	x	**Target Award Percentage**	x	**Funding Percentage**	x	**Total Payout Score Percentage**	=	[illegible]

The 2009 discretionary business unit financial goals and accomplishment levels for Mr. Koonce (DVP) and Mr. Christian and Mr. Heacock (Dominion Generation) were as follows:

Business Unit	Goal Threshold (Net Income)	Goal 100% Payout (Net Income)	Actual 2009 (Net Income)	2009 Actual Accomplishment	2009 Approved Accomplishment
(Million/$)					
DVP	**$ 320**	**$ 400**	**$ 384**	**96.0%**	**100.0%**
Dominion Generation	**1,026**	**1,282**	**1,281**	**99.9%**	**100.0%**

All business units worked together to modify their 2009 budgets in support of the consolidated 2009 budget plan. DVP and Dominion Generation would have fully achieved their net income goals if their respective budgets had not been modified. Accordingly, the CGN Committee determined it was appropriate not to exercise its negative discretion to reduce the 2009 AIP payouts for Messrs. Koonce, Christian and Heacock based on the actual accomplishment of the discretionary business unit financial goals for DVP and Dominion Generation, respectively, that was below 100%.

All of the NEOs adopted a discretionary safety goal of minimizing OSHA recordable incident rates to a specified target number. Each NEO achieved his safety goal. In addition to his safety goal, which was weighted 9%, Mr. Heacock had goals in three other categories, weighted as indicated: Environmental Stewardship (weighted 6%); Capacity Factor (weighted 7.5%); and Production Cost (weighted 7.5%). Mr. Heacock's Environmental Stewardship goal was to minimize the number of environmental performance points assessed at each of Dominion's nuclear stations to a specified target number. This goal was not fully achieved with more points assessed than the targeted goal. Mr. Heacock's Capacity Factor (CF) goal was to achieve or exceed a targeted CF percentage. CF, expressed as a percentage, is actual generation divided by projected generation. The CF goal was fully achieved. Mr. Heacock's Production Cost goal was to cap these costs at targeted numbers and this goal was also fully achieved. Mr. Heacock earned four extra credit points for safety by exceeding his overall safety goal, but was not able to apply this to his Environmental Stewardship goal shortfall as this was a regulatory goal. As a result, his total payout score was 97.6%.

Amounts earned under the 2009 AIP by NEOs are shown below and are reflected in the *Non-Equity Incentive Plan Compensation* column of the *Summary Compensation Table.*

Name	Base Salary		Target Award		Funding%		Total Payout Score%		2009 AIP Payout
Thomas F. Farrell II	**$348,000**	**x**	**125%**	**x**	**116%**	**x**	**100%**	**=**	**$504,600**
Mark F. McGettrick	**299,414**	**x**	**95%**	**x**	**116%**	**x**	**100%**	**=**	**329,954**
Thomas N. Chewning	**122,065**	**x**	**95%**	**x**	**116%**	**x**	**100%**	**=**	**134,516***
Paul D. Koonce	**243,971**	**x**	**90%**	**x**	**116%**	**x**	**100%**	**=**	**254,706**
David A. Christian	**260,286**	**x**	**80%**	**x**	**116%**	**x**	**100%**	**=**	**241,545**
David A. Heacock	**199,392**	**x**	**70%**	**x**	**116%**	**x**	**97.6%**	**=**	**158,021**

Note: The NEOs included in this table perform services for more than one subsidiary of Dominion. Compensation for the NEOs listed in the table reflects only the appropriate portion related to their service for Virginia Power in the year presented.

** Due to Mr. Chewning's retirement on June 1, 2009, his payout was pro-rated based on his five months of service during the 12-month performance period.*

Long-Term Incentive Program

Overview

The long-term incentive program focuses on Dominion's longer-term strategic goals and retention. In recent years, 50% of the long-term incentives have been full value equity awards in the form of restricted stock with time-based vesting and the other 50% have been performance-based awards. Dominion believes restricted stock serves as a strong retention tool and also creates a focus on Dominion's stock price to further align the interests of officers with the interests of Dominion's shareholders. For those officers who have made substantial progress towards their share ownership guidelines, 50% of their long-term award is in the form of a cash performance grant. Because officers are expected to retain ownership of shares upon vesting of restricted stock awards, as explained in *Share Ownership Guidelines,* the long-term cash performance grant balances the program and allows a portion of the long-term incentive award to be accessible to the NEOs during the course of their employment.

The CGN Committee approves long-term incentive awards in January each year with a grant date established in early February. This process ensures incentive-based awards are made at the beginning of the performance period and shortly after the public disclosure of Dominion's earnings for the prior year.

In prior years, the long-term incentive values for the NEOs and other officers were targeted between the market median and the 75th percentile, which is consistent with Dominion's larger size and complexity compared with the peer companies. Actual performance versus pre-set performance goals determines the extent to which final long-term compensation earned is at, above, or below market median or market 75th percentile. Consistent with Dominion's intent to pay for actual achievement of the performance goals established at the beginning of the performance period, Dominion does not review comparative data at the end of the performance period to determine the extent to which payouts may be above or below market median or market 75th percentile. Additionally, an analysis of comparative data would be of little practical use due to factors such as job rotations and changes in market conditions during the performance cycle.

The fact that an officer may have received long-term incentive awards over the course of his or her career is not a significant consideration in determining the officer's entitlement to appropriate long-term incentive awards in the current year. If a newer officer does not have prior grants outstanding due to his or her short tenure, Dominion does not increase the compensation paid to such officer due to a lack of outstanding grants from prior years.

2009 Restricted Stock Grants

All officers received a restricted stock grant on February 2, 2009 based on a stated dollar value. The 2009 restricted stock grants for NEOs had the same value as their 2008 restricted stock grants. The number of shares awarded was determined by dividing the stated dollar value by the closing price of Dominion's common stock on January 30, 2009. The grants have a three-year vesting term, with cliff vesting at the end of the restricted period on February 1, 2012. Dividends are paid to officers during the restricted period. The grant date fair value of each NEO's 2009 restricted stock grant is disclosed in the *Grants of Plan-Based Awards* table. Dividends paid during 2009 are reported in the *All Other Compensation* column of the *Summary Compensation Table.*

2009 Performance Grants

Most officers, including the NEOs, received cash performance grants on February 2, 2009. The 2009 performance grant levels for NEOs were the same as their 2008 grant levels. Officers who have not achieved 50% of their targeted share ownership guideline received stock-based performance grants. Dividend equivalents are not paid on any performance-based grants. The performance period commenced on January 1, 2009 and will end on December 31, 2010. Like the 2008 performance grants, the 2009 grants are denominated as a target award, with potential payouts ranging from 0-200% of the target based on Dominion's TSR relative to the peer group of companies selected by the CGN Committee, ROIC and BVP.

The TSR metric was selected to focus officers on long-term shareholder value when developing and implementing their strategic plans and in turn reward management based on the achievement of TSR levels as measured relative to Dominion's peer companies. The ROIC metric was selected to reward officers for the achievement of expected levels of return on the Company's investments. Dominion believes an ROIC measure encourages management to choose the right investments, and with those investments, to achieve the highest returns possible through prudent decisions, management and control of costs. The BVP metric is intended to promote better long-term value of Dominion's assets by effective capital allocation and management and to encourage a decision-making process that minimizes write-offs and issuances of stock below anticipated share prices.

Vesting Terms For The 2009 Restricted Stock Grants And Performance Grants

The grants are forfeited in their entirety if an officer voluntarily terminates employment or is terminated with cause before the vesting date. The grants have pro-rated vesting for retirement, termination without cause, death or disability, which rewards the officers or their estate only for the period of time they provided services to Dominion. In the case of retirement, however, pro-rated vesting will not occur if Dominion's CEO (or, for the CEO, the CGN Committee) determines the officer's retirement is detrimental to the company.

For the performance grants, payout for an officer who retires or whose employment is terminated without cause is made following the end of the performance period so that the officer is rewarded only to the extent the performance goals are achieved. In the case of death or disability, payout is made as soon as possible to facilitate the administration of the officer's estate or financial planning; the payout amount will be the greater of the officer's target award or an amount based on the predicted performance used for compensation cost disclosure purposes in Dominion's financial statements.

In the event of a change in control, Dominion uses a modified double trigger for the vesting of the restricted stock awards, with pro-rated vesting as of the change in control date, and full vesting if an officer's employment is terminated (or constructively terminated) by the successor entity before the scheduled vesting date. This approach appropriately rewards officers for their service with Dominion up through the date of the change in control and also encourages them to remain with the successor entity to ensure an orderly transition of management following the change in control.

Dominion takes a different approach for performance grants. Given that the relative TSR, ROIC and BVP metrics are exclusively Dominion-related goals, Dominion does not consider it reasonable or fair to continue to apply those goals in the event of a change in control. Accordingly, the payout of the performance grants will occur as soon as administratively feasible following the change in control date at an amount that is the greater of an officer's target award or an amount based on the predicted performance used for compensation cost disclosure purposes in Dominion's financial statements.

Payout Under 2008 Performance Grants

In February 2010, payouts were made to officers who received 2008 performance grants, including the NEOs. The 2008 performance grants were based on three goals: TSR for the two-year period ended December 31, 2009 relative to Dominion's peer group of companies (weighted 50%); ROIC for the same two-year period (weighted 40%); and BVP as of December 31, 2009 (weighted 10%).

- *Relative TSR (50% weighting).* TSR is the difference between the value of a share of Dominion's common stock at the beginning and end of the two-year performance period, plus dividends paid as if reinvested in stock. For this metric, Dominion's TSR is compared to TSR levels at its peer companies for the same two-year period. The peer group for the TSR metric for the 2008 performance grant is the same group of companies described above in *The Peer Group and Peer Group Comparisons.* The relative TSR targets and corresponding payout scores for the 2008-2009 performance period were as follows:

Relative TSR Performance	Percentage Payout of TSR Percentage*
Top Quartile – 75% to 100%	**150% – 200%**
2nd Quartile – 50% to 74.9%	**100% –149.9%**
3rd Quartile – 25% to 49.9%	**50% – 99.9%**
4th Quartile – below 25%	**0%**

* *TSR weighting is interpolated between the top and bottom of the percentages within a quartile. A minimum payment of 25% of the TSR percentage will be made if the TSR performance is at least 10% on a compounded annual basis for the performance period, regardless of relative performance.*

Actual relative TSR performance for the 2008-2009 performance period was in the second quartile.

- *ROIC (40% weighting).* ROIC reflects Dominion's total return divided by average invested capital for the performance period. The ROIC goal at target is consistent with the strategic plan/annual business plan approved by Dominion's Board. For this purpose, total return is Dominion's consolidated operating earnings plus its after-tax interest and related charges, plus preferred dividends. The ROIC goals were designed to provide 100% payout if Dominion achieves an average ROIC of 8.70% over the two-year performance period. The ROIC performance targets and corresponding payout scores for the 2008-2009 performance period were as follows:

ROIC Performance	Percentage Payout of ROIC Percentage*
8.90% or greater	**200%**
8.80% – 8.89%	**150% –199.9%**
8.70% – 8.79%	**100% – 149.9%**
8.60% – 8.69%	**50% – 99.9%**
Below 8.60%	**0%**

* *ROIC percentage payout is interpolated between the top and bottom of the percentages for any range.*

Actual ROIC performance for the 2008-2009 period was 8.81%.

- *BVP (10% weighting).* BVP measures Dominion's value according to its balance sheet (the difference between assets and liabilities) as opposed to the market value of Dominion stock, subject to certain pre-approved exclusions, whether positive or negative, as set forth in the awards. It measures the use of funds as well as the efficiency of issuing stock. The CGN Committee applied a 10% weighting to this measure in order to allow a mix of performance measures while maintaining the desired focus on relative TSR and ROIC. BVP was calculated as common shareholders' equity divided by the number of outstanding shares as of December 31, 2009. The BVP targets and corresponding payout scores as of December 31, 2009 were as follows:

BVP	Percentage Payout of BVP Percentage*
$20.80 and above	200%
$20.70 – $20.79	150% – 199.9%
$20.60 – $20.69	100% – 149.9%
$20.50 – $20.59	50% – 99.9%
Below $20.50	0%

* *BVP percentage payout is interpolated between the top and bottom of the percentages for any range.*

Actual BVP as of December 31, 2009 was below $20.50. Based on the achievement of the performance criteria, the CGN Committee approved a 126.4% payout for the 2008 performance grants. The following table summarizes the achievement of the 2008 performance criteria:

Measure	Goal Weight%	Goal Achievement%	Payout%
Relative TSR	50%	128.5%	64.2%
ROIC	40%	155.5%	62.2%
BVP	10%	0.0%	0.0%
Combined Overall Performance Score			126.4%

The resulting payout amounts for the NEOs for the 2008 Performance Grants are shown below and are also reflected in the *Non-Equity Incentive Plan Compensation* column of the *Summary Compensation Table.*

Name	2008 Performance Grant Award		Overall Performance Score		Calculated Performance Grant Payout
Thomas F. Farrell II	$870,000	x	126.4%	=	$1,099,680
Mark F. McGettrick	345,000	x	126.4%	=	436,080
Thomas N. Chewning	280,000	x	126.4%	=	353,920*
Paul D. Koonce	220,500	x	126.4%	=	278,712
David A. Christian	152,750	x	126.4%	=	193,076
David A. Heacock	108,500	x	126.4%	=	137,144

Note: The NEOs included in this table perform services for more than one subsidiary of Dominion. Compensation for the NEOs listed in the table reflects only the appropriate portion related to their service for Virginia Power in the year presented.

** Due to Mr. Chewning's retirement on June 1, 2009, his payout was pro-rated based on his 14 months of service (measured from the April 2008 grant date) during the two-year performance period.*

2010 Compensation Decisions

In January 2010, the CGN Committee approved the AIP and LTIP for 2010. There are no changes to the design of the AIP for 2010. The full funding target for the 2010 AIP is $3.30 operating EPS, the approximate mid-point of Dominion's 2010 earnings guidance. Like the 2009 LTIP, 50% of the 2010 LTIP awards are full value equity awards in the form of restricted stock that will become vested after three years and 50% are performance-based awards with metrics measured over a two-year performance period. There are two metrics for the performance-based awards: relative TSR to the 2010 peer group (weighted 50%) and ROIC (weighted 50%). The TSR goals for 2010 are the same as those described above for the 2008 performance-based awards. The ROIC goals have been updated to reflect Dominion's 2010 - 2011 business and strategic plans. The grant date for the 2010 LTIP awards is February 1, 2010.

Employee and Executive Benefits

Benefit plans and limited perquisites comprise the fourth element of the compensation program. These benefits serve as a retention tool and reward long-term employment.

Retirement Plans

Dominion sponsors two types of tax-qualified retirement plans for eligible employees, including the NEOs: a defined benefit pension plan and a defined contribution 401(k) savings plan. The NEOs, as employees hired before 2008, are eligible for a pension benefit upon attainment of retirement age based on a formula that takes into account final compensation and years of service. They also receive a cash balance benefit under which Dominion contributes 2% of each participant's compensation to a special retirement account, which may be paid in a lump sum or added to the annuity benefit upon retirement. The NEOs participate in the DPP. The formula for the DPP is explained in the narrative following the *Pension Benefits* table. The change in pension plan value for 2009 for the NEOs is included in the *Summary Compensation Table.*

Officers whose matching contributions under the 401(k) plan are limited by Internal Revenue Code limits receive a cash payment to make them whole for the Company match lost as a result of these limits. These cash payments are currently taxable. The Company matching contributions to the 401(k) plan and the cash payments of Company matching contributions above Internal Revenue Code limits for the NEOs are included in the *All Other Compensation* column of the *Summary Compensation Table* and detailed in the footnote for that column.

Dominion also maintains two nonqualified retirement plans for the officers, the BRP and the ESRP. Unlike the pension plan and 401(k) Plan, these plans are unfunded, unsecured obligations of Dominion. These plans keep Dominion competitive in attracting and retaining officers. Because of Internal Revenue Code limits on pension plan benefits and because a more substantial portion of total compensation for the officers is paid as incentive compensation than for other employees, the DPP and 401(k) Plan alone will produce a lower percentage of replacement income in retirement for officers than these plans will for other employees. The BRP restores benefits that will not be paid under the DPP due to the Internal Revenue Code limits. The ESRP provides a benefit that covers a portion (25%) of final base salary and target annual incentive compensation to partially make up for this gap in retirement income. The BRP and ESRP do not include long-term incentive compensation in benefit calculations and, therefore, a significant portion of the potential compensation for the officers is excluded from calculation in any retirement plan benefit. As consideration for the benefits earned under the BRP and ESRP, all officers agree to comply with confidentiality and one-year non-competition requirements set forth in the plan documents following their retirement or other termination from the Company. The present value of accumulated benefits under these retirement plans is disclosed in the *Pension Benefits* table and the terms of the plans are fully explained in the narrative following that table.

Other Benefit Programs

Dominion's officers participate in all of the benefit programs available to other Dominion employees. The core benefit programs include medical, dental and vision benefit plans, a health savings account, health and dependent care flexible spending accounts, group-term life insurance, travel accident coverage, and long-term disability coverage and a paid time off program. There are other miscellaneous employee benefit programs, including employee assistance programs and employee leave policies.

Dominion also maintains an Executive Life Insurance Program for officers to replace a former Dominion retiree life insurance program that was discontinued in 2003. The plan is fully-insured by individual policies that provide death benefits at a fixed amount depending on an officer's salary tier. This life insurance coverage is in addition to the group-term insurance that is provided to all employees. The officer is the owner of the policy and Dominion makes premium payments until the later of 10 years or the date the officer attains age 64. Officers are taxed on the premiums paid by Dominion. The premiums for these policies are included in the *All Other Compensation* column of the *Summary Compensation Table.*

Perquisites

Dominion provides perquisites for the officers to enable them to perform their duties and responsibilities as efficiently as possible and to minimize distractions. The CGN Committee annually reviews the perquisites to ensure they are an effective and efficient use of corporate resources. Dominion believes the benefits received from offering these perquisites outweigh the costs of providing them. In addition to incidental perquisites associated with maintaining an office, Dominion offers the following perquisites to all officers:

- An allowance of up to $9,500 a year to be used for health club memberships and wellness programs, comprehensive executive physical exams and financial and estate planning. Dominion wants officers to be proactive with preventive healthcare and also wants executives to use professional, independent financial and estate planning consultants to ensure proper tax reporting of company-provided compensation and to help officers optimize their use of Dominion's retirement and other employee benefit programs.
- A vehicle leased by Dominion, up to an established lease-payment limit (if the lease payment exceeds the allowance, the officer pays for the excess amount on the vehicle). The costs of insurance, fuel and maintenance for the vehicles are paid by Dominion.
- In limited circumstances, use of Dominion aircraft for personal travel by executive officers. For security and other reasons, the Board has directed Mr. Farrell to use the aircraft for all travel, including personal travel, whenever it is feasible to do so. His family and guests may accompany Mr. Farrell on any personal trips. The use of Company aircraft for personal travel by other executive officers is limited and usually related to (i) travel with the CEO or (ii) personal travel to accommodate business demands on an executive officer's schedule. With the exception of Mr. Farrell, personal use of aircraft is not available when there is a Company need for the aircraft. Use of Company aircraft saves substantial time and allows us to have better access to the executives for business purposes. During 2009, 96% of the use of Dominion's aircraft was for business purposes. Other than Mr. Farrell, none of the NEOs or other executive officers used Company aircraft for personal travel in 2009.

Other than costs associated with comprehensive executive physical exams (which are exempt from taxation under the Internal Revenue Code), these perquisites are fully taxable to officers. There is no tax gross-up for imputed income on any perquisites.

Employment Continuity Agreements

Dominion has entered into Employment Continuity Agreements with all officers to ensure continuity in the event of a change in control of Dominion. While Dominion has determined these agreements are consistent with the practices of its peer companies, the most important reason for these agreements is to protect the Company in the event of an anticipated or actual change in control of Dominion. In a time of transition, it is critical to protect shareholder value by retaining and continuing to motivate the Company's core management team. In a change in control situation, workloads typically increase dramatically, outside competitors are more likely to attempt to recruit top performers away from the Company, and officers and other key employees may consider other opportunities when faced with uncertainties at their own company. Therefore, the Employment Continuity Agreements provide security and protection to officers in such circumstances for the long-term benefit of Dominion and its shareholders.

In determining the appropriate multiples of compensation and benefits payable upon a change in control, Dominion evaluated peer group and general practices and considered the levels of protection necessary to retain officers in such situations. The Employment Continuity Agreements are double-trigger agreements that require both a change in control and a qualifying termination of employment to trigger a benefit. The specific terms of the Employment Continuity Agreements are discussed in *Additional Post-Employment Benefits for NEOs* under *Potential Payments Upon Termination or Change in Control.*

Other Matters

Mr. Chewning retired from Dominion on June 1, 2009. In accordance with the terms of the 2009 AIP, Mr. Chewning's AIP payout was based on actual goal achievement determined after the end of the plan year and pro-rated for his five months of service during 2009. Mr. Chewning's payout under his 2008 performance grant also was based on the actual goal achievement following the end of the performance period that ended December 31, 2009 and was pro-rated for his months of service during the performance period. Similarly, Mr. Chewning's payout, if any, under his 2009 performance grant will be determined after the end of the performance period ending December 31, 2010 and will be pro-rated based on his months of service during the performance period that will end on December 31, 2010.

Mr. Chewning's outstanding restricted stock awards under the 2007, 2008, and 2009 long-term incentive programs were vested pro-rata upon his retirement based on a determination that Mr. Chewning's retirement would not be detrimental to the Company. Mr. Chewning's 2008 restricted stock retention award became fully vested upon Mr. Chewning's retirement based on the CGN Committee's determination that Mr. Chewning's retirement would not be detrimental to the Company. The number of shares and value received upon vesting for these restricted stock awards are shown in the *Options Exercised and Stock Vested* table.

Pursuant to his February 2003 letter agreement with the Company, Mr. Chewning received a payment equal to his final annual base salary upon his retirement as consideration for his agreement not to compete with the Company for a two year period following his retirement. The amount of this non-compete payment is included in the *All Other Compensation* column of the *Summary Compensation Table.*

In September 2009, several months following his retirement, Dominion engaged Mr. Chewning as a consultant to testify in the Virginia base rate case proceeding, to provide support with other pending rate cases and to provide advice regarding strategic transactions, investor relations, financial matters and other matters as requested by Messrs. Farrell or McGettrick. Consulting fees paid to Mr. Chewning for his services are disclosed in the *All Other Compensation* column of the *Summary Compensation Table.*

Dominion does not have comprehensive employment agreements or severance agreements for its NEOs. Although the CGN Committee believes the compensation and benefit programs described in this CD&A are appropriate, Dominion, as one of the nation's largest producers and transporters of energy, is part of a constantly changing and increasingly competitive environment. In recognition of their valuable knowledge and experience and to secure and retain their services, Dominion has entered into letter agreements with five of the NEOs to provide certain benefit enhancements or other protections, as described in *Additional Post-Employment Benefits for NEOs* under *Potential Payments Upon Termination or Change in Control.*

Other Relevant Compensation Practices

Share Ownership Guidelines

Dominion requires officers to own and retain significant amounts of Dominion stock during their careers to align their interests with those of Dominion's shareholders by promoting a long-term focus through long-term share ownership. The guidelines ensure that management maintains a personal stake in Dominion through significant equity investment in the Company. Targeted ownership levels are the lesser of the following:

Position	Value/# of Shares
Chairman, President & CEO	**8 x salary/145,000**
Executive Vice President – Dominion	**5 x salary/35,000**
Senior Vice President – Dominion & Subsidiaries/ President – Dominion Subsidiaries	**4 x salary/20,000**
Vice President – Dominion & Subsidiaries	**3 x salary/10,000**

The levels of ownership reflect the increasing level of responsibility for that officer's position. Shares owned by an officer and his or her immediate family members as well as shares held under Dominion benefit plans contribute to the ownership targets. Restricted stock, goal-based stock and shares underlying stock options do not contribute to the ownership targets. Dominion prohibits certain types of transactions related to Dominion stock, including derivative securities, hedging transactions, margin accounts and pledging shares as collateral.

With limited exceptions, officers are expected to retain ownership of their Dominion stock, including restricted stock and goal-based shares that have vested, as long as they remain employed by Dominion. Dominion refers to shares held by an officer that are more than 15% above his or her ownership target as "Qualifying Excess Shares." Officers may sell up to 50% of their Qualifying Excess Shares at any time and may sell all Qualifying Excess Shares during the one-year period preceding retirement. Qualifying Excess Shares may also be gifted to a charitable organization or put into a trust outside of the officer's control for estate planning purposes at any time.

At least annually, the CGN Committee reviews the share ownership guidelines and monitors compliance by executive officers individually and by the officer group as a whole. The NEOs' ownership is shown in the *Director and Officer Share Ownership* table; each NEO exceeds his ownership target.

Recovery of Incentive Compensation

Consistent with standards established by the Sarbanes-Oxley Act of 2002, Dominion's Corporate Governance Guidelines authorize Dominion's Board to seek recovery of performance-based compensation paid to officers who are found to be personally responsible for fraud or intentional misconduct that causes a restatement of financial results filed with the SEC. Beginning in 2009, the CGN Committee approved a broader clawback provision for inclusion in the AIP and long-term incentive performance grant documents. This clawback provision authorizes the CGN Committee, in its discretion and based on facts and circumstances, to recoup AIP and performance grant payouts from any employee whose fraudulent or intentional misconduct (i) directly causes or partially causes the need for a restatement of a financial statement or (ii) relates to or materially affects Dominion's operations or the employee's duties at the Company. Dominion reserves the right to recover a payout by seeking repayment from the employee, by reducing the amount that would otherwise be payable to the employee under another Dominion benefit plan or compensation program to the extent permitted by applicable law, by withholding future incentive compensation, or any combination of these actions. The clawback provision is in addition to, and not in lieu of, other actions Dominion may take to remedy or discipline misconduct, including termination of employment or a legal action for breach of fiduciary duty, and any actions imposed by law enforcement agencies.

Tax Deductibility of Compensation

Code Section 162(m) generally disallows a deduction by publicly-held corporations for compensation in excess of $1 million paid to the CEO and next three most highly-compensated officers other than the CFO. If certain requirements are met, performance-based compensation qualifies for an exemption from the Code Section 162(m) deduction limit. Dominion intends to provide competitive executive compensation while maximizing Dominion's tax deduction. While the CGN Committee considers Code Section 162(m) tax implications when designing annual and long-term compensation programs and approving payouts under such programs, it reserves the right to approve, and in some cases has approved, non-deductible compensation when corporate objectives justify the cost of being unable to deduct such compensation. Dominion's tax department has advised the CGN Committee that the cost of any such lost tax deductions is not material to the company.

Accounting for Stock-Based Compensation

Dominion measures and recognizes compensation expense in accordance with FASB guidance for share-based payments, which requires that compensation expense relating to share-based payment transactions be recognized in the financial statements based on the fair value of the equity or liability instruments issued. The CGN Committee considers the accounting treatment of equity and performance-based compensation when approving awards.

Executive Compensation

SUMMARY COMPENSATION TABLE – AN OVERVIEW

The Summary Compensation Table provides information in accordance with SEC requirements regarding compensation earned by the NEOs, as well as amounts accrued or accumulated during years reported with respect to retirement plans and other items. The NEOs include the CEO, the CFO, the former CFO and the three most highly compensated executive officers of Virginia Power other than the CEO and CFO.

The following highlights some of the disclosures contained in this table for the NEOs. Detailed explanations regarding certain types of compensation paid to an NEO are included in the footnotes to the table. Mr. Chewning retired on June 1, 2009 and Mr. McGettrick succeeded him as CFO effective as of that date. SEC rules require disclosure of Mr. Chewning's compensation because he served as the company's CFO for a portion of the year.

The amounts reported in the Summary Compensation Table and the other tables below represent the pro-rated compensation amounts attributable to each NEO's services performed for Virginia Power. The percentage of each NEO's overall Dominion services performed for Virginia Power during 2009 was as follows: Mr. Farrell, 29%; Mr. McGettrick, 46%; Mr. Chewning, 42%; Mr. Koonce, 49%; Mr. Christian, 47%, and Mr. Heacock, 62%.

Salary. The amounts in this column are the base salaries earned by the NEOs for the years indicated.

Stock Awards. The amounts in this column reflect the full grant date fair value of the stock awards for accounting purposes for the respective year. The amounts shown for 2008 and 2007 are different from the amounts shown in prior years due to a change in SEC reporting requirements.

Non-Equity Incentive Plan Compensation. This column includes amounts earned under two performance-based programs: the AIP and cash-based performance grant awards under the LTIP. These performance programs are based on performance criteria established by the CGN Committee at the beginning of the performance period, with actual performance scored against the pre-set criteria by the CGN Committee at the end of the performance period.

Change in Pension Value and Nonqualified Deferred Compensation Earnings. This column shows any year-over-year increases in the annual accrual of pension and supplemental retirement benefits for the NEOs. These are accruals for future benefits that may be earned under the terms of the retirement plans, and do not reflect actual payments made during the year to the NEOs. The amounts disclosed reflect the annual change in the actuarial present value of benefits under defined benefit plans sponsored by Dominion, which include the DPP and the nonqualified plans described in the narrative following the *Pension Benefits* table. The annual change equals the difference in the accumulated amount for the current fiscal year and the accumulated amount for the prior fiscal year, generally using the same actuarial assumptions used for the Dominion's audited financial statements for the applicable fiscal year, including assumed retirement dates, life expectancy of the officers and other assumptions. For 2009, however, accrued benefit calculations are based on assumptions that the NEOs would retire at the earliest age at which they are projected to become eligible for full, unreduced pension benefits (including the effect of future service for eligibility purposes), instead of their unreduced retirement age based on current years of service. The application of these assumptions results in a greater increase in the accumulated amount of pension benefits for certain NEOs than would result without the application of these assumptions. This method of calculation does not increase actual benefits payable at retirement but only how much of that benefit is allocated to the increase during 2009. Please refer to the footnotes to the *Pension Benefits* table and the narrative following that table for additional information related to actuarial assumptions used to calculate pension benefits.

All Other Compensation. The amounts in this column disclose compensation that is not classified as compensation reportable in another column, including perquisites and benefits with an aggregate value of at least $10,000, the value of Dominion paid life insurance premiums, Dominion matching contributions to an NEO's 401(k) Plan account, Dominion matching contributions paid directly to the NEO that would be credited to the 401(k) Plan if Internal Revenue Code contribution limits did not apply, payment for unused vacation days not carried forward to the following year, and dividends paid on restricted stock.

Total. The number in this column provides a single figure that represents the total compensation either earned by each NEO for the years indicated or accrued benefits payable in later years and required to be disclosed by SEC rules in this table. It does not reflect actual compensation paid to the NEO during the year, but is the sum of the dollar values of each type of compensation quantified in the other columns in accordance with SEC rules.

SUMMARY COMPENSATION TABLE

The following table presents information concerning compensation paid or earned by the NEOs for the years ended December 31, 2009, 2008 and 2007 as well as the grant date fair value of stock awards and changes in pension value.

Name and Principal Position	Year	Salary(1)	Stock Awards(2)	Non-Equity Incentive Plan Compensation(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(4)	All Other Compensation(5)	Total
Thomas F. Farrell II	**2009**	**$348,000**	**$ 870,001**	**$1,604,280**	**$ 461,615**	**$188,429**	**$3,472,325**
Chairman and CEO	2008	452,833	1,140,010	2,559,300	997,551	238,040	5,387,734
	2007	517,000	1,410,030	3,074,928	1,028,323	298,803	6,329,084
Mark F. McGettrick	**2009**	**298,195**	**345,010**	**766,034**	**861,244**	**83,450**	**2,353,933**
Executive Vice President and	2008	327,253	390,014	1,061,894	376,799	87,288	2,243,248
CFO	2007	300,510	397,508	939,197	414,335	87,950	2,139,500
Thomas N. Chewning	**2009**	**120,874**	**420,014**	**488,436**	—	**496,565**	**1,525,889**
Executive Vice President	2008	298,008	880,007	1,088,985	153,121	138,446	2,558,567
and CFO (retired June 1, 2009)	2007	250,380	390,020	971,107	127,083	136,243	1,874,833
Paul D. Koonce							
President and COO – DVP	**2009**	**242,983**	**220,508**	**533,418**	**188,154**	**58,545**	**1,243,608**
David A. Christian	**2009**	**259,229**	**152,752**	**434,621**	**588,777**	**67,838**	**1,503,217**
President and COO – Generation	2008	263,498	159,252	517,672	299,988	64,877	1,305,287
	2007	235,908	156,002	526,972	188,455	64,818	1,172,155
David A. Heacock	**2009**	**198,586**	**108,530**	**295,165**	**330,717**	**42,987**	**975,985**
President and CNO	2008	289,628	162,750	490,450	235,734	63,477	1,242,039

Note: The NEOs included in this table perform services for more than one subsidiary of Dominion. Compensation for the NEOs listed in the table reflects only the appropriate portion related to their service for Virginia Power in the year presented.

(1) *Mr. Farrell did not receive a salary increase in 2009. Salary increases for the other NEOs became effective on March 1, 2009. For the months of January and February 2009, monthly salary was paid at the 2008 monthly salary amount.*

(2) *The amounts in this column reflect the full grant date fair value of stock awards for the respective year, in accordance with FASB ASC Topic 718—guidance for share-based payments. Dominion did not grant any stock options in 2009. For Mr. Chewning, the amounts in the table reflect the full value of his awards as of the grant dates. He retired on June 1, 2009 and became vested in a pro-rata portion of his 2007, 2008, and 2009 restricted stock awards under the LTIP and 100% vested in his 2008 retention restricted stock award. See Note 20 to the Consolidated Financial Statements in Dominion's 2009 Annual Report on Form 10-K for more information on the valuation of stock-based awards and the Outstanding Equity Awards at Fiscal Year-End table for a listing of all outstanding equity awards as of December 31, 2009.*

(3) *The 2009 amounts in this column include the payout under Dominion's 2009 AIP and 2008 Performance Grant. All of the NEOs except Mr. Heacock received a 116% payout of their 2009 AIP target awards, reflecting 116% funding of the 2009 AIP and 100% accomplishment of their goals. Mr. Heacock's payout was reduced by the CGN Committee due to 97.6% accomplishment of his goals. The 2009 AIP payout amounts were as follows: Mr. Farrell: $504,600; Mr. McGettrick: $329,954; Mr. Chewning: $134,516 (due to Mr. Chewning's retirement on June 1, 2009, his payout was pro-rated based on his five months of service during the twelve-month performance period); Mr. Koonce: $254,706; Mr. Christian: $241,545; and Mr. Heacock: $158,021. See the CD&A for additional information on the 2009 AIP and the Grants of Plan Based Awards table for the range of each NEO's potential award under the 2009 AIP. The 2008 Performance Grant was awarded on April 1, 2008 and the payout amount was determined based on achievement of performance goals for the 24-month performance period ended December 31, 2009. Payouts can range from 0% to 200% of the target amount. The actual payout was 126.4% of the target amount. The payout amounts were as follows: Mr. Farrell: $1,099,680; Mr. McGettrick: $436,080; Mr. Chewning: $353,920 (due to Mr. Chewning's retirement on June 1, 2009, his payout was pro-rated based on his 14 months of service during the performance period); Mr. Koonce: $278,712; Mr. Christian: $193,076; and Mr. Heacock: $137,144. The 2008 amounts reflect both the 2008 AIP and the 2007 Performance Grant payouts, and the 2007 amounts reflect both the 2007 AIP and the 2006 Performance Grant payouts.*

(4) *All amounts in this column are for the aggregate change in the actuarial present value of the NEO's accumulated benefit under the DPP and nonqualified executive retirement plans. In connection with his retirement on June 1, 2009, Mr. Chewning received payments from the pension plans, as shown in the Pension Benefits table, which resulted in a reduction in the present value of his accumulated benefits measured as of December 31, 2009 compared to those benefits as of December 31, 2008. There are no above-market earnings on nonqualified deferred compensation plans. The values shown in this column are not directly in relation to the actual pension benefits that will be payable upon each NEO's retirement and can vary significantly year over year based on (i) interest rate and other actuarial assumptions; (ii) adjustments to salary or AIP targets; and (iii) actual age versus predicted age at retirement. For 2009, increases in pension values are partially attributable to the application of actuarial factors applied for purposes of determining eligibility for unreduced retirement benefits. See the narrative following the Pension Benefits Table for additional information regarding the actuarial assumptions used to calculate values in this column.*

(5) *All Other Compensation amounts for 2009 are as follows:*

Name	Executive Perquisites(a)	Life Insurance Premiums	Employee Savings Plan Match(b)	Company Match Above IRS Limits(c)	Vacation Sold Back to Company(d)	Dividends Paid on Restricted Stock	Other Cash Payments(e)	Total All Other Compensation
Thomas F. Farrell II	**$23,302**	**$13,999**	**$2,132**	**$11,079**	**$ 6,692**	**$131,225**	**$ —**	**$188,429**
Mark F. McGettrick	**13,271**	**7,403**	**4,508**	**7,420**	**—**	**50,848**	**—**	**83,450**
Thomas N. Chewning	**6,980**	**37,755**	**—**	**—**	**38,338**	**46,937**	**368,555**	**498,565**
Paul D. Koonce	**10,302**	**7,074**	**3,602**	**3,688**	**—**	**33,879**	**—**	**58,545**
David A. Christian	**15,498**	**15,947**	**4,606**	**5,764**	**—**	**26,023**	**—**	**67,838**
David A. Heacock	**11,167**	**4,840**	**6,078**	**1,868**	**3,835**	**15,401**	**—**	**42,987**

(a) *Unless noted, the amounts in this column for all NEOs are comprised of the following: personal use of company vehicle and financial planning and health and wellness allowance. For Mr. Farrell, the amounts in this column also include personal use of the corporate aircraft. The value of Mr. Farrell's personal use of the aircraft during 2009 was $14,790. For personal flights, all direct operating costs are included in calculating aggregate incremental cost. Direct operating costs include the following: fuel, airport fees, catering, ground transportation and crew expenses (any food, lodging and other costs). The fixed costs of owning the aircraft and employing the crew are not taken into consideration, as 96% of the use of the corporate aircraft is for business purposes. The CGN Committee has directed Mr. Farrell to use corporate aircraft for all personal travel whenever it is feasible to do so.*

(b) *Employees who contribute to the 401(k) Plan receive a matching contribution of 50 cents for each dollar contributed up to 6% of compensation (subject to IRS limits) for employees who have less than 20 years of service, and 67 cents for each dollar contributed up to 6% of compensation (subject to IRS limits) for employees who have 20 or more years of service.*

(c) *Represents each payment of "lost" 401(k) Plan matching contribution due to IRS limits.*

(d) *For 2009, all full-time employees could elect to sell up to 40 hours of vacation they did not use during the calendar year and receive the sold hours as taxable compensation. This practice was discontinued beginning January 1, 2010.*

(e) *Included in this amount is a lump sum payment of $292,955 paid to Mr. Chewning as consideration for a two-year non-compete agreement that was entered into on February 23, 2003, and $75,600 for consulting fees paid to Mr. Chewning for the period of September 2009 through December 2009. Following his retirement, Dominion entered into an agreement with Mr. Chewning to provide consulting services related to the pending rate cases, pending and potential transactions, investor relations, financial markets and other matters as requested by Messrs. Farrell or McGettrick.*

GRANTS OF PLAN-BASED AWARDS TABLE

The following table provides information about stock awards and non-equity incentive awards granted to the NEOs during the year ended December 31, 2009.

Name	Grant Approval Date[1]	Grant Date[1]	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1] Threshold	Target	Maximum	All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Options Award[1][4]
Thomas F. Farrell II							
2009 AIP[2]			—	$435,000	$ 870,000		
2009 Performance Grant[3]			—	870,000	1,740,000		
2009 Restricted Stock Grant[4]	1/26/2009	2/2/2009				24,730	$870,001
Mark F. McGettrick							
2009 AIP[2]			—	284,443	568,887		
2009 Performance Grant[3]			—	345,000	690,000		
2009 Restricted Stock Grant[4]	1/26/2009	2/2/2009				9,807	$345,010
Thomas N. Chewning							
2009 AIP[2]			—	278,308	556,615		
2009 Performance Grant[3]			—	420,000	840,000		
2009 Restricted Stock Grant[4]	1/26/2009	2/2/2009				11,938	$420,014
Paul D. Koonce							
2009 AIP[2]			—	219,574	439,148		
2009 Performance Grant[3]			—	220,500	441,000		
2009 Restricted Stock Grant[4]	1/26/2009	2/2/2009				6,268	$220,508
David A. Christian							
2009 AIP[2]			—	208,229	416,458		
2009 Performance Grant[3]			—	152,750	305,500		
2009 Restricted Stock Grant[4]	1/26/2009	2/2/2009				4,342	$152,752
David A. Heacock							
2009 AIP[2]			—	139,574	279,149		
2009 Performance Grant[3]			—	108,500	217,000		
2009 Restricted Stock Grant[4]	1/26/2009	2/2/2009				3,085	$108,530

Note: The NEOs included in this table perform services for more than one subsidiary of Dominion. Compensation for the NEOs listed in the table reflects only the appropriate portion related to their service for Virginia Power in the year presented.

(1) *On January 26, 2009, the CGN Committee approved the 2009 long-term compensation awards for the officers, which consisted of a restricted stock grant and a cash performance grant. The 2009 restricted stock award was granted on February 2, 2009. Under the 2005 Incentive Compensation Plan, fair market value is defined as the closing price of Dominion common stock as of the last day on which the stock is traded preceding the date of grant. The fair market value for the February 2, 2009 restricted stock grant was $35.18 per share, which was Dominion's closing stock price on January 30, 2009.*

(2) *Amounts represent the range of potential payouts under the 2009 AIP. Actual amounts paid under the 2009 AIP are found in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. Under the AIP, officers are eligible for an annual performance-based award. The CGN Committee establishes target awards for each NEO based on his salary level and expressed as a percentage of the individual NEO's base salary. The target award is the amount of cash that will be paid if the plan is fully funded and payout goals are achieved. For the 2009 AIP, funding is based on the achievement of consolidated operating earnings goals with the maximum funding capped at 200%, as explained under the Annual Incentive Plan section of the CD&A. The 2009 target percentages of base salary for the NEOs are as follows: Mr. Farrell—125%; Messrs. McGettrick and Chewning—95%; Mr. Koonce—90%; Mr. Christian—80% and Mr. Heacock—70%. Due to Mr. Chewning's retirement on June 1, 2009, he received a pro-rata payout of his 2009 AIP award based on his five months of service during 2009. This payout was made in February 2010 at the same time payouts were made to other officers and was calculated based on goal achievement for the one-year performance period.*

(3) *Amounts represent the range of potential payouts under the 2009 cash performance grant. Payouts can range from 0% to 200% of the target award. Awards will be paid in February 2011 depending on the achievement of performance goals for the two-year period ended December 31, 2010. The amount earned will depend on the level of achievements of three performance metrics: TSR—50%, ROIC—40% and BVP—10%. TSR measures Dominion's share performance for the two-year period ended December 31, 2010 relative to the TSR of a group of industry peers selected by the CGN Committee. ROIC goal achievement will be scored against 2009 and 2010 budget goals. BVP will measure Dominion's value according to its balance sheet (as opposed to the market value of company stock). Mr. Chewning's retirement on June 1, 2009, any payout of his 2009 performance grant will be pro-rated based on his four months of service, measured from the February 2009 grant date, during the 24-month performance period.*

(4) *The 2009 restricted stock grant fully vests at the end of three years. The restricted stock grant provides for pro-rata vesting if an officer dies, becomes disabled, is terminated without cause or if there is a change in control. Pro-rated vesting will also occur upon retirement if the CEO of Dominion (or in the case of the CEO, the CGN Committee) determines the officer's retirement is not detrimental to Dominion. Dividends on the restricted shares are paid during the restricted period at the same rate declared by Dominion for all shareholders. Due to Mr. Chewning's retirement on June 1, 2009, he became vested in 1,326 shares of his 2009 restricted stock grant attributable to service performed for Virginia Power with a fair market value on the vesting date of $31.79 per share, which was Dominion's closing stock price on May 29, 2009.*

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes equity awards made to NEOs that were outstanding as of December 31, 2009. There were no unexercised or unexercisable option awards outstanding for any of the NEOs as of December 31, 2009.

	Stock Awards	
Name	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested(1)
Thomas F. Farrell II	19,443(2)	$756,722
	21,302(3)	829,074
	24,730(4)	962,492
Mark F. McGettrick	7,710(2)	300,073
	8,447(3)	328,757
	9,806(4)	381,650
Thomas N. Chewning	—(5)	—
Paul D. Koonce	4,928(2)	191,798
	5,399(3)	210,129
	6,268(4)	243,951
David A. Christian	3,414(2)	132,873
	3,740(3)	145,561
	4,342(4)	168,991
David A. Heacock	1,732(2)	67,409
	2,657(3)	103,410
	3,084(4)	120,029

Note: The NEOs included in this table perform services for more than one subsidiary of Dominion. Compensation for the NEOs listed in the table reflects only the appropriate portion related to their service for Virginia Power in the year presented.

(1) *The market value is based on closing stock price of $38.92 on December 31, 2009.*
(2) *Shares scheduled to vest on April 3, 2010*
(3) *Shares scheduled to vest on April 1, 2011*
(4) *Shares scheduled to vest on February 1, 2012*
(5) *Upon his retirement on June 1, 2009, Mr. Chewning's outstanding restricted stock awards vested in accordance with the terms of the award agreements.*

Option Exercises and Stock Vested

The following table provides information about the value realized by NEOs during the year ended December 31, 2009 on exercised stock options and vested restricted stock awards.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Thomas F. Farrell II	116,000	$610,146	38,036	$1,190,198
Mark F. McGettrick			12,362	387,021
Thomas N. Chewning	126,000	402,662	45,885	1,449,945
Paul D. Koonce			11,055	346,753
David A. Christian			9,751	328,824
David A. Heacock			4,502	148,339

Note: The NEOs included in this table perform services for more than one subsidiary of Dominion. Compensation for the NEOs listed in the table reflects only the appropriate portion related to their service for Virginia Power in the year presented.

PENSION BENEFITS[1]

The following table shows the actuarial present value of accumulated benefits payable to the NEOs, together with the number of years of benefit service credited to each NEO under the plans listed in the table. Values are computed as of December 31, 2009, using the same interest rate and mortality assumptions used in determining the aggregate pension obligations disclosed in the company's financial statements. Please refer to *Actuarial Assumptions Used to Calculate Pension Benefits* for detailed information regarding these assumptions.

Name	Plan Name	Number of Years Credited Service[2]	Present Value of Accumulated Benefit[3]	Payments During Last Fiscal Year
Thomas F. Farrell II	DPP	14.00	$ 128,677	
	BRP	25.00	1,626,462	
	ESRP	25.00	3,306,178	
Mark F. McGettrick	DPP	25.50	305,244	
	BRP	30.00	1,868,311	
	ESRP	30.00	1,170,855	
Thomas N. Chewning	DPP	22.00		$ 15,779
	BRP	30.00		1,894,631
	ESRP	30.00		2,139,402
Paul D. Koonce	DPP	11.00	131,780	
	BRP	11.00	187,716	
	ESRP	11.00	977,549	
David A. Christian	DPP	25.50	384,123	
	BRP	25.50	888,019	
	ESRP	25.50	1,281,150	
David A. Heacock	DPP	22.50	381,471	
	BRP	22.50	156,738	
	ESRP	22.50	387,979	

Note: The NEOs included in this table perform services for more than one subsidiary of Dominion. Compensation for the NEOs listed in the table reflects only the appropriate portion related to their service for Virginia Power in the year presented.

(1) The years of credited service and the present value of accumulated benefits were determined by the plan actuaries, using the appropriate accrued service and pay and other assumptions similar to those used for accounting and disclosure purposes.

(2) Years of credited service for the DPP are actual years accrued by an NEO from his date of participation to December 31, 2009. Service for the BRP and the ESRP is the NEO's actual credited service as of December 31, 2009 plus any potential credited service to the plan maximum, including any extra years of credited service granted to Messrs. Farrell, McGettrick and Chewning by the CGN Committee for the purpose of calculating benefits under these plans. Please refer to the narrative below and under Potential Payments Upon Termination or Change In Control and Additional Post-Employment Benefits for information about the requirements for receiving extra years of credited service and the amount credited, if any, for each NEO.

(3) The amounts in this column are based on actuarial assumptions that all of the NEOs would retire at the earliest age they become eligible for unreduced benefits, which is (i) age 60 for Messrs. Farrell, Koonce, Christian and Heacock, and (ii) age 55 for Mr. McGettrick (when he would be treated as age 60 based on his five additional years of credited age). In addition, for purposes of calculating the BRP benefits for Messrs. Farrell and McGettrick, the amounts reflect additional credited years of service granted to them pursuant to their agreements with Dominion (see Additional Post-Employment Benefits for NEOs below). If the amounts in this column did not include the additional years of credited service, the present value of the BRP benefit would be $841,267 lower for Mr. Farrell and $1,097,047 lower for Mr. McGettrick. DPP and ESRP benefits amounts are not affected by the additional service credit assumptions.

Dominion Pension Plan

The DPP is a tax-qualified defined benefit pension plan. All of the NEOs participate in the DPP. The DPP provides unreduced retirement benefits at termination of employment at or after age 65 or, with three years of service, at age 60. A participant who has attaind age 55 with three years of service may elect early retirement benefits at a reduced amount. If a participant retires between ages 55 and 60, the benefit is reduced 0.25% per month for each month after age 58 and before age 60, and reduced 0.50% per month for each month between ages 55 and 58. All of the NEOs have more than three years of service.

The DPP basic benefit is calculated using a formula based on (1) age at retirement; (2) final average earnings; (3) estimated Social Security benefits; and (4) credited service. Final average earnings are the average of the participant's 60 highest consecutive months of base pay during the last 120 months worked. Final average earnings do not include compensation payable under the AIP, the value of equity awards, gains from the exercise of stock options, long-term cash incentive awards, perquisites or any other form of compensation other than base pay.

Credited service is measured in months, up to a maximum of 30 years of credited service. The estimated Social Security benefit taken into account is the assumed Social Security benefit payable starting at age 65 or actual retirement date, if later, assuming that the participant has no further employment after leaving Dominion. These factors are then applied in a formula.

The formula has different percentages for credited service through December 31, 2000 and on or after January 1, 2001. The benefit is the sum of the amounts from the following two formulas.

For Credited Service through December 31, 2000:

2.03% **times** Final Average Earnings **times** Credited Service before 2001	**Minus**	2.00% **times** estimated Social Security benefit **times** Credited Service before 2001

For Credited Service on or after January 1, 2001:

1.80% **times** Final Average Earnings **times** Credited Service after 2000	**Minus**	1.50% **times** estimated Social Security benefit **times** Credited Service after 2000

Credited Service is limited to a total of 30 years for all parts of the formula and Credited Service after 2000 is limited to 30 years minus Credited Service before 2001.

Benefit payment options are (1) a single life annuity or (2) a choice of a 50%, 75% or 100% joint and survivor annuity. A Social Security leveling option is available with any of the benefit forms. The normal form of benefit is a single life annuity for unmarried participants and a 50% joint and survivor annuity for married participants. All of the payment options are actuarially equivalent in value to the single life annuity. The Social Security leveling option pays a larger benefit equal to the estimated Social Security benefit until the participant is age 62 and then reduced payments after age 62.

The DPP also includes a SRA, which is in addition to the pension benefit. The SRA is credited with 2% of base pay each month as well as interest based on the 30-year Treasury bond rate set annually (6.66% in 2009). The SRA can be paid in a lump sum or paid in the form of an annuity benefit.

A participant becomes vested in his or her benefit after completing three years of service. A vested participant who terminates employment before age 55 can start receiving benefit payments calculated using terminated vested reduction factors at any time after attaining age 55. If payments begin before age 65, then the following reduction factors for the portion of the benefits earned after 2000 apply: age 64 – 9%; age 63 – 16%; age 62 – 23%; age 61 – 30%; age 60 – 35%; age 59 – 40%; age 58 – 44%; age 57 – 48%; age 56 – 52%; and age 55 – 55%.

The Internal Revenue Code limits the amount of compensation that may be included in determining pension benefits under qualified pension plans. For 2009, the compensation limit was $245,000. The Internal Revenue Code also limits the total annual benefit that may be provided to a participant under a qualified defined benefit plan. For 2009, this limitation was the lesser of (i) $195,000 or (ii) the average of the participant's compensation during the three consecutive years in which the participant had the highest aggregate compensation.

Dominion Retirement Benefit Restoration Plan

The Dominion Retirement BRP is a nonqualified defined benefit pension plan designed to make up for benefit reductions under the DPP due to the limits imposed by the Internal Revenue Code.

A Dominion employee is eligible to participate in the BRP if (1) he or she is a member of management or a highly compensated employee, (2) his or her DPP benefit is or has been limited by the Internal Revenue Code compensation or benefit limits, and (3) he or she has been designated as a participant by the CGN Committee. A participant remains a participant until he or she ceases to be eligible for any reason other than retirement or until his or her status as a participant is revoked by the CGN Committee.

Upon retirement, a participant's BRP benefit is calculated using the same formula used to determine the participant's default annuity form of benefit under the DPP (single life annuity for unmarried participants and 50% joint and survivor annuity for married participants), and then subtracting the benefit the participant is entitled to receive under the DPP. To accommodate the enactment of Internal Revenue Code Section 409A, the portion of a participant's BRP benefit that had accrued as of December 31, 2004 is frozen, but the calculation of the overall restoration benefit is not changed.

The restoration benefit is generally paid in the form of a single lump sum cash payment. However, a participant may elect to receive a single life or 50% or 100% joint and survivor annuity for the portion of his or her benefit that accrued prior to 2005. The lump sum calculation includes an amount approximately equivalent to the amount of taxes the participant will owe on the lump sum payment so that the participant will have sufficient funds, on an after-tax basis, to purchase an annuity contract.

A participant who terminates employment before he or she is eligible for benefits under the DPP generally is not entitled to a restoration benefit. Messrs. Farrell and McGettrick have been granted age and service credits for purposes of calculating their pension plan and BRP benefits. Under the terms of a retention agreement, Mr. Chewning earned 30 years of credited service for purposes of calculating his benefits. Mr. Farrell, having attained age 55, has earned benefits based on 25 years of service; if he remains employed until age 60, benefits will be calculated based on 30 years of service. Mr. McGettrick's benefit will be calculated based on five additional years of age and service. For each of these NEOs, the additional years of service count for determining both the amount of benefits and the eligibility to receive them. For additional information regarding service credits, see *Additional Post-Retirement Benefits for NEOs* under *Potential Payments Upon Termination or Change in Control.*

If a participant dies when he or she is retirement eligible (on or after age 55), the participant's beneficiary will receive the restoration benefit in a single lump sum payment. If a participant dies while employed but before he or she has attained age 55 and the participant is married at the time of death, the participant's spouse will receive a restoration benefit calculated in the same way as the 50% Qualified Pre-Retirement Survivor Annuity payable under the DPP and paid in a lump sum payment.

Dominion Executive Supplemental Retirement Plan

The Dominion ESRP is a nonqualified defined benefit plan that provides for an annual retirement benefit equal to 25% of a participant's final cash compensation (base salary plus target annual incentive award) payable for a period of 10 years or, for certain participants designated by the CGN Committee, for the participant's lifetime. To accommodate the enactment of Internal Revenue Code Section 409A, the portion of a participant's ESRP benefit that had accrued as of December 31, 2004 is frozen, but the calculation of the overall benefit is not changed.

A Dominion employee is eligible to participate in the ESRP if (1) he or she is a member of management or a highly-compensated employee, and (2) he or she has been designated as a participant by the CGN Committee. A participant remains a participant until he or she ceases to be eligible for any reason other than retirement or until his or her status as a participant is revoked by the CGN Committee.

A participant is entitled to the full ESRP benefit if he or she separates from service with Dominion after reaching age 55 and achieving 60 months of service. A participant who separates from service with Dominion with at least 60 months of service but who has not yet reached age 55 is entitled to a reduced, pro-rated ESRP benefit. A participant who separates from service with

Dominion with fewer than 60 months of service is generally not entitled to an ESRP benefit unless the participant separated from service on account of disability or death.

The ESRP benefit is generally paid in the form of a single lump sum cash payment. However, a participant may elect to receive the portion of his or her benefit that had accrued as of December 31, 2004 in monthly installments. The lump sum calculation includes an amount approximately equivalent to the amount of taxes the participant will owe on the lump sum payment so that the participant will have sufficient funds, on an after-tax basis, to purchase a 10-year or lifetime annuity contract.

All of the NEOs except Messrs. and Mr. Heacock are currently entitled to a full ESRP retirement benefit. If Messrs. Koonce and Heacock terminate employment prior to age 55, they will receive pro-rated ESRP benefits. Based on determinations made by the CGN Committee, Mr. Farrell will receive an ESRP benefit calculated as a lifetime benefit, Messrs. McGettrick and Christian will receive ESRP benefits calculated as lifetime benefits provided they remain employed with the Company until attainment of age 60, and Mr. Koonce will receive a benefit calculated as a lifetime benefit if he remains employed with the Company until attainment of age 50.

Actuarial Assumptions Used to Calculate Pension Benefits

Actuarial assumptions used to calculate DPP benefits are prescribed by the terms of the pension plan based on Internal Revenue Code and Pension Benefit Guaranty Corporation requirements. The present value of the accumulated benefit is calculated using actuarial and other factors as determined by the plan actuaries and approved by Dominion. Actuarial assumptions used for the December 31, 2009 benefit calculations shown in the *Pension Benefits* table use a discount rate of 6.6% to determine the present value of the future benefit obligations for the DPP, BRP and ESRP and a lump sum interest rate of 5.85% to estimate the lump sum values of BRP and ESRP benefits. Each NEO is assumed to retire at the earliest age at which he is projected to become eligible for full, unreduced pension benefits. Beginning with the 2009 calculations, for purposes of estimating future eligibility for unreduced DPP and BRP benefits, the effect of future service is considered. Each NEO is assumed to commence DPP payments at the same age as BRP payments. The longevity assumption used to determine the present value of benefits is the same assumption used for financial reporting of the DPP liabilities, with no assumed mortality before retirement age. Assumed mortality after retirement is based on tables from the Society of Actuaries' RP-2000 study, projected from 2000 to 2009 with 50% of the Scale AA factors, and further adjusted for Dominion experience by using an age set-forward factor. For BRP and ESRP benefits, other actuarial assumptions include an assumed tax rate of 40%.

Nonqualified Deferred Compensation

Name	Aggregate Earnings in Last FY	Aggregate Balance at Last FYE
Thomas F. Farrell II	**$ 1,997**	**$ 40,773**
Mark F. McGettrick	**52,270**	**399,347**
Thomas N. Chewning	**885**	**7,087**
Paul D. Koonce	**46,502**	**519,012**
David A. Christian	**553**	**12,699**
David A. Heacock	**—**	**—**

Note: The NEOs included in this table perform services for more than one subsidiary of Dominion. Compensation for the NEOs listed in the table reflects only the appropriate portion related to their service for Virginia Power in the year presented.

* *No preferential earnings are paid and therefore no earnings from these plans are included in the Summary Compensation Table.*

At this time, Dominion does not offer any nonqualified elective deferred compensation plans to its officers or other employees. The *Nonqualified Deferred Compensation* table reflects, in aggregate, the plan balances for two former plans offered to Dominion officers and other highly compensated employees: The Dominion Resources, Inc. Executives' Deferred Compensation Plan (Frozen Deferred Compensation Plan), and Dominion Resources, Inc. Security Option Plan (Frozen DSOP) were frozen as of December 31, 2004. Although the Frozen DSOP was an option plan rather than a deferred compensation plan, Dominion are including information regarding the plan and any balances in this table to make full disclosure about possible future payments to officers under the employee benefit plans.

The Frozen Deferred Compensation Plan includes amounts previously deferred from one of the following categories of compensation: (i) salary; (ii) bonus; (iii) vesting restricted stock; and (iv) gains from stock option exercises. The plan also provided for company contributions of lost company 401(k) Plan match contributions and transfers from several CNG deferred compensation plans. The Frozen Deferred Compensation Plan offers 28 investment funds for the plan balances, including a Dominion Stock Fund. Participants may change investment elections on any business day. Any vested restricted stock and gains from stock option exercises that were deferred were automatically allocated to the Dominion Stock Fund and this allocation cannot be changed. Earnings are calculated based on the performance of the underlying investment fund. The NEOs invested in the following funds with rates of returns for 2009 as follows: Vanguard 500 Index Fund, 26.5%; Dominion Resources Stock Fund, 13.5%; and Dominion Fixed Income Fund, 5.29%. The Vanguard 500 Index Fund has the same rate of return as the corresponding publicly available mutual fund.

The Dominion Fixed Income Fund is an investment option that provides a fixed rate of return each year based on a formula that is tied to the adjusted federal long-term rate published by the IRS in November prior to the beginning of the year. Dominion's Asset Management Committee determines the rate based on its estimate of the rate of return on Dominion assets in the trust for the Frozen Deferred Compensation Plan.

The default Benefit Commencement Date is February 28 after the year in which the participant retires, but the participant may select a different Benefit Commencement Date in accordance with the plan. Participants may change their Benefit Commencement Date election; however, a new election must be made at least six months before an existing Benefit Commencement Date. Withdrawals less than six months prior to an existing Benefit Commencement Date are subject to a 10% early withdrawal penalty. Account balances must be fully paid out no later than the February 28 that is 10 calendar years after a participant retires or becomes disabled. If a participant retires from Dominion, he or she may continue to defer an account balance provided that the total balance is distributed by this deadline. In the event of termination of employment for reasons other than death, disability or retirement before an elected Benefit Commencement Date, benefit payments will be distributed in a lump sum as soon as administratively practicable. Hardship distributions, prior to an elected Benefit Commencement Date, are available under certain limited circumstances.

Participants may elect to have their benefit paid in a lump sum payment or equal annual installments over a period of whole years from one to 10 years. Participants have the ability to change their distribution schedule for benefits under the plan by giving six months notice to the plan administrator. Once a participant begins receiving annual installment payments, the participant can make a one-time election to either (1) receive the remaining account balance in the form of a lump sum distribution or (2) change the remaining installment payment period. Any election must be approved by the company before it is effective. All distributions are made in cash with the exception of the Deferred Restricted Stock Account and the Deferred Stock Option Account, which are distributed in the form of Dominion common stock.

The Frozen DSOP enabled employees to defer all or a portion of their salary and bonus and receive options on various mutual funds. Participants also received lost company matching contributions to the 401(k) Plan in the form of options under this plan. DSOP options can be exercised at any time before their expiration date. On exercise, the participant receives the excess of the value, if any, of the underlying mutual funds over the strike price. The participant can currently choose among options on 27 mutual funds, and there is not a Dominion stock alternative or a fixed income fund. Participants may change options among the mutual funds on any business day. Benefits grow/decline based on the total return of the mutual funds selected. Any options that expire do not have any value. Options expire under the following terms:

- Options expire on the last day of the 120th month after retirement or disability;
- Options expire on the last day of the 24th month after the participant's death (while employed);
- Options expire on the last day of the 12th month after the participant's severance;
- Options expire on the 90th day after termination with cause; and
- Options expire on the last day of the 120th month after severance following a change in control.

The NEOs held options on the following publicly available mutual funds, which had rates of return for 2009 as noted.

Fund	Rate of Return
Vanguard Developed Markets Index	**28.2%**
Vanguard Extended Market Index	**37.4%**
Vanguard Short-Term Bond Index	**4.3%**
Vanguard Small Cap Growth Index	**41.9%**
Vanguard U.S. Value	**15.3%**
Artisan International Investor	**39.8%**
Dodge & Cox Balanced	**28.4%**
Harbor International Fund	**38.6%**
Perkins Mid Cap Value Investor	**30.4%**

Potential Payments upon Termination or Change in Control

Under certain circumstances, the company provides benefits to eligible employees upon termination of employment, including a termination of employment involving a change in control of the company, that are in addition to termination benefits for other employees in the same situation. This section describes and explains these benefits generally, and specifically the incremental benefits that pertain to the NEOs other than Mr. Chewning, who retired on June 1, 2009.

Change in Control

As discussed in the *Employee and Executive Benefits* section of the CD&A, Dominion has entered into an Employment Continuity Agreement with each of its officers, including the NEOs. Each agreement has a three-year term and is automatically extended annually for an additional year, unless cancelled by Dominion.

The Employment Continuity Agreements require two triggers for the payment of most benefits:

- There must be a change in control; and
- The officer must either be terminated without cause, or terminate his or her employment with the surviving company after a "constructive termination." Constructive termination means the officer's salary, incentive compensation or job responsibility is reduced after a change in control, or the officer's work location is relocated more than 50 miles without his or her consent.

For purposes of the Employment Continuity Agreements, a change in control will occur if (i) any person or group becomes a beneficial owner of 20% or more of the combined voting power of Dominion voting stock or (ii) as a direct or indirect result of, or in connection with, a cash tender or exchange offer, merger or other business combination, sale of assets, or contested election, the directors constituting the Dominion Board before any such transaction cease to represent a majority of Dominion's or its successor's Board within two years after the last of such transactions.

If an officer's employment following a change in control is terminated without cause or due to a constructive termination, the officer will become entitled to the following termination benefits:

- Lump sum severance payment equal to three times base salary plus AIP bonus (determined as the greater of (i) the target annual bonus for the current year or (ii) the highest actual bonus amount paid for any one of the three years preceding the year in which the change in control occurs).

- Full vesting of benefits under ESRP and BRP Plans with five years of additional credited age and five years of additional credited service from the change in control date.
- Group-term life insurance. If the officer elects to convert group-term insurance to an individual policy, the company pays the premiums for 12 months.
- Executive life insurance. Premium payments will continue to be paid by the company until the earlier of: (1) the fifth anniversary of the termination date, or (2) the later of the 10th anniversary of the policy or the date the officer attains age 64.
- Retiree medical coverage will be determined under the relevant plan with additional age and service credited as provided under an officer's letter of agreement (if any) and including five additional years credited to age and five additional years credited to service.
- Outplacement services for one year (up to $25,000).
- If any payments are classified as "excess parachute payments" for purposes of Internal Revenue Code Section 280G and the officer incurs the excise tax, the company will pay the officer an amount equal to the 280G excise tax plus a gross-up multiple.

The terms of awards made under the LTIP, rather than the terms of Employment Continuity Agreements, will determine the vesting of each award in the event of a change in control. These provisions are described in the *Long-Term Incentive Program* section of the CD&A.

Additional Post-Employment Benefits for NEOs

Under the terms of letter agreements with the NEOs, the following benefits are available in addition to the benefits described above. These benefits are quantified in the table below, assuming the triggering event set forth in the table occurred on December 31, 2009.

Mr. Farrell. Mr. Farrell has earned a lifetime benefit under the ESRP. For purposes of calculating his benefits under the DPP and BRP, Mr. Farrell has earned 25 years of credited service as he has met the requirement of attaining age 55. He will be credited with 30 years of service if he remains employed until he attains age 60. Mr. Farrell will become entitled to a payment of one times salary upon his retirement as consideration for his agreement not to compete with Dominion for a two-year period following retirement. This agreement ensures that his knowledge and services will not be available to competitors for two years following his retirement date.

Mr. McGettrick. Mr. McGettrick will earn a lifetime benefit under the ESRP if he remains employed until he attains age 60. Under the terms of a retention arrangement, he has earned five years of additional age and service credit for purposes of computing his retirement benefits and eligibility for benefits under the ESRP, long-term incentive grants, and retiree medical and life insurance plans as he has met the requirement of remaining employed until he attained age 50. If Mr. McGettrick terminates employment before he attains age 55, he will be deemed to have retired for purposes of determining his vesting credit under the terms of his restricted stock and performance grant awards.

Mr. Koonce. Mr. Koonce will earn a lifetime benefit under the ESRP if he remains employed with the company until he attains age 50. If Mr. Koonce leaves Dominion after he attains age 50 but before age 55, he will be entitled to a pro-rated ESRP benefit.

Mr. Christian. Mr. Christian will earn a lifetime benefit under the ESRP if he remains employed with Dominion until he attains age 60. As consideration for this benefit, Mr. Christian has agreed not to compete with Dominion for a two-year period following retirement. This agreement ensures that his knowledge and services will not be available to competitors for two years following his retirement date.

The table below provides the incremental payments that would be earned by each NEO if his employment had been terminated, or constructively terminated, as of December 31, 2009. These benefits are in addition to retirement benefits that would be payable on any termination of employment. Please refer to the *Pension Benefits* table for information related to the present value of accumulated retirement benefits payable to the NEOs.

Incremental Payments Upon Termination and Change in Control

	Non-Qualified Plan Payment	Restricted Stock (1)	Performance Grant	Non-Compete Payments (2)	Severance Payments	Retiree Medical and Executive Life Insurance (3)	Outplacement Services	Excise Tax & Tax Gross-Up	Total
Thomas F. Farrell II (5)									
Retirement	**$—**	**$1,471,382**	**$416,087**	**$348,000**	**$—**	**$48,690**	**$—**	**—**	**$2,284,159**
Change In Control (4)	**1,476,738**	**1,076,906**	**453,913**	**—**	**3,134,088**	**—**	**7,250**	**—**	**6,148,895**
Mark F. McGettrick									
Termination Without Cause	**—**	**583,457**	**165,000**	**—**	**—**	**68,005**	**—**	**—**	**816,462**
Voluntary Termination	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Termination With Cause	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Death / Disability	**—**	**583,457**	**165,000**	**—**	**—**	**—**	**—**	**—**	**748,457**
Change In Control (4)	**482,540**	**427,023**	**180,000**	**—**	**2,205,244**	**6,009**	**11,500**	**1,178,084**	**4,490,400**
Paul D. Koonce									
Termination Without Cause	**—**	**372,930**	**105,457**	**—**	**—**	**—**	**—**	**—**	**478,387**
Voluntary Termination	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Termination With Cause	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Death / Disability	**—**	**372,930**	**105,457**	**—**	**—**	**—**	**—**	**—**	**478,387**
Change In Control (4)	**547,575**	**272,948**	**115,043**	**—**	**1,777,994**	**—**	**12,250**	**—**	**2,725,810**
David A. Christian (5)									
Retirement	**—**	**258,347**	**73,054**	**—**	**—**	**93,203**	**—**	**—**	**424,604**
Change In Control (4)	**1,014,589**	**189,078**	**79,696**	**—**	**1,692,790**	**—**	**11,750**	**1,113,255**	**4,101,158**
David A. Heacock									
Termination Without Cause	**—**	**158,790**	**51,891**	**—**	**—**	**—**	**—**	**—**	**210,681**
Voluntary Termination	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Termination With Cause	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Death / Disability	**—**	**158,790**	**51,891**	**—**	**—**	**—**	**—**	**—**	**210,681**
Change In Control (4)	**1,049,773**	**132,058**	**56,608**	**—**	**1,239,827**	**96,745**	**15,500**	**1,042,782**	**3,633,094**

Note: The NEOs included in this table perform services for more than one subsidiary of Dominion. Compensation for the NEOs listed in the table reflects only the appropriate portion related to their service for Virginia Power in the year presented.

(1) Grants made in 2007, 2008 and 2009 under the LTIP vest pro-rata upon termination without cause, death or disability. These grants vest pro-rata upon retirement provided the CEO of Dominion (or in the case of the CEO, the CGN Committee) determines the NEO's retirement is not detrimental to the company; amounts shown in the table assume this determination was made. The amounts shown in the restricted stock column are based on the closing stock price of $38.92 on December 31, 2009.

(2) Pursuant to a letter agreement dated February 28, 2003, Mr. Farrell will be entitled to a special payment of one times salary in exchange for a two-year non-compete agreement. Mr. Farrell would not be entitled to this non-compete payment in the event of his death.

(3) Amounts in this column represent the value of the incremental benefit that the executives would receive for executive life insurance and retiree medical coverage. Executive life insurance for Mr. McGettrick is only available upon a change in control. Mr. McGettrick is eligible for retiree medical coverage if terminated without cause. Mr. Koonce will not be age 55 even with the added age provided under a change in control and therefore he is not eligible for retiree medical coverage. Messrs. Farrell and Christian are entitled to executive life insurance coverage and retiree medical coverage upon any termination since they are retirement eligible and have completed 10 years of service. Retiree health benefits have been quantified using assumptions used for financial accounting purposes.

(4) The amounts indicated upon a change in control are the incremental amounts that each NEO would receive over the amounts payable upon a retirement (Messrs. Farrell and Christian), voluntary termination or termination without cause (Messrs. McGettrick, Koonce and Heacock).

(5) For Messrs. Farrell and Christian, who are eligible for retirement, the table above assumes they would retire in connection with any termination event, including death or disability.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Dominion

The information concerning stock ownership by directors, executive officers and five percent beneficial owners contained under the headings *Director and Officer Share Ownership* and *Significant Shareholders* in the 2010 Proxy Statement is incorporated by reference.

The information regarding equity securities of Dominion that are authorized for issuance under its equity compensation plans contained under the heading *Executive Compensation–Equity Compensation Plans* in the 2010 Proxy Statement is incorporated by reference.

Virginia Power

The table below sets forth as of February 19, 2010, the number of shares of Dominion common stock owned by the executive officers named on the Summary Compensation Table and directors. Dominion owns all of the outstanding common stock of Virginia Power. None of the executive officers or directors own any of the outstanding preferred stock of Virginia Power.

Name of Beneficial Owner	Shares	Restricted Shares	Total[1]
Thomas F. Farrell II	**430,232**	**319,215**	**749,447**
Mark F. McGettrick	**104,984**	**80,472**	**185,456**
Steven A. Rogers	**36,607**	**17,845**	**54,452**
David A. Christian	**62,738**	**35,807**	**98,545**
David A. Heacock	**42,001**	**18,062**	**60,063**
Paul Koonce	**84,431**	**48,886**	**133,317**
All directors and executive officers as a group (7 persons)[2]	**775,778**	**531,152**	**1,306,930**

(1) No individual executive officer has the right to acquire beneficial ownership within 60 days of February 19, 2010. Includes shares as to which voting and/or investment power is shared with or controlled by another person as follows: Mr. Rogers, 592 (shares held in joint tenancy).

(2) All directors and executive officers as a group own less than one percent of the number of Dominion common shares outstanding as of February 19, 2010. No individual executive officer or director owns more than one percent of the shares outstanding.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Dominion

The information regarding related party transactions required by this item found under the heading *Related Party Transactions*, and information regarding director independence found under the heading *Director Independence*, in the 2010 Proxy Statement is incorporated by reference.

Virginia Power

Related Party Transactions

Virginia Power's Board has adopted the Related Party Guidelines also approved by Dominion's Board of Directors. These guidelines were adopted for the purpose of identifying potential conflicts of interest arising out of financial transactions, arrangements and relations between the Company and any related persons. Under Virginia Power's guidelines, a related person is a director, executive officer, director nominee, a beneficial owner of more than 5% of Dominion's common stock, or any immediate family member of one of the foregoing persons. A related party transaction is any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships in excess of $120,000 in which Dominion (and/or any of its consolidated subsidiaries) is a party and in which the related person has or will have a direct or indirect material interest.

In determining whether a direct or indirect interest is material, the significance of the information to investors in light of all circumstances is considered. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved are also among the factors considered in determining the significance of the information to the investors.

Virginia Power's guidelines set forth certain transactions that are not considered to be related party transactions including, among other items, compensation and expense reimbursement paid to directors and executive officers in the ordinary course of performing their duties; transactions with other companies where the related party's only relationship is as an employee, if the aggregate amount involved does not exceed the greater of $1 million or 2% of that company's gross revenues; and charitable contributions which are less than the greater of $1 million or 2% of the charity's annual receipts. The full text of the guidelines can be found on Dominion's website at www.dom.com/investors/corporate-governance/pdf/related_party_guidelines.pdf.

Virginia Power collects information about potential related party transactions in its annual questionnaires completed by directors and executive officers. The Corporate Secretary and the General Counsel review the potential related party transactions and assess whether any of the identified transactions constitute a related party transaction. Any identified related party transactions are then reported to Dominion's CGN Committee. Dominion's CGN Committee reviews and considers relevant facts and circumstances and determines whether to ratify or approve the related party transactions identified. Dominion's CGN Committee may only approve or ratify related party transactions that are in, or are not inconsistent with, the best interests of Dominion and its shareholders and are in compliance with Virginia Power's Code of Ethics.

Since January 1, 2009 there have been no related party transactions involving the Company that were required either to be approved under the Company's policies or reported under the SEC related party transactions rules.

Director Independence

Under New York Stock Exchange (NYSE) listing standards, Messrs. Farrell, McGettrick and Rogers are not independent as they are executive officers of Virginia Power or of its parent company, Dominion. All of Virginia Power's outstanding common stock is owned by Dominion and therefore, Virginia Power is a "controlled" company under the rules of the NYSE. Because Virginia Power meets the definition of a "controlled company" and has only debt securities and preferred stock listed on the NYSE, it is exempt under Section 303A of the New York Stock Exchange Rules from the provisions relating to board committees and the requirement to have a majority of its board be independent.

Item 14. Principal Accountant Fees and Services

Dominion

The information concerning principal accounting fees and services contained under the heading *Fees and Pre-Approval Policy* in the 2010 Proxy Statement is incorporated by reference.

Virginia Power

The following table presents fees paid to Deloitte & Touche LLP for the fiscal years ended December 31, 2009 and 2008.

Type of Fees	2009	2008
(millions)		
Audit fees	**$1.44**	$1.55
Audit-related fees	—	—
Tax fees	—	—
All other fees	—	—
	$1.44	$1.55

Audit Fees represent fees of Deloitte & Touche for the audit of Virginia Power's annual consolidated financial statements, the review of financial statements included in Virginia Power's quarterly Form 10-Q reports, and the services that an independent auditor would customarily provide in connection with subsidiary audits, statutory requirements, regulatory filings, and similar engagements for the fiscal year, such as comfort letters, attest services, consents, and assistance with review of documents filed with the SEC.

Audit-Related Fees consist of assurance and related services that are reasonably related to the performance of the audit or review of Virginia Power's consolidated financial statements or internal control over financial reporting. This category may include fees related to the performance of audits and attest services not required by statute or regulations, audits of Virginia Power's employee benefit plans, due diligence related to mergers, acquisitions, and investments, and accounting consultations about the application of generally accepted accounting principles to proposed transactions.

Virginia Power's board has adopted the Dominion's Audit Committee Pre-Approval Policy for its independent auditor's services and fees and has delegated the execution of this policy to Dominion's audit committee (DRI Audit Committee). In accordance with this delegation, each year the DRI Audit Committee pre-approves a schedule that details the services to be provided for the following year and an estimated charge for such services. At its December 2009 meeting, the DRI Audit Committee approved Virginia Power's schedule of services and fees for 2010. In accordance with the pre-approval policy, any changes to the pre-approved schedule may be pre-approved by the DRI Audit Committee or a member of this committee.

Part IV
Item 15. Exhibits and Financial Statement Schedules

(a) Certain documents are filed as part of this Form 10-K and are incorporated by reference and found on the pages noted.

1. Financial Statements
   See Index on page 55.

2. All schedules are omitted because they are not applicable, or the required information is either not material or is shown in the financial statements or the related notes.

3. Exhibits (incorporated by reference unless otherwise noted)

Exhibit Number	Description	Dominion	Virginia Power
3.1.a	Dominion Resources, Inc. Articles of Incorporation as in effect August 9, 1999, as amended effective March 12, 2001 (Exhibit 3.1, Form 10-K for the fiscal year ended December 31, 2002 filed March 20, 2003, File No. 1-8489), as amended November 9, 2007 (Exhibit 3, Form 8-K filed November 9, 2007, File No. 1-8489)(filed herewith).	X	
3.1.b	Virginia Electric and Power Company Restated Articles of Incorporation, as in effect on October 28, 2003 (Exhibit 3.1, Form 10-Q for the quarter ended September 30, 2003 filed November 7, 2003, File No. 1-2255).		X
3.2.a	Dominion Resources, Inc. Amended and Restated Bylaws, effective February 26, 2010 (filed herewith).	X	
3.2.a.1	Dominion Resources, Inc. Amendment to Bylaws, effective February 26, 2010 (filed herewith).	X	
3.2.b	Virginia Electric and Power Company Amended and Restated Bylaws, effective June 1, 2009 (Exhibit 3.1, Form 8-K filed June 3, 2009, File No. 1-2255).		X
4	Dominion Resources, Inc. and Virginia Electric and Power Company agree to furnish to the Securities and Exchange Commission upon request any other instrument with respect to long-term debt as to which the total amount of securities authorized does not exceed 10% of either of their total consolidated assets.	X	X
4.1.a	See Exhibit 3.1.a above.	X	
4.1.b	See Exhibit 3.1.b above.		X
4.2	Indenture of Mortgage of Virginia Electric and Power Company, dated November 1, 1935, as supplemented and modified by Fifty-Eighth Supplemental Indentures (Exhibit 4(ii), Form 10-K for the fiscal year ended December 31, 1985, File No. 1-2255); Eighty-First Supplemental Indenture, (Exhibit 4(iii), Form 10-K for the fiscal year ended December 31, 1993, File No. 1-2255); Form of Eighty-Fifth Supplemental Indenture, dated February 1, 1997 (Exhibit 4(i), Form 8-K filed February 20, 1997, File No. 1-2255).	X	X
4.3	Subordinated Note Indenture, dated August 1, 1995 between Virginia Electric and Power Company and The Bank of New York Mellon (as successor trustee to JP Morgan Chase Bank (formerly The Chase Manhattan Bank and Chemical Bank)), as Trustee (Exhibit 4(a), Form S-3 Registration Statement filed January 28, 1997, File No. 333-20561), Form of Second Supplemental Indenture, dated August 1, 2002 (Exhibit 4.6, Form 8-K filed August 20, 2002, File No. 1-2255).	X	X
4.4	Form of Senior Indenture, dated June 1, 1998, between Virginia Electric and Power Company and The Bank of New York Mellon (as successor trustee to JP Morgan Chase Bank (formerly The Chase Manhattan Bank)), as Trustee (Exhibit 4(iii), Form S-3 Registration Statement filed February 27, 1998, File No. 333-47119); Form of First Supplemental Indenture, dated June 1, 1998 (Exhibit 4.2, Form 8-K filed June 12, 1998, File No. 1-2255); Form of Second Supplemental Indenture, dated June 1, 1999 (Exhibit 4.2, Form 8-K filed June 4, 1999, File No. 1-2255); Form of Third Supplemental Indenture, dated November 1, 1999 (Exhibit 4.2, Form 8-K filed October 27, 1999, File No. 1-2255); Forms of Fourth and Fifth Supplemental Indentures, dated March 1, 2001 (Exhibits 4.2 and 4.3, Form 8-K filed March 26, 2001, File No. 1-2255); Form of Sixth Supplemental Indenture, dated January 1, 2002 (Exhibit 4.2, Form 8-K filed January 29, 2002, File No. 1-2255); Seventh Supplemental Indenture, dated September 1, 2002 (Exhibit 4.4, Form 8-K filed September 11, 2002, File No. 1-2255); Form of Eighth Supplemental Indenture, dated February 1, 2003 (Exhibit 4.2, Form 8-K filed February 27, 2003, File No. 1-2255); Forms of Ninth and Tenth Supplemental Indentures, dated December 1, 2003 (Exhibits 4.2 and 4.3, Form 8-K filed December 4, 2003, File No. 1-2255); Form of Eleventh Supplemental Indenture, dated December 1, 2003 (Exhibit 4.2, Form 8-K filed December 11, 2003, File No. 1-2255); Forms of Twelfth and Thirteenth Supplemental Indentures, dated January 1, 2006 (Exhibits 4.2 and 4.3, Form 8-K filed January 12, 2006, File No. 1-2255); Form of Fourteenth Supplemental Indenture, dated May 1, 2007 (Exhibit 4.2, Form 8-K filed May 16, 2007, File No. 1-2255); Form of Fifteenth Supplemental Indenture,	X	X

Exhibit Number	Description	Dominion	Virginia Power
	dated September 1, 2007 (Exhibit 4.2, Form 8-K filed September 10, 2007, File No. 1-2255); Forms of Sixteenth and Seventeenth Supplemental Indentures, dated November 1, 2007 (Exhibits 4.2 and 4.3, Form 8-K filed November 30, 2007, File No. 1-2255); Form of Eighteenth Supplemental Indenture, dated April 1, 2008 (Exhibit 4.2, Form 8-K filed April 15, 2008, File No. 1-2255); Form of Nineteenth Supplemental and Amending Indenture, dated November 1, 2008 (Exhibit 4.2, Form 8-K filed November 5, 2008, File No. 1-2255); Form of Twentieth Supplemental Indenture, dated June 1, 2009 (Exhibit 4.3, Form 8-K filed June 24, 2009, File No. 1-2255).		
4.5	Indenture, Junior Subordinated Debentures, dated December 1, 1997, between Dominion Resources, Inc. and The Bank of New York Mellon (as successor trustee to JP Morgan Chase Bank (formerly The Chase Manhattan Bank)) as supplemented by a First Supplemental Indenture, dated December 1, 1997 (Exhibit 4.1 and Exhibit 4.2 to Form S-4 Registration Statement filed April 22, 1998, File No. 333-50653); Forms of Second and Third Supplemental Indentures, dated January 1, 2001 (Exhibits 4.6 and 4.13, Form 8-K filed January 12, 2001, File No. 1-8489).	X	
4.6	Indenture, dated May 1, 1971, between Consolidated Natural Gas Company and The Bank of New York (as successor trustee to JP Morgan Chase Bank (formerly The Chase Manhattan Bank and Manufacturers Hanover Trust Company)) (Exhibit (5) to Certificate of Notification at Commission File No. 70-5012); Fifteenth Supplemental Indenture, dated October 1, 1989 (Exhibit (5) to Certificate of Notification at Commission File No. 70-7651); Seventeenth Supplemental Indenture, dated August 1, 1993 (Exhibit (4) to Certificate of Notification at Commission File No. 70-8167); Eighteenth Supplemental Indenture, dated December 1, 1993 (Exhibit (4) to Certificate of Notification at Commission File No. 70-8167); Nineteenth Supplemental Indenture, dated January 28, 2000 (Exhibit (4A)(iii), Form 10-K for the fiscal year ended December 31, 1999 filed March 7, 2000, File No. 1-3196); Twentieth Supplemental Indenture, dated March 19, 2001 (Exhibit 4.1, Form 10-Q for the quarter ended September 30, 2003 filed November 7, 2003, File No. 1-3196); Twenty-First Supplemental Indenture, dated June 27, 2007 (Exhibit 4.2, Form 8-K filed July 3, 2007, File No. 1-8489).	X	
4.7	Indenture, dated April 1, 1995, between Consolidated Natural Gas Company and The Bank of New York Mellon (as successor trustee to United States Trust Company of New York) (Exhibit (4), Certificate of Notification No. 1 filed April 19, 1995, File No. 70-8107); First Supplemental Indenture dated January 28, 2000 (Exhibit (4A)(ii), Form 10-K for the fiscal year ended December 31, 1999 filed March 7, 2000, File No. 1-3196); Securities Resolution No. 1 effective as of April 12, 1995 (Exhibit 2, Form 8-A filed April 21, 1995, File No. 1-3196 and relating to the 7 3/8% Debentures Due April 1, 2005); Securities Resolution No. 2 effective as of October 16, 1996 (Exhibit 2, Form 8-A filed October 18, 1996, File No. 1-3196 and relating to the 6 7/8% Debentures Due October 15, 2006); Securities Resolution No. 3 effective as of December 10, 1996 (Exhibit 2, Form 8-A filed December 12, 1996, File No. 1-3196 and relating to the 6 5/8% Debentures Due December 1, 2008); Securities Resolution No. 4 effective as of December 9, 1997 (Exhibit 2, Form 8-A filed December 12, 1997, File No. 1-3196 and relating to the 6.80% Debentures Due December 15, 2027); Securities Resolution No. 5 effective as of October 20, 1998 (Exhibit 2, Form 8-A filed October 22, 1998, File No. 1-3196 and relating to the 6% Debentures Due October 15, 2010); Securities Resolution No. 6 effective as of September 21, 1999 (Exhibit 4A(iv), Form 10-K for the fiscal year ended December 31, 1999 filed March 7, 2000, File No. 1-3196, and relating to the 7 1/4% Notes Due October 1, 2004); Second Supplemental Indenture dated as of June 27, 2007 (Exhibit 4.4, Form 8-K filed July 3, 2007, File No. 1-8489).	X	
4.8	Form of Senior Indenture, dated June 1, 2000, between Dominion Resources, Inc. and The Bank of New York Mellon (as successor trustee to JP Morgan Chase Bank (formerly The Chase Manhattan Bank)), as Trustee (Exhibit 4(iii), Form S-3 Registration Statement filed December 21, 1999, File No. 333-93187); Form of First Supplemental Indenture, dated June 1, 2000 (Exhibit 4.2, Form 8-K filed June 22, 2000, File No. 1-8489); Forms of Second and Third Supplemental Indentures, dated July 1, 2000 (Exhibits 4.2 and 4.3, Form 8-K filed July 11, 2000, File No. 1-8489); Fourth Supplemental Indenture, dated September 1, 2000 (Exhibit 4.2, Form 8-K filed September 8, 2000, File No. 1-8489); Sixth Supplemental Indenture, dated September 1, 2000 (Exhibit 4.3, Form 8-K filed September 11, 2000, File No. 1-8489); Form of Seventh Supplemental Indenture, dated October 1, 2000 (Exhibit 4.2, Form 8-K filed October 12, 2000, File No. 1-8489); Form of Eighth Supplemental Indenture, dated January 1, 2001 (Exhibit 4.2, Form 8-K filed January 24, 2001, File No. 1-8489); Form of Ninth Supplemental Indenture, dated May 1, 2001 (Exhibit 4.4, Form 8-K filed May 25, 2001, File No. 1-8489); Form of Tenth Supplemental Indenture, dated March 1, 2002 (Exhibit 4.2, Form 8-K filed March 18, 2002, File No. 1-8489); Form of	X	

Exhibit Number	Description	Dominion	Virginia Power
	Eleventh Supplemental Indenture, dated June 1, 2002 (Exhibit 4.2, Form 8-K filed June 25, 2002, File No. 1- 8489); Form of Twelfth Supplemental Indenture, dated September 1, 2002 (Exhibit 4.2, Form 8-K filed September 11, 2002, File No. 1-8489); Thirteenth Supplemental Indenture, dated September 16, 2002 (Exhibit 4.1, Form 8-K filed September 17, 2002, File No. 1-8489); Fourteenth Supplemental Indenture, dated August 1, 2003 (Exhibit 4.4, Form 8-K filed August 20, 2003, File No. 1-8489); Forms of Fifteenth and Sixteenth Supplemental Indentures, dated December 1, 2002 (Exhibits 4.2 and 4.3, Form 8-K filed December 13, 2002, File No. 1-8489); Forms of Seventeenth and Eighteenth Supplemental Indentures, dated February 1, 2003 (Exhibits 4.2 and 4.3, Form 8-K filed February 11, 2003, File No. 1-8489; Forms of Twentieth and Twenty-First Supplemental Indentures, dated March 1, 2003 (Exhibits 4.2 and 4.3, Form 8-K filed March 4, 2003, File No. 1-8489); Form of Twenty-Second Supplemental Indenture, dated July 1, 2003 (Exhibit 4.2, Form 8-K filed July 22, 2003, File No. 1-8489); Form of Twenty-Third Supplemental Indenture, dated December 1, 2003 (Exhibit 4.2, Form 8-K filed December 10, 2003, File No. 1-8489); Forms of Twenty-Fifth and Twenty-Sixth Supplemental Indentures, dated January 1, 2004 (Exhibits 4.2 and 4.3, Form 8-K filed January 14, 2004, File No. 1-8489); Form of Twenty-Seventh Supplemental Indenture, dated December 1, 2004 (Exhibit 4.2, Form S-4 Registration Statement filed November 10, 2004, File No. 333-120339); Forms of Twenty-Eighth and Twenty-Ninth Supplemental Indentures, dated June 1, 2005 (Exhibits 4.2 and 4.3, Form 8-K filed June 17, 2005, File No. 1-8489); Form of Thirtieth Supplemental Indenture, dated July 1, 2005 (Exhibit 4.2, Form 8-K filed July 12, 2005, File No. 1-8489); Form of Thirty-First Supplemental Indenture, dated September 1, 2005 (Exhibit 4.2, Form 8-K filed September 26, 2005, File No. 1-8489); Forms of Thirty-Second and Thirty-Third Supplemental Indentures, dated November 1, 2006 (Exhibits 4.2 and 4.3, Form 8-K filed November 13, 2006, File No. 1-8489); Form of Thirty-Fourth Supplemental Indenture, dated November 1, 2007 (Exhibit 4.2, Form 8-K filed November 29, 2007, File No. 1-8489); Forms of Thirty-Fifth, Thirty-Sixth and Thirty-Seventh Supplemental Indentures, dated June 1, 2008 (Exhibits 4.2, 4.3 and 4.4, Form 8-K filed June 16, 2008, File No. 1-8489); Form of Thirty-Eighth Supplemental and Amending Indenture, dated November 1, 2008 (Exhibit 4.2, Form 8-K filed November 26, 2008, File No. 1-8489); Thirty-Ninth Supplemental Indenture Amending the Twenty-Seventh Supplemental Indenture, dated December 1, 2008 and effective as of December 16, 2008 (Exhibit 4.1, Form 8-K filed December 5, 2008, File No. 1-8489); Form of Thirty-Ninth Supplemental Indenture, dated August 1, 2009 (Exhibit 4.3, Form 8-K filed August 12, 2009, File No. 1-8489).		
4.9	Indenture, dated April 1, 2001, between Consolidated Natural Gas Company and The Bank of New York Mellon (as successor trustee to Bank One Trust Company, National Association) (Exhibit 4.1, Form S-3 Registration Statement filed December 22, 2000, File No. 333-52602); Form of First Supplemental Indenture, dated April 1, 2001 (Exhibit 4.2, Form 8-K filed April 12, 2001, File No. 1-3196); Forms of Second and Third Supplemental Indentures, dated October 25, 2001 (Exhibits 4.2 and 4.3, Form 8-K filed October 23, 2001, File No. 1-3196); Fourth Supplemental Indenture, dated May 1, 2002 (Exhibit 4.4, Form 8-K filed May 22, 2002, File No. 1-3196); Form of Fifth Supplemental Indenture, dated December 1, 2003 (Exhibit 4.2, Form 8-K filed November 25, 2003, File No. 1-3196); Form of Sixth Supplemental Indenture, dated November 1, 2004 (Exhibit 4.2, Form 8-K filed November 16, 2004, File No. 1-3196); Seventh Supplemental Indenture, dated June 27, 2007 (Exhibit 4.6, Form 8-K filed July 3, 2007, File No. 1-8489).	X	
4.10	Form of Indenture for Junior Subordinated Debentures, dated October 1, 2001, between Consolidated Natural Gas Company and The Bank of New York Mellon (as successor trustee to Bank One Trust Company, National Association) (Exhibit 4.2, Form S-3 Registration Statement filed December 22, 2000, File No. 333-52602); Form of First Supplemental Indenture, dated October 23, 2001 (Exhibit 4.7, Form 8-K filed October 16, 2001, File No. 1-3196); Second Supplemental Indenture dated as of June 27, 2007 (Exhibit 4.8, Form 8-K filed July 3, 2007, File No. 1-8489).	X	
4.11	Junior Subordinated Indenture II, dated June 1, 2006, between Dominion Resources, Inc. and The Bank of New York Mellon (successor to JPMorgan Chase Bank, N.A.), as Trustee (Exhibit 4.1, Form 10-Q for the quarter ended June 30, 2006 filed August 3, 2006, File No. 1-8489); First Supplemental Indenture dated as of June 1, 2006 (Exhibit 4.2, Form 10-Q for the quarter ended June 30, 2006 filed August 3, 2006, File No. 1-8489); Second Supplemental Indenture, dated as of September 1, 2006 (Exhibit 4.2, Form 10-Q for the quarter ended September 30, 2006 filed November 1, 2006, File No. 1-8489); Form of Third Supplemental and Amending Indenture, dated June 1, 2009 (Exhibit 4.2, Form 8-K filed June 15, 2009, File No. 1-8489).	X	

Exhibit Number	Description	Dominion	Virginia Power
4.12	Replacement Capital Covenant entered into by Dominion Resources, Inc. dated June 23, 2006 (Exhibit 4.3, Form 10-Q for the quarter ended June 30, 2006 filed August 3, 2006, File No. 1-8489).	X	
4.13	Replacement Capital Covenant entered into by Dominion Resources, Inc. dated September 29, 2006 (Exhibit 4.3, Form 10-Q for the quarter ended September 30, 2006 filed November 1, 2006, File No. 1-8489).	X	
4.14	Replacement Capital Covenant entered into by Dominion Resources, Inc. dated June 17, 2009 (Exhibit 4.3, Form 8-K filed June 15, 2009, File No. 1-8489).	X	
10.1	DRI Services Agreement, dated January 28, 2000, by and between Dominion Resources, Inc., Dominion Resources Services, Inc. and Consolidated Natural Gas Service Company, Inc. (Exhibit 10(vii), Form 10-K for the fiscal year ended December 31, 1999 filed March 7, 2000, File No. 1-8489).	X	
10.2	Services Agreement between Dominion Resources Services, Inc. and Virginia Electric and Power Company dated January 1, 2000 (Exhibit 10.19, Form 10-K for the fiscal year ended December 31, 1999 filed March 7, 2000, File No. 1-2255).	X	X
10.3	Agreement between PJM Interconnection, L.L.C. and Virginia Electric and Power Company (Exhibit 10.1, Form 8-K filed April 26, 2005, File No. 1-2255 and File No. 1-8489).	X	X
10.4	$3.0 billion Five-Year Credit Agreement dated February 28, 2006 among Dominion Resources, Inc., Virginia Electric and Power Company, Consolidated Natural Gas Company, JP Morgan Chase Bank, N.A., as Administrative Agent, Citibank, N.A. as Syndication Agent and Barclay's Bank PLC, The Bank of Nova Scotia and Wachovia Bank, National Association, as Co-Documentation Agents and other lenders named therein. (Exhibit 10.1, Form 8-K filed March 3, 2006, File No. 1-8489 and File No. 1-2255).	X	X
10.5	$1.70 billion Amended and Restated Five-Year Credit Agreement dated February 28, 2006 among Consolidated Natural Gas Company, Barclay's Bank PLC, as Administrative Agent, Barclays Bank PLC and KeyBank National Association, as Syndication Agents, and SunTrust Bank, The Bank of Nova Scotia and ABN AMRO Bank, N.V., as Co-Documentation Agents and other lenders as named therein. (Exhibit 10.2, Form 8-K filed March 3, 2006, File No. 1-8489).	X	
10.6	$500 million 364-Day Revolving Credit Agreement dated July 30, 2008 among Dominion Resources, Inc., The Royal Bank of Scotland PLC, as Administrative Agent, Barclays Bank PLC and Morgan Stanley Bank, as Co-Syndication Agents, Citibank N.A. and The Bank of Nova Scotia, as Co-Documentation Agents and other lenders named therein (Exhibit 10.1, Form 10-Q for the quarter ended September 30, 2008 filed October 30, 2008, File No. 1-8489).	X	
10.7	Form of Settlement Agreement in the form of a proposed Consent Decree among the United States of America, on behalf of the United States Environmental Protection Agency, the State of New York, the State of New Jersey, the State of Connecticut, the Commonwealth of Virginia and the State of West Virginia and Virginia Electric and Power Company (Exhibit 10, Form 10-Q for the quarter ended March 31, 2003, File No. 1-8489).	X	X
10.8*	Dominion Resources, Inc. Executive Supplemental Retirement Plan, as amended and restated effective December 17, 2004 (Exhibit 10.5, Form 8-K filed December 23, 2004, File No. 1-8489).	X	X
10.9*	Dominion Resources, Inc. Incentive Compensation Plan, effective April 22, 1997, as amended and restated effective July 20, 2001 (Exhibit 10.1, Form 10-Q for the quarter ended June 30, 2001 filed August 3, 2001, File No. 1-8489), as amended June 20, 2007 (Exhibit 10.9, Form 10-K for the fiscal year ended December 31, 2007 filed February 28, 2008, File No. 1-8489 and Exhibit 10.5, Form 10-K for the fiscal year ended December 31, 2007 filed February 28, 2008, File No. 1-2255).	X	X
10.10*	Form of Employment Continuity Agreement for certain officers of Dominion Resources, Inc. and Virginia Electric and Power Company, amended and restated July 15, 2003 (Exhibit 10.1, Form 10-Q for the quarter ended June 30, 2003 filed August 11, 2003, File No. 1-8489 and File No. 2255), as amended March 31, 2006 (Form 8-K filed April 4, 2006, File No. 1-8489).	X	X
10.11*	Dominion Resources, Inc. Retirement Benefit Restoration Plan, as amended and restated effective December 17, 2004 (Exhibit 10.6, Form 8-K filed December 23, 2004, File No. 1-8489).	X	X
10.12*	Dominion Resources, Inc. Executives' Deferred Compensation Plan, amended and restated effective December 17, 2004 (Exhibit 10.7, Form 8-K filed December 23, 2004, File No. 1-8489).	X	X

Exhibit Number	Description	Dominion	Virginia Power
10.13*	Dominion Resources, Inc. New Executive Supplemental Retirement Plan, effective January 1, 2005 (Exhibit 10.8, Form 8-K filed December 23, 2004, File No. 1-8489), amended January 19, 2006 (Exhibit 10.17, Form 10-K for the fiscal year ended December 31, 2005 filed March 2, 2006, File No. 1-8489), as amended December 1, 2006 and further amended January 1, 2007 (Exhibit 10.17, Form 10-K for the fiscal year ended December 31, 2006, filed February 28, 2007, File No. 1-8489), as amended and restated effective January 1, 2009 (Exhibit 10.3, Form 10-Q for the quarter ended September 30, 2008 filed October 30, 2008, File No. 1-8489).	X	X
10.14*	Dominion Resources, Inc. New Retirement Benefit Restoration Plan, effective January 1, 2005 (Exhibit 10.9, Form 8-K filed December 23, 2004, File No. 1-8489), as amended January 1, 2007 (Exhibit 10.18, Form 10-K for the fiscal year ended December 31, 2006 filed February 28, 2007, File No. 1-8489), as amended and restated effective January 1, 2009 (Exhibit 10.4, Form 10-Q for the quarter ended September 30, 2008 filed October 30, 2008, File No. 1-8489 and Exhibit 10.2, Form 10-Q for the quarter ended September 30, 2008 filed October 30, 2008, File No. 1-2255), as amended and restated effective January 1, 2009 (Exhibit 10.17, Form 10-K for the fiscal year ended December 31, 2008 filed February 26, 2009, File No. 1-8489 and Exhibit 10.20, Form 10-K for the fiscal year ended December 31, 2008 filed February 26, 2009, File No. 1-2255).	X	X
10.15*	Dominion Resources, Inc. Stock Accumulation Plan for Outside Directors, amended as of February 27, 2004 (Exhibit 10.15, Form 10-K for the fiscal year ended December 31, 2003 filed March 1, 2004, File No. 1-8489) as amended effective December 31, 2004 (Exhibit 10.1, Form 8-K filed December 23, 2004, File No. 1-8489).	X	
10.16*	Dominion Resources, Inc. Directors Stock Compensation Plan, as amended February 27, 2004 (Exhibit 10.16, Form 10-K for the fiscal year ended December 31, 2003 filed March 1, 2004, File No. 1-8489) as amended effective December 31, 2004 (Exhibit 10.2, Form 8-K filed December 23, 2004, File No. 1-8489).	X	
10.17*	Dominion Resources, Inc. Directors' Deferred Cash Compensation Plan, as amended and in effect September 20, 2002 (Exhibit 10.4, Form 10-Q for the quarter ended September 30, 2002 filed November 8, 2002, File No. 1-8489) as amended effective December 31, 2004 (Exhibit 10.3, Form 8-K filed December 23, 2004, File No. 1-8489).	X	
10.18*	Dominion Resources, Inc. Non-Employee Directors' Compensation Plan, effective January 1, 2005, as amended and restated effective January 1, 2008 (Exhibit 10.21, Form 10-K for the fiscal year ended December 31, 2007 filed February 28, 2008, File No. 1-8489), as amended and restated effective January 1, 2009 (Exhibit 10.21, Form 10-K for the fiscal year ended December 31, 2008 filed February 26, 2009, File No. 1-8489), as amended and restated effective December 17, 2009 (filed herewith).	X	
10.19*	Dominion Resources, Inc. Leadership Stock Option Plan, effective July 1, 2000, as amended and restated effective July 20, 2001 (Exhibit 10.2, Form 10-Q for the quarter ended June 30, 2001 filed August 3, 2001, File No. 1-8489 and File No. 1-2255).	X	X
10.20*	Dominion Resources, Inc. Executive Stock Purchase Tool Kit, effective September 1, 2001, amended and restated December 16, 2005 (Exhibit 10.2, Form 8-K filed December 16, 2005, File No. 1-8489).	X	
10.21*	Dominion Resources, Inc. Security Option Plan, effective January 1, 2003, amended December 31, 2004 and restated effective January 1, 2005 (Exhibit 10.13, Form 8-K filed December 23, 2004, File No. 1-8489).	X	X
10.22*	Letter agreement between Dominion Resources, Inc. and Thomas F. Farrell II, dated February 27, 2003 (Exhibit 10.24, Form 10-K for the fiscal year ended December 31, 2002 filed March 20, 2003, File No. 1-8489), as amended December 16, 2005 (Exhibit 10.1, Form 8-K filed December 16, 2005, File No. 1-8489).	X	
10.23*	Letter agreement between Dominion Resources, Inc. and Thomas N. Chewning, dated February 28, 2003 (Exhibit 10.25, Form 10-K for the fiscal year ended December 31, 2002 filed March 20, 2003, File No. 1-8489).	X	

Exhibit Number	Description	Dominion	Virginia Power
10.24*	Consulting Agreement between Dominion Resources, Inc. and Thomas N. Chewning, effective September 1, 2009 (Exhibit 10, Form 10-Q for quarter ended September 30, 2009 filed November 2, 2009, File No. 1-8489).	X	
10.25*	Employment agreement dated February 13, 2007 between Dominion Resources Services, Inc. and Mark F. McGettrick (Exhibit 10.34, Form 10-K for the fiscal year ended December 31, 2006 filed February 28, 2007, File No. 1-8489).	X	
10.26*	Supplemental retirement agreement dated April 22, 2005 between Dominion Resources, Inc. and Mark F. McGettrick (Exhibit 10.36, Form 10-K for the fiscal year ended December 31, 2005 filed March 2, 2006, File No. 1-8489).	X	
10.27*	Supplemental retirement agreement dated October 22, 2003 between Dominion Resources, Inc. and Paul D. Koonce (Exhibit 10.18, Form 10-K for the fiscal year ended December 31, 2003 filed March 1, 2004, File No. 1-2255).	X	
10.28*	Supplemental Retirement Agreement dated December 12, 2000, between Dominion Resources, Inc. and David A. Christian (Exhibit 10.25, Form 10-K for the fiscal year ended December 31, 2001 filed March 11, 2002, File No. 1-2255).	X	
10.29*	Letter Agreement between Consolidated Natural Gas Company and George A. Davidson, Jr. dated December 22, 1998, related letter dated January 8, 1999 and Amendment to Letter Agreement dated February 26, 2008 (Exhibit 10.37, Form 10-K for the fiscal year ended December 31, 2007 filed February 28, 2008, File No. 1-8489).	X	
10.30*	Form of Restricted Stock Grant under 2006 Long-Term Compensation Program approved March 31, 2006 (Exhibit 10.1, Form 8-K filed April 4, 2006, File No. 1-8489).	X	X
10.31*	Form of Restricted Stock Grant under 2007 Long-Term Compensation Program approved March 30, 2007 (Exhibit 10.1, Form 8-K filed April 5, 2007, File No. 1-8489).	X	X
10.32*	Form of Performance Grant under 2007 Long-Term Compensation Program approved March 30, 2007 (Exhibit 10.2, Form 8-K filed April 5, 2007, File No. 1-8489).	X	X
10.33	Offshore Package Purchase Agreement between Dominion Exploration & Production, Inc. and Eni Petroleum dated April 27, 2007 (Exhibit 10.5 to Form 10-Q for the quarter ended March 31, 2007 filed May 3, 2007, File No. 1-8489).	X	
10.34	Alabama/Permian Package Purchase Agreement dated as of June 1, 2007 between Dominion Resources, Inc., through certain of its wholly owned subsidiaries, and L O & G Acquisition Corp. (Exhibit 10.1, Form 8-K filed June 7, 2007, File No. 1-8489).	X	
10.35	Gulf Coast/Rockies/San Juan Package Purchase Agreement dated as of June 1, 2007 between Dominion Resources, Inc. through certain of its wholly owned subsidiaries, and XTO Energy, Inc. (Exhibit 10.2, Form 8-K filed June 7, 2007, File No. 1-8489).	X	
10.36*	Form of Restricted Stock Award Agreement under 2008 Long-Term Compensation Program approved March 27, 2008 (Exhibit 10.1, Form 8-K filed April 2, 2008, File No. 1-8489).	X	X
10.37*	2008 Performance Grant Plan under 2008 Long-Term Compensation Program approved March 27, 2008 (Exhibit 10.2, Form 8-K filed April 2, 2008, File No. 1-8489).	X	X
10.38*	Restricted Stock Award Agreement for Thomas N. Chewning approved March 27, 2008 (Exhibit 10.3, Form 8-K filed April 2, 2008, File No. 1-8489).	X	
10.39*	Form of Advancement of Expenses for certain directors and officers of Dominion Resources, Inc., approved by the Dominion Resources, Inc. Board of Directors on October 24, 2008 (Exhibit 10.2, Form 10-Q for the quarter ended September 30, 2008 filed October 30, 2008, File No. 1-8489 and Exhibit 10.3, Form 10-Q for the quarter ended September 30, 2008 filed October 30, 2008, File No. 1-2255).	X	X
10.40*	2009 Performance Grant Plan under 2009 Long-Term Compensation Program approved January 26, 2009 (Exhibit 10.1, Form 8-K filed January 29, 2009, File No. 1-8489).	X	X
10.41*	Form of Restricted Stock Award Agreement under 2009 Long-Term Compensation Program approved January 26, 2009 (Exhibit 10.2, Form 8-K filed January 29, 2009, File No. 1-8489).	X	X

Exhibit Number	Description	Dominion	Virginia Power
10.42*	Dominion Resources, Inc. 2005 Incentive Compensation Plan, originally effective May 1, 2005, as amended and restated effective May 5, 2009 (Exhibit 10, Form 8-K filed May 11, 2009, File No. 1-8489).	X	X
10.43*	Restricted Stock Agreement for James F. Stutts approved February 23, 2009 (filed herewith).	X	
10.44*	Letter agreement between Dominion Resources, Inc. and James F. Stutts, dated September 22, 1997 (filed herewith).	X	
10.45*	2010 Performance Grant Plan under 2010 Long-Term Compensation Program approved January 21, 2010 (Exhibit 10.1, Form 8-K filed January 22, 2010, File No. 1-8489).	X	X
10.46*	Form of Restricted Stock Award Agreement under 2010 Long-Term Compensation Program approved January 21, 2010 (Exhibit 10.2, Form 8-K filed January 22, 2010, File No. 1-8489).	X	X
10.47*	Base salaries for named executive officers of Dominion Resources, Inc. (filed herewith).	X	
10.48*	Non-employee directors' annual compensation for Dominion Resources, Inc. (filed herewith).	X	
12.a	Ratio of earnings to fixed charges for Dominion Resources, Inc. (filed herewith).	X	
12.b	Ratio of earnings to fixed charges for Virginia Electric and Power Company (filed herewith).		X
12.c	Ratio of earnings to fixed charges and dividends for Virginia Electric and Power Company (filed herewith).		X
21	Subsidiaries of Dominion Resources, Inc. and Virginia Electric and Power Company (filed herewith).	X	X
23	Consent of Deloitte & Touche LLP (filed herewith).	X	X
23.1	Consent of Ryder Scott Company, L.P. (filed herewith).	X	
31.a	Certification by Chief Executive Officer of Dominion Resources, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).	X	
31.b	Certification by Chief Financial Officer of Dominion Resources, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).	X	
31.c	Certification by Chief Executive Officer of Virginia Electric and Power Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).		X
31.d	Certification by Chief Financial Officer of Virginia Electric and Power Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).		X
32.a	Certification to the Securities and Exchange Commission by Chief Executive Officer and Chief Financial Officer of Dominion Resources, Inc. as required by Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).	X	
32.b	Certification to the Securities and Exchange Commission by Chief Executive Officer and Chief Financial Officer of Virginia Electric and Power Company as required by Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).		X
99	Reserve Audit Report of Ryder Scott Company, L.P. as of December 31, 2009 (filed herewith).	X	
101	The following financial statements from Dominion Resources, Inc. Annual Report on Form 10-K for the year ended December 31, 2009, filed on February 26, 2009, formatted in XBRL: (i) Consolidated Statements of Income, (ii) Consolidated Balance Sheets, (iii) Consolidated Statements of Common Shareholders' Equity (iv) Consolidated Statements of Comprehensive Income (v) Consolidated Statements of Cash Flows, (vi) the Notes to Consolidated Financial Statements, tagged as blocks of text.	X	

* *Indicates management contract or compensatory plan or arrangement.*

DOMINION

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DOMINION RESOURCES, INC.

By: /s/ THOMAS F. FARRELL II

(Thomas F. Farrell II, Chairman, President and Chief Executive Officer)

Date: February 26, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 26th day of February, 2010.

Signature	Title
/s/ THOMAS F. FARRELL II Thomas F. Farrell II	Chairman of the Board of Directors, President and Chief Executive Officer
/s/ WILLIAM P. BARR William P. Barr	Director
/s/ PETER W. BROWN Peter W. Brown	Director
/s/ GEORGE A. DAVIDSON, JR. George A. Davidson, Jr.	Director
/s/ JOHN W. HARRIS John W. Harris	Director
/s/ ROBERT S. JEPSON, JR. Robert S. Jepson, Jr.	Director
/s/ MARK J. KINGTON Mark J. Kington	Director
/s/ BENJAMIN J. LAMBERT, III Benjamin J. Lambert, III	Director
/s/ MARGARET A. MCKENNA Margaret A. McKenna	Director
/s/ FRANK S. ROYAL Frank S. Royal	Director
/s/ ROBERT H. SPILMAN, JR. Robert H. Spilman, Jr.	Director
/s/ DAVID A. WOLLARD David A. Wollard	Director
/s/ MARK F. MCGETTRICK Mark F. McGettrick	Executive Vice President and Chief Financial Officer
/s/ ASHWINI SAWHNEY Ashwini Sawhney	Vice President and Controller (Chief Accounting Officer)

Virginia Power

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VIRGINIA ELECTRIC AND POWER COMPANY

By: /s/ THOMAS F. FARRELL II

(Thomas F. Farrell II, Chairman of the Board of Directors and Chief Executive Officer)

Date: February 26, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 26th day of February, 2010.

Signature	Title
/s/ THOMAS F. FARRELL II Thomas F. Farrell II	Chairman of the Board of Directors and Chief Executive Officer
/s/ MARK F. MCGETTRICK Mark F. McGettrick	Director, Executive Vice President and Chief Financial Officer
/s/ ASHWINI SAWHNEY Ashwini Sawhney	Vice President—Accounting (Chief Accounting Officer)
/s/ STEVEN A. ROGERS Steven A. Rogers	Director

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DOMINION RESOURCES INC /VA/ (D)

120 TREDEGAR STREET
RICHMOND, VA, 23219
804-819-2000

8-K

Current report filing
Filed on 7/28/2010
Filed Period 7/28/2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported) July 28, 2010

Dominion Resources, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Virginia (State or other jurisdiction of incorporation)	001-08489 (Commission File Number)	54-1229715 (IRS Employer Identification No.)

120 Tredegar Street Richmond, Virginia (Address of Principal Executive Offices)	23219 (Zip Code)

Registrant's Telephone Number, Including Area Code (804) 819-2000

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On July 28, 2010, Dominion Resources, Inc. issued a press release announcing unaudited earnings for the three months ended June 30, 2010. The press release and related unaudited earnings tables are furnished with this Form 8-K as Exhibit 99.

Item 9.01 Financial Statements and Exhibits.

Exhibit	
99	Dominion Resources, Inc. press release dated July 28, 2010

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DOMINION RESOURCES, INC.
Registrant

/s/Carter M. Reid
Carter M. Reid
Vice President – Governance and Corporate Secretary

Date: July 28, 2010

[Logo]

FOR IMMEDIATE RELEASE

July 28, 2010

Company: Dominion

Contacts:
Media: Ryan Frazier (804) 819-2521, C.Ryan.Frazier@dom.com
Analysts: Sarah Scott (804) 819-2315, Sarah.M.Scott@dom.com
Nathan Frost (804) 819-2187, Nathan.J.Frost@dom.com

DOMINION ANNOUNCES SECOND-QUARTER 2010 EARNINGS

- Second-quarter 2010 operating earnings of 72 cents per share compared to guidance of 55 to 65 cents per share
- Second-quarter 2010 GAAP earnings of $2.98 per share
- Company increases 2010 operating earnings guidance range to $3.25 to $3.40 per share
- Conference call scheduled for 10 a.m. EDT today

RICHMOND, Va. – Dominion (NYSE: D) today announced unaudited reported earnings determined in accordance with Generally Accepted Accounting Principles (GAAP) for the three months ended June 30, 2010, of $1.761 billion ($2.98 per share), compared with reported earnings of $454 million ($0.76 per share) for the same period in 2009.

Operating earnings for the three months ended June 30, 2010, amounted to $426 million ($0.72 per share), compared to operating earnings of $404 million ($0.68 per share) for the same period in 2009. Operating earnings are defined as reported (GAAP) earnings adjusted for certain items.

Dominion uses operating earnings as the primary performance measurement of its earnings guidance and results for public communications with analysts and investors. Dominion also uses operating earnings internally for budgeting, for reporting to the board of directors, for the company's incentive compensation plans and for its targeted dividend payouts and other purposes. Dominion management believes operating earnings provide a more meaningful representation of the company's fundamental earnings power.

Business segment results and detailed descriptions of items included in 2010 and 2009 reported earnings but excluded from operating earnings can be found on Schedules 1, 2 and 3 of this release.

Thomas F. Farrell II, chairman, president and chief executive officer, said:

"Our core businesses continued to deliver solid results in the second quarter. Coupled with the benefit of hot weather in our electric service territory, we are able to report second-quarter operating earnings well above expectations.

"We continue to implement our regulated infrastructure investment strategy. Our new electric generation and transmission projects, which are required to meet the growing demand for electricity by our customers, are on schedule and on budget. During the quarter, we completed a 75 megawatt uprate at our North Anna nuclear power station. The two generating stations under construction – Virginia City and Bear Garden – are both nearly 70 percent complete. Also, we continue to move forward with the planned gas-fired generating station in Warren County and expect to file with the Virginia State Corporation Commission in early 2011.

"Construction of our two largest electric transmission projects is proceeding as planned. Meadow Brook-to-Loudoun phases I and II are complete and work is progressing well on the final phase. In addition, the Carson-to-Suffolk 500 kilovolt line is now over 30 percent complete.

"We were also active in our regulated gas businesses during the quarter. In support of the Marcellus Northeast project, we announced a 15-year contract with CONSOL. This project is an example of our ability to provide scalable projects for producers in the Marcellus region. In addition, we filed our Appalachian Gateway project application in June with the Federal Energy Regulatory Commission. Appalachian Gateway is designed to help meet the demand for natural gas in the mid-Atlantic and northeastern United States, and is on track for its planned 2012 in-service date.

"Given our strong performance in the second quarter and our expectations for the second half of the year, we are increasing the bottom of our 2010 operating earnings guidance range. The new 2010 operating earnings guidance is $3.25 to $3.40 per share, up from $3.20 to $3.40 per share."

Second-quarter 2010 operating earnings compared to 2009

The increase in second-quarter 2010 operating earnings per share as compared to second-quarter 2009 operating earnings per share is primarily attributable to higher contributions from the regulated electric utility business including favorable weather in the regulated electric service territory, higher FERC transmission and rate adjustment clause revenue, lower interest expense, lower outage costs and lower operation and maintenance expenses. Partially offsetting these positives were lower merchant generation margins, lower contributions from producer services and the absence of earnings resulting from the divestiture of the company's E&P operations beginning May 1, 2010.

Complete details of second-quarter 2010 operating earnings as compared to second-quarter 2009 can be found on Schedule 4 of this release.

Third-quarter 2010 operating earnings guidance

Dominion expects third-quarter 2010 operating earnings in the range of 99 cents per share to $1.04 per share as compared to third-quarter 2009 operating earnings of 99 cents per share. Positive factors for the third quarter of 2010 compared to the same period of the prior year include higher rate adjustment clause revenue, lower planned outage expenses and a return to normal weather. Factors partially offsetting these positives include lower merchant generation margins and absence of earnings resulting from the divestiture of the company's E&P operations beginning May 1, 2010. Reported earnings for the third quarter of 2009 were $1.00 per share.

In providing its third-quarter and full-year 2010 operating earnings guidance, the company notes that there could be differences between expected reported earnings and estimated operating earnings for matters such as, but not limited to, divestitures or changes in accounting principles. At this time, Dominion management is able to estimate that the sale of substantially all of its Appalachian E&P operations will result in an after-tax gain of approximately $1.4 billion that will not be included in 2010 operating earnings. Dominion management is also able to estimate that the implementation of a work-force reduction program, the impairment of a merchant generation asset, the sale of Peoples Gas and the elimination of certain tax deductions associated with health care legislation changes will result in a net after-tax loss of approximately $500 million that will not be included in 2010 operating earnings. At this time, Dominion management is not able to estimate the impact, if any, of other items on reported earnings. Accordingly, Dominion is not able to provide a corresponding GAAP equivalent for its operating earnings guidance.

Conference call today

Dominion will host its second-quarter earnings conference call at 10 a.m. EDT on Wednesday, July 28. Dominion management will discuss second-quarter 2010 financial results, third-quarter 2010 operating earnings guidance, and other matters of interest to the financial community.

Domestic callers should dial (866) 710-0179. The passcode for the conference call is "Dominion." International callers should dial (334) 323-9872. Participants should dial in 10 to 15 minutes prior to the scheduled start time. Members of the media also are invited to listen.

A live webcast of the conference call, including accompanying slides, and the Earnings Release Kit will be available on the company's investor information page at www.dom.com/investors.

A replay of the conference call will be available beginning about 1 p.m. EDT July 28 and lasting until 11 p.m. EDT August 4. Domestic callers may access the recording by dialing (877) 919-4059. International callers should dial (334) 323-7226. The PIN for the replay is 70491356. Additionally, a replay of the webcast will be available on the company's investor information page by the end of the day July 28.

Dominion is one of the nation's largest producers and transporters of energy, with a portfolio of more than 27,500 megawatts of generation, 12,000 miles of natural gas transmission, gathering and storage pipeline and 6,000 miles of electric transmission lines. Dominion operates the nation's largest natural gas storage system with 942 billion cubic feet of storage capacity and serves retail energy customers in 12 states. For more information about Dominion, visit the company's website at www.dom.com.

This release contains certain forward-looking statements, including forecasted operating earnings for third-quarter and full-year 2010 which are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations may include factors that are beyond the company's ability to control or estimate precisely, fluctuations in energy-related commodity prices, the timing of the closing dates of acquisitions or divestitures, estimates of future market conditions, access to and costs of capital, fluctuations in the value of our pension assets and assets held in our decommissioning trusts, the timing and receipt of regulatory approvals necessary for planned projects, acquisitions and divestitures, and the ability to complete planned construction or expansion projects as scheduled. Other factors include, but are not limited to, weather conditions, including the effects of hurricanes and major storms on operations, the behavior of other market participants, state and federal legislative and regulatory developments and changes to environmental and other laws and regulations, including those related to climate change, greenhouse gases and other emissions to which we are subject, economic conditions in the company's service area, risks of operating businesses in regulated industries that are subject to changing regulatory structures, changes to regulated gas and electric rates collected by Dominion, changes to rating agency requirements and ratings, changing financial accounting standards, trading counter-party credit risks, risks related to energy trading and marketing, adverse outcomes in litigation matters, and other uncertainties. Other risk factors are detailed from time to time in Dominion's most recent quarterly report on Form 10-Q or annual report on Form 10-K filed with the Securities and Exchange Commission.

###

Schedule 1 – Segment Operating Earnings [1]

Preliminary, Unaudited

(millions, except earnings per share)	Three months ended June 30 2010	2009	Change
Operating Revenue (GAAP Based [2])	$ 3,333	$ 3,406	$ (73)
Earnings:			
Dominion Virginia Power	$ 112	$ 82	$ 30
Dominion Energy	86	102	(16)
Dominion Generation	276	270	6
Corporate and Other	(48)	(50)	2
OPERATING EARNINGS	$ 426	$ 404	$ 22
Items excluded from operating earnings [3, 4]	1,335	50	1,285
REPORTED EARNINGS [2]	$ 1,761	$ 454	$ 1,307
Common Shares Outstanding (average, diluted)	591.4	594.0	
Earnings Per Share (EPS):			
Dominion Virginia Power	$ 0.19	$ 0.14	$ 0.05
Dominion Energy	0.14	0.17	(0.03)
Dominion Generation	0.47	0.46	0.01
Corporate and Other	(0.08)	(0.09)	0.01
OPERATING EARNINGS	$ 0.72	$ 0.68	$ 0.04
Items excluded from operating earnings [3]	2.26	0.08	2.18
REPORTED EARNINGS [2]	$ 2.98	$ 0.76	$ 2.22

(millions, except earnings per share)	Six months ended June 30 2010	2009	Change
Operating Revenue (GAAP Based [2])	$ 7,501	$ 7,992	$ (491)
Earnings:			
Dominion Virginia Power	$ 226	$ 197	$ 29
Dominion Energy	261	279	(18)
Dominion Generation	601	639	(38)
Corporate and Other	(86)	(137)	51
OPERATING EARNINGS	$ 1,002	$ 978	$ 24
Items excluded from operating earnings [3, 5]	933	(276)	1,209
REPORTED EARNINGS [2]	$ 1,935	$ 702	$ 1,233
Common Shares Outstanding (average, diluted)	596.1	589.9	
Earnings Per Share (EPS):			
Dominion Virginia Power	$ 0.38	$ 0.33	$ 0.05
Dominion Energy	0.44	0.48	(0.04)
Dominion Generation	1.01	1.08	(0.07)
Corporate and Other	(0.15)	(0.23)	0.08
OPERATING EARNINGS	$ 1.68	$ 1.66	$ 0.02
Items excluded from operating earnings [3]	1.57	(0.47)	2.04
REPORTED EARNINGS [2]	$ 3.25	$ 1.19	$ 2.06

1) 2009 has been recast due to Dominion management's decision to retain Hope Gas, Inc. as a part of Dominion Energy and due to the reclass of Peoples Natural Gas Company (PNG) to discontinued operations.
2) Determined in accordance with Generally Accepted Accounting Principles (GAAP).
3) Items excluded from operating earnings are reported in Corporate and Other segment. Refer to Schedules 2 and 3 for details, or find "GAAP Reconciliation" on Dominion's website at www.dom.com/investors.
4) Pre-tax amounts for the current period and the prior period are $2.225 billion and $124 million, respectively.
5) Pre-tax amounts for the current period and the prior period are $1.790 billion and ($401) million, respectively.

Schedule 2 – Reconciliation of 2010 Operating Earnings to Reported Earnings

2010 Earnings (Six months ended June 30, 2010)

The net effects of the following items, all shown on an after–tax basis, are included in 2010 reported earnings, but are excluded from operating earnings:

- $1.4 billion net benefit resulting from the sale of our Appalachian E&P operations, primarily reflecting the gain on the sale, partially offset by certain transaction costs and other related charges.
- $206 million after–tax charge related to our work–force reduction program, primarily reflecting severance pay and other benefits to affected employees.
- $147 million net loss from Peoples discontinued operations, primarily reflecting the loss on the sale recorded in February 2010.
- $95 million impairment charge related to our State Line coal–fired merchant power station.
- $57 million charge related to health care legislation changes, eliminating the tax deduction for a portion of retiree prescription drug costs.
- $37 million reduction in interim tax expense provision resulting from the impact of items excluded from operating earnings on our 2010 estimated annual effective tax rate.
- Net effect related to our investments in nuclear decommissioning trust funds.

(millions, except per share amounts)	1Q10	2Q10	3Q10	4Q10	YTD 2010 2
Operating earnings	$576	$426			$1,002
Items excluded from operating earnings (after–tax)1:					
Items related to the sale of Appalachian E&P operations	14	1,387			1,401
Work–force reduction program	(206)				(206)
Peoples discontinued operations	(149)	2			(147)
Impairment of merchant generation asset		(95)			(95)
Health care reform legislation – Medicare Part D tax impact	(57)				(57)
Interim tax provision	(16)	53			37
Net gains (losses) in nuclear decommissioning trust funds	12	(12)			0
Total items excluded from operating earnings (after–tax) 1	(402)	1,335			933
Reported net income	$174	$1,761			$1,935
Common shares outstanding (average, diluted)	600.9	591.4			596.1
Operating earnings per share	$0.96	$0.72			$1.68
Items excluded from operating earnings (after–tax)	(0.67)	2.26			1.57
Reported earnings per share	$0.29	$2.98			$3.25

1) Pre–tax amounts for items excluded from operating earnings are reflected in the following table:

Items excluded from operating earnings:	1Q10	2Q10	3Q10	4Q10	YTD 2010
Items related to the sale of Appalachian E&P operations	$ 20	$ 2,405			$ 2,425
Work–force reduction program	(338)				(338)
Peoples discontinued operations	(137)	3			(134)
Impairment of merchant generation asset		(163)			(163)
Net gains (losses) in nuclear decommissioning trust funds	20	(20)			0
Total items excluded from operating earnings	($435)	$2,225			$1,790

2) YTD 2010 EPS may not equal sum of quarters due to share count differences.

Schedule 3 – Reconciliation of 2009 Operating Earnings to Reported Earnings

2009 Earnings (Twelve months ended December 31, 2009) 2

The net effects of the following items, all shown on an after–tax basis, are included in 2009 reported earnings, but are excluded from operating earnings:

- $281 million impairment charge resulting from the first quarter ceiling test performed for our gas and oil properties under the full cost method accounting with a subsequent update for estimated state taxes in the second quarter.
- $435 million after–tax charge in connection with the proposed settlement of Virginia Power's 2009 rate case proceedings.
- $2 million net gain related to our investments in nuclear decommissioning trust funds.
- $62 million benefit due to a downward revision in the nuclear decommissioning asset retirement obligation (ARO) for a power station unit that is no longer in service.
- $26 million of earnings from Peoples discontinued operations.
- $29 million net expense related to other items.

(millions, except per share amounts)	1Q09	2Q09	3Q09	4Q09	YTD 2009 3
Operating earnings	$574	$404	$590	$374	$1,942
Items excluded from operating earnings (after–tax) 1:					
Impairment of gas and oil properties	(272)	(9)			(281)
Proposed rate settlement				(435)	(435)
Net gains (losses) in nuclear decommissioning trust funds	(50)	12	34	6	2
ARO revision		62			62
Peoples discontinued operations	9	(15)	(41)	73	26
Other items	(13)	0	11	(27)	(29)
Total items excluded from operating earnings (after–tax) 1, 2	(326)	50	4	(383)	(655)
Reported net income	$248	$454	$594	($9)	$1,287
Common shares outstanding (average, diluted)	585.7	594.0	596.3	598.1	593.7
Operating earnings per share	$0.98	$0.68	$0.99	$0.63	$3.27
Items excluded from operating earnings (after–tax)	(0.56)	0.08	0.01	(0.64)	(1.10)
Reported earnings per share	$0.42	$0.76	$1.00	($0.01)	$2.17

1) Pre–tax amounts for items excluded from operating earnings are reflected in the following table:

Items excluded from operating earnings:	1Q09	2Q09	3Q09	4Q09	YTD 2009
Impairment of gas and oil properties	(455)				(455)
Proposed rate settlement				(712)	(712)
Net gains (losses) in nuclear decommissioning trust funds	(83)	19	57	11	4
ARO revision		103			103
Peoples discontinued operations	36	12	(21)	15	42
Other items	(23)	(10)	2	(32)	(63)
Total items excluded from operating earnings	(525)	124	38	(718)	(1,081)

2) 2009 has been recast due to the reclass of Peoples Natural Gas Company (PNG) to discontinued operations

3) YTD 2009 EPS may not equal sum of quarters due to share count differences.

Schedule 4 – Reconciliation of 2Q10 Earnings to 2Q09

Preliminary, unaudited (millions, except EPS)	Three Months Ended June 30, 2010 vs. 2009 Increase / (Decrease)	
Reconciling Items	Amount	EPS
Dominion Virginia Power		
Regulated electric sales:		
Weather	$13	$0.02
FERC transmission revenue	10	0.02
Storm damage and service restoration – distribution operations	(1)	0.00
Interest expense	2	0.00
Other	6	0.01
Share dilution	—	0.00
Change in contribution to operating earnings	$30	$0.05
Dominion Energy [1]		
Gas distribution margin:		
Weather	($1)	$0.00
AMR/PIR revenue	3	0.00
Other	6	0.01
Producer services	(12)	(0.02)
Gas and Oil – disposed operations	(9)	(0.02)
Other	(3)	0.00
Share dilution	—	0.00
Change in contribution to operating earnings	($16)	($0.03)
Dominion Generation		
Regulated electric sales:		
Weather	$27	$0.05
Rate Adjustment Clause	20	0.03
Merchant generation margin	(92)	(0.16)
PJM ancillary service revenue	12	0.02
Outage costs	13	0.02
Interest expense	5	0.01
Other	21	0.04
Share dilution	—	0.00
Change in contribution to operating earnings	$6	$0.01
Corporate and Other		
Change in contribution to operating earnings	$2	$0.01
Change in consolidated operating earnings [1]	$22	$0.04
Change in items excluded from operating earnings [1, 2]	$1,285	$2.18
Change in reported earnings (GAAP)	$1,307	$2.22

1) 2009 operating earnings have been recast due to management's decision to retain Hope Gas, Inc. as part of Dominion Energy.

2) Refer to Schedules 2 and 3 for details of items excluded from operating earnings, or find "GAAP Reconciliation" on Dominion's website at www.dom.com/investors.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL GENERATION PROVIDER, POWER MARKETER, POWER BROKER AND AGGREGATOR

<u>Exhibit C-4 "Financial Arrangements"</u>

Attached is a copy of a signed document from G. Scott Hetzer, Senior Vice President – Tax and Treasurer, Dominion Resources, Inc. ("Dominion"), declaring that Dominion will guarantee the obligations of Dominion Retail in connection with Dominion Retail's retail electricity supplier activities in Ohio.

G. Scott Hetzer
Senior Vice President
Tax and Treasurer

Dominion Resources Services, Inc.
120 Tredegar Street, Richmond, VA 23219

Mailing Address: P.O. Box 26532
Richmond, VA 23261

Dominion®

July 19, 2010

Public Utilities Commission of Ohio
180 E. Broad Street
Columbus, Ohio 43215-3793

Re: Renewal Application of Dominion Retail, Inc. for Certification as a Retail Generation Provider, Power Marketer, Power Broker and Aggregator: Docket No. 00-1781-EL-CRS, Certificate No. 00-008(5)

To Whom It May Concern:

Dominion Retail, Inc. is a wholly-owned subsidiary of Dominion Resources, Inc. In connection with the renewal application of Dominion Retail, Inc. referenced above, please be advised that Dominion Resources, Inc. stands behind and will guarantee the obligations of Dominion Retail, Inc. related to its activities as a retail generation provider, power marketer, power broker and aggregator in Ohio.

Sincerely,

G. Scott Hetzer

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL GENERATION PROVIDER, POWER MARKETER, POWER BROKER AND AGGREGATOR

Exhibit C-6 "Credit Rating"

Dominion Retail is a wholly-owned subsidiary of Dominion Resources, Inc. Therefore, Dominion Retail does not have its own credit report.

Information relating to the credit rating of Dominion Resources, Inc. is attached hereto.

STANDARD & POOR'S

Global Credit Portal
RatingsDirect®

February 25, 2010

Dominion Resources Inc.

Primary Credit Analyst:
Todd A Shipman, CFA, New York (1) 212-438-7676; todd_shipman@standardandpoors.com

Table Of Contents

Dominion Resources Inc.

Major Rating Factors

Corporate Credit Rating
A-/Stable/A-2

Strengths:

- Primary subsidiary VEPCO, a vertically integrated and fully regulated utility, benefits from low regulatory risk, a better-than-average service territory, and the strategic focus of management.
- Decisions to de-emphasize unregulated operations have removed considerable business risk from the organization and show a commitment to credit quality.
- Future spending is concentrated on the lower-risk utility side of the enterprise.
- Good access to capital and bank markets.

Weaknesses:

- The higher-risk, unregulated generation portfolio remains sizable and harbors considerable market exposure if not hedged effectively and consistently. Other unregulated activities contain even more risk, particularly upstream and mid-stream natural gas operations.
- Risk management around the retail gas and electric business spread over twelve U.S. states presents a challenge.

Rationale

The ratings on diversified energy company Dominion Resources Inc. reflect the cash flow stability and supportive regulatory environment for its utilities, combined with much smaller upstream and midstream natural gas operations and a portfolio of unregulated power generation and natural gas-related assets. Dominion faces commodity price risk and operational risk in its unregulated operations that requires the management's careful attention. The company's business risk profile is 'excellent', albeit in the low end of the range, and it carries an 'intermediate' level of financial risk.

Dominion's 2007 sale of a sizable portion of its exploration and production assets, the re-regulation in Virginia of its main utility, Virginia Electric and Power Co. (VEPCO), and the company's plans to invest predominantly in its regulated segments all point to an improved business risk position. The company used the large asset sale proceeds to balance the enterprise's financial strength, and incremental gains in credit metrics will help the company maintain a credit profile that supports ratings. Regulated activities constitute almost two-thirds of the consolidated business profile, and with Virginia now fully regulated, the utility operations have an attractive risk profile relative to integrated electric utility peers.

Dominion is a utility holding company with three primary segments: Dominion Virginia Power (DVP), Dominion Energy Inc. (DEI), and Dominion Generation. DVP's VEPCO is an integrated, regulated electric utility in Virginia and northeastern North Carolina. Competitive retail operations include electric and gas customers in 11 states. Local natural gas distribution utilities serving customers in Pennsylvania, Ohio, and West Virginia fall under DEI, which also houses a natural gas exploration and production operation in Appalachia with more than 1 trillion cubic feet equivalent of proved reserves. In addition, DEI operates a substantial interstate natural gas pipeline system, large natural gas market-area storage facilities, and the largest liquefied natural gas (LNG) import and storage facility on the East Coast. The gas utilities in Pennsylvania and West Virginia are to be sold by the end of 2009.

We expect adjusted credit metrics to climb toward the "significant" range for the indicative ratios published by Standard & Poor's. Leverage measures will fall short of that range, but overall financial strength at Dominion, including ample liquidity to support normal cash needs and the large capital spending program, is considered to be sufficient to support the ratings. Management's commitment to maintaining financial health at levels appropriate for the rating, as well its stated plans to focus mainly on regulated activities, is an important consideration when we assess Dominion's credit quality.

Short term credit factors

The short-term rating on Dominion is 'A-2'. Dominion has had negative free cash flow for several years and will continue to experience a shortfall in this capital expenditure cycle as it builds regulated generation to fulfill Virginia's capacity needs. Liquidity demands, once high, have diminished in the wake of the business realignment, and Standard & Poor's considers access to liquidity to be strong. Liquidity is maintained through a total of $4.8 billion of credit facilities. There are no rating triggers and the company is in compliance on its defined debt to capital covenant of 65%. At Sept. 30, 2009, Dominion had about $50 million of cash and $3.8 billion in unused committed bank facilities.

Outlook

The outlook on Dominion and subsidiaries is stable and reflects Dominion's utility-centric business strategy that we expect to combine favorable business-risk characteristics with an enhanced ability to produce more stable earnings and cash flow. The regulatory regime in Virginia is very credit supportive. The remaining unregulated business ventures have relatively low risk or are managed to contain risk, and many, such as the Cove Point LNG facility, actually enhance Dominion's credit quality. Higher ratings could proceed from a gradual improvement in financial performance if it is accompanied by continued reductions in business risk. Lower ratings would be caused by financial underperformance, or any renewed emphasis on capital spending or acquisitions in higher-risk, unregulated ventures.

Table 1.

Dominion Resources Inc. -- Peer Comparison*

Industry Sector: Energy

	Dominion Resources Inc.	Duke Energy Corp.	Xcel Energy Inc.	Pacific Gas & Electric Co.
Rating as of Feb. 25, 2010	A-/Stable/A-2	A-/Positive/A-2	BBB+/Positive/A-2	BBB+/Stable/A-2
	--Average of past three fiscal years--			
(Mil. $)				
Revenues	16,140.8	14,217.3	10,359.2	12,827.1
Net income from cont. oper.	2,034.7	1,630.0	596.8	1,069.3
Funds from operations (FFO)	2,162.6	4,149.1	1,687.2	2,492.0
Capital expenditures	2,537.0	3,878.1	1,870.2	2,969.9
Debt	18,430.7	17,312.7	9,734.8	10,856.3
Equity	11,336.5	23,111.8	6,480.2	9,037.3

Table 1.

Dominion Resources Inc. -- Peer Comparison* (cont.)				
Adjusted ratios				
Oper. income (bef. D&A)/revenues (%)	27.8	32.5	22.2	27.7
EBIT interest coverage (x)	2.7	3.1	2.3	2.8
EBITDA interest coverage (x)	3.8	4.4	3.7	4.1
Return on capital (%)	8.9	7.1	8.1	10.7
FFO/debt (%)	11.7	24.0	17.3	23.0
Debt/EBITDA (x)	4.2	3.8	4.2	3.1

*Fully adjusted (including postretirement obligations).

Table 2.

Dominion Resources Inc. -- Financial Summary*				
Industry Sector: Energy				
	--Fiscal year ended Dec. 31--			
	2008	**2007**	**2006**	**2005**
Rating history	A-/Stable/A-2	A-/Stable/A-2	BBB/Positive/A-2	BBB/Stable/A-2
(Mil. $)				
Revenues	16,290.0	15,650.4	16,482.0	18,041.0
Net income from continuing operations	1,836.0	2,705.0	1,563.0	1,034.0
Funds from operations (FFO)	3,160.3	(450.2)	3,777.7	3,225.0
Capital expenditures	3,468.6	2,074.0	2,068.4	1,846.5
Cash and short-term investments	66.0	283.0	138.0	146.0
Debt	18,974.5	16,570.2	19,747.3	19,558.4
Preferred stock	262.5	467.5	832.5	965.0
Equity	10,339.5	9,901.5	13,768.5	10,365.5
Debt and equity	29,314.0	26,471.7	33,515.8	29,923.8
Adjusted ratios				
EBIT interest coverage (x)	3.4	1.9	2.8	2.4
FFO int. cov. (x)	3.9	0.5	3.7	3.8
FFO/debt (%)	16.7	(2.7)	19.1	16.5
Discretionary cash flow/debt (%)	(8.9)	(19.0)	4.1	1.8
Net Cash Flow / Capex (%)	64.2	(69.3)	132.7	121.8
Debt/debt and equity (%)	64.7	62.6	58.9	65.4
Return on common equity (%)	17.8	23.2	12.0	8.3
Common dividend payout ratio (un-adj.) (%)	64.4	34.6	61.7	90.7

*Fully adjusted (including postretirement obligations).

Table 3.

Reconciliation Of Dominion Resources Inc. Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. $)*

--Fiscal year ended Dec. 31, 2008--

Dominion Resources Inc. reported amounts

	Debt	Shareholders' equity	Operating income (before D&A)	Operating income (before D&A)	Operating income (after D&A)	Interest expense	Cash flow from operations	Cash flow from operations	Dividends paid	Capital expenditures
Reported	17,430.0	10,334.0	4,702.0	4,702.0	3,668.0	836.0	2,659.0	2,659.0	916.0	3,315.0
Standard & Poor's adjustments										
Operating leases	535.0	--	101.0	24.7	24.7	24.7	76.3	76.3	--	241.6
Intermediate hybrids reported as debt	(134.0)	134.0	--	--	--	(25.1)	25.1	25.1	25.1	--
Intermediate hybrids reported as equity	128.5	(128.5)	--	--	--	8.5	(8.5)	(8.5)	(8.5)	--
Postretirement benefit obligations	613.0	--	(141.0)	(141.0)	(141.0)	--	65.0	65.0	--	--
Capitalized interest	--	--	--	--	--	88.0	(88.0)	(88.0)	--	(88.0)
Share-based compensation expense	--	--	--	46.0	--	--	--	--	--	--
Power purchase agreements	402.0	--	21.9	21.9	21.9	21.9	--	--	--	--
Asset retirement obligations	--	--	94.0	94.0	94.0	94.0	(54.6)	(54.6)	--	--
Reclassification of nonoperating income (expenses)	--	--	--	--	(75.0)	--	--	--	--	--
Reclassification of working-capital cash flow changes	--	--	--	--	--	--	--	445.0	--	--
US decommissioning fund contributions	--	--	--	--	--	--	39.0	39.0	--	--
Other	--	--	--	--	--	--	2.0	2.0	--	--
Total adjustments	1,544.5	5.5	75.9	45.6	(75.4)	212.0	56.3	501.3	16.6	153.6

Standard & Poor's adjusted amounts

	Debt	Equity	Operating income (before D&A)	EBITDA	EBIT	Interest expense	Cash flow from operations	Funds from operations	Dividends paid	Capital expenditures
Adjusted	18,974.5	10,339.5	4,777.9	4,747.6	3,592.6	1,048.0	2,715.3	3,160.3	932.6	3,468.6

*Dominion Resources Inc. reported amounts shown are taken from the company's financial statements but might include adjustments made by data providers or reclassifications made by Standard & Poor's analysts. Please note that two reported amounts (operating income before D&A and cash flow from operations) are used to derive more than one Standard & Poor's-adjusted amount (operating income before D&A and EBITDA, and cash flow from operations and funds from operations, respectively). Consequently, the first section in some tables may feature duplicate descriptions and amounts

Ratings Detail (As Of February 25, 2010)*	
Dominion Resources Inc.	
Corporate Credit Rating	A-/Stable/A-2
Commercial Paper	
Local Currency	A-2
Junior Subordinated (3 Issues)	BBB
Preferred Stock (1 Issue)	BBB
Senior Unsecured (35 Issues)	A-
Corporate Credit Ratings History	
27-Dec-2007	A-/Stable/A-2
02-Nov-2006	BBB/Positive/A-2
19-Dec-2005	BBB/Stable/A-2
Business Risk Profile	Excellent
Financial Risk Profile	Significant
Related Entities	
Dominion Resources Capital Trust III	
Preference Stock (1 Issue)	BBB
Elwood Energy LLC	
Senior Secured (1 Issue)	BB/Negative
Kincaid Generating LLC	
Senior Secured (1 Issue)	BBB-/Stable

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

Moody's Investors Service

Credit Opinion: Dominion Resources Inc.

Global Credit Research - 26 Jan 2010

Richmond, Virginia, United States

Ratings

Category	Moody's Rating
Outlook	Stable
Senior Unsecured	Baa2
Jr Subordinate	Baa3
Preferred Shelf	(P)Ba1
Commercial Paper	P-2
Virginia Electric and Power Company	
Outlook	Positive
Issuer Rating	Baa1
Senior Secured Shelf	(P)A2
Senior Unsecured	Baa1
Jr Subordinate Shelf	(P)Baa2
Preferred Stock	Baa3
Commercial Paper	P-2
Consolidated Natural Gas Company	
Outlook	No Outlook
Bkd Sr Unsec Bank Credit Facility	Baa2
Bkd Senior Unsecured	Baa2
Bkd Jr Subordinate	Baa3
UAE Mecklenburg Cogeneration LP	
Outlook	Stable
Bkd Senior Unsecured	Baa1

Contacts

Analyst	Phone
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William L. Hess/New York	212.553.3837

Key Indicators

[1]Dominion Resources Inc.

	LTM 3Q09	2008	2007	2006
(CFO Pre-W/C + Interest) / Interest Expense	3.9x	4.7	0.9	4.3
(CFO Pre-W/C) / Debt	16%	20%	0%	19%
(CFO Pre-W/C - Dividends) / Debt	10%	14%	-6%	15%
Debt / Book Capitalization	53%	56%	56%	52%

[1] All ratios calculated in accordance with the Regulated Electric and Gas Utilities Rating Methodology using Moody's standard adjustments

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

Opinion

Rating Drivers

Strong financial credit metrics given current consolidated risk profile

Sizeable capital investment plan

Pending rate order for Virginia Electric and Power Company should be positive

Corporate Profile

Dominion Resources (Dominion) is a large diversified energy company. Approximately 65% of Dominion is represented by rate regulated business activities and is benefited by a good diversity among its operations. Dominion is headquartered in Richmond, Virginia.

SUMMARY RATING RATIONALE

Dominion's Baa2 senior unsecured rating is supported by the diversity of its operations, approximately 65% (based on a composite of reference points) of which are related to rate-regulated business activities. Dominion's rating is considered to be well positioned within its rating category, given its overall business and operating risk profile and in light of its ability to produce strong consolidated financial credit metrics, most importantly, the cash flow to debt related metrics. Dominion's rating is only modestly constrained by its more risky merchant generation and oil and gas operations; the company is actively managing the near-term maturity of various bank credit facilities; and the management and board of directors appear to have implemented a more active risk evaluation and assessment policy, a significant credit positive.

DETAILED RATING CONSIDERATIONS

The primary rating drivers for Dominion include:

Strong financial and business profile of VEPCO

Moody's views Virginia Electric and Power Company (VEPCO) as Dominion's corporate crown jewel and most significant contributor from a revenue, income and cash flow perspective. As a result, maintaining the balance sheet and financial health of this regulated utility represents a key component to the over-all consolidated credit profile of Dominion. Moody's considers VEPCO to be very well positioned within its Baa1 senior unsecured ratings category, which is evident in the subsidiary's positive ratings outlook, and is significantly benefited by the support provided by the Virginia State Corporation Commission (Va SCC).

On January 20, 2010, hearings commenced on VEPCO's first litigated base rate case in 17 years. A November 2009 settlement proposal between VEPCO and numerous other parties in the case (but not the Staff, which is not unusual) contains both positive and negative elements for VEPCO and is designed, in part, to mitigate near term rate increases for customers. We expect a lengthy hearing before a final resolution materializes. Moody's believes the final resolution will be, at a minimum, neutral to VEPCO's credit quality and more likely slightly positive, and we fully expect that the Virginia regulatory and political environment will remain highly supportive to long-term credit quality. The regulatory and political supportiveness represents a significant positive ratings driver for VEPCO.

Diversity of business activities benefits consolidated credit profile

In addition to the rate-regulated electric utility operations at VEPCO, Dominion owns a large interstate natural gas transmission (and storage) business, a sizeable regulated natural gas local distribution company (LDC), and a large wholesale merchant generation portfolio. Finally, Dominion maintains a modest investment in some oil and gas exploration and production (E&P) properties. These businesses benefit Dominion's credit profile by providing diversity of revenue and cash flows, additional regulatory authorities (including the FERC for the electric transmission and interstate pipelines and Ohio for the LDC) and geographic regions. While diversified, Moody's observes that the assets are generally located within a super-regional area, extending from the mid-west to New England to Northeastern North Carolina. As a result, we incorporate a view that the asset platform maintains a reasonable critical mass for each business activity within the super-region, a credit positive.

Modest business and operating risk profile supports higher leverage / weaker metrics

Approximately 65% of Dominion's consolidated earnings, cash flow and assets are represented by rate-regulated business activities. As a result, these activities are viewed as having a lower business and operating risk profile than Dominion's more risky E&P and wholesale merchant generation assets. We observe that Dominion employs a relatively active hedging strategy designed to mitigate the volatility associated with its exposure to fuel commodities, a net credit positive. More importantly, we incorporate a view that Dominion's management team is highly focused on developing the value creation opportunities inherent in its existing unregulated businesses, which lead us to conclude that the company is unlikely to materially alter its mix of regulated / unregulated businesses, and therefore likely to maintain a reasonably modest consolidated business and operating risk profile over the near to intermediate term horizon. This modest risk profile could withstand some additional leverage and weaker cash flow related credit metrics without negatively impacting the rating - essentially providing a large cash flow "*cushion*" within its existing rating category. Nevertheless, a higher rating is not justified at this time, in part due to the large amount of working capital adjustments that bolstered the 2008 year-end credit metrics and in part due to our desire to assess the sustainability of Dominion's restructured business model post the large E&P properties sale in 2007.

Risk management and corporate governance a credit positive

Dominion's corporate governance policies are viewed as a net credit benefit, where positive attributes outweigh potential concerns. The board appears to be comprised of a majority of independent directors (we count 8 out of 10); there is a reasonably positive executive compensation structure that rewards performance discipline and there appears to be a more active risk oversight policy, as evidenced by the appointment of a Chief Risk Officer. While Dominion does not designate a lead director, there have been three new director appointments since 2005, two of which were in December 2009. Moody's incorporates a view that the board is highly involved in executing their corporate governance duties, and is particularly active with respect to assessing corporate-wide risks, a credit positive.

Liquidity Profile

Dominion's liquidity profile is inadequate, primarily due to its significant near-term credit facility expirations. A $1.7 billion facility expires in August of 2010, a $200 million credit-linked bilateral facility expires in December 2010 and another $2.9 billion facility expires in February 2011, along with VEPCO's $120 million tax-exempt commercial paper backstop facility. Until these facilities are re-syndicated, Dominion's capital expenditures and anticipated dividend levels indicate a need for significant capital market activities. Dominion's liquidity profile is not considered to be a material credit issue at this time.

These facilities generally include a single financial covenant, debt to capitalization, and Dominion remains comfortably within compliance. There are no material adverse change clauses related to on-going draws.

Dominion has roughly $1.1 billion of scheduled debt maturities expected in 2010.

Assuming Dominion can produce approximately $4.0 billion of cash flow over the next four quarters, invest approximately $3.65 billion in capital expenditures and distribute approximately $1.1 billion in shareholder dividends, a sizeable amount of negative cash flow will result. The free cash flow deficit is expected to be only slightly deeper in 2011. As a result, Dominion will need to balance the funding of the negative cash flow with a mix of both debt and equity. We observe that the company has already raised approximately $381 million of equity for the nine months ended September 30, 2009; $191 million via a 6.2 million stock issuance and the remaining amount through its DRIP plan.

Rating Outlook

Dominion's stable rating outlook primarily reflects our expectation that the company will not materially alter its overall business and operating risk profile and that it will continue to produce strong consolidated credit metrics, including a ratio of cash flow from operations before working capital adjustments to debt in the high teen's on a sustainable basis and that it will successfully address its expiring credit facilities as quickly as possible. The stable rating outlook also reflects our expectation that VEPCO's rate settlement will be approved in such a manner that does not negatively impact the utility's overall credit profile.

What Could Change the Rating - Up

Ratings could be upgraded over the intermediate-term horizon if Dominion continues to execute on its longer-term strategic plans while maintaining a strong liquidity profile and producing solid consolidated credit metrics including a ratio of cash flow from operations before working capital adjustments to total adjusted debt of approximately 20% on a sustainable basis. Given the existing mix of regulated and un-regulated businesses, this metric level would support a ratings upgrade.

What Could Change the Rating - Down

Rating downgrades appear unlikely at this time, given Dominion's solid position within its existing rating category. Nevertheless, a material weakening of its consolidated financial or liquidity profile, unexpectedly large swings in its collateral and hedging program that negatively impacts liquidity availability or a materially negative resolution in VEPCO's current regulatory proceeding could weaken Dominion's credit profile, and, absent any mitigating actions that address such deterioration, could ultimately result in a rating downgrade.

Rating Factors

Dominion Resources Inc.

Regulated Electric and Gas Utilities	Aaa	Aa	A	Baa	Ba	B
Factor 1: Regulatory Framework (25%)				X		
Factor 2: Ability to Recover Costs and Earn Returns (25%)			X			
Factor 3: Diversification (10%)						
a) Market Position (5%)			X			
b) Generation and Fuel Diversity (5%)			X			
Factor 4: Financial Strength, Liquidity and Key Financial Metrics (40%)						
a) Liquidity (10%)				X		
b) CFO pre-WC + Interest / Ineterest (7.5%) (3yr Avg)				X		
c) CFO pre-WC / Debt (7.5%) (3yr Avg)				X		
d) CFO pre-WC - Dividends / Debt (7.5%) (3yr Avg)					X	
e) Debt / Capitalization or Debt / RAV (7.5%) (3yr Avg)				X		
Rating:						
a) Methodology Implied Senior Unsecured Rating				**Baa1**		
b) Actual Senior Unsecured Rating				**Baa2**		

Moody's Investors Service

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procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at www.moodys.com under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."

FitchRatings
KNOW YOUR RISK

Dominion Resources, Inc.

Click on the rating value to access rating history.

Long Term Issuer Default Rating:	BBB+	30-APR-2008	Affirmed
Short Term Issuer Default Rating:	F2	30-APR-2008	Affirmed

Market Sector(s):	Globa
Country:	Unitec
Analyst(s):	Globa Globa
Ultimate Parent:	*Premi*
Identifier(s):	CUSIF CUSIF CUSIF CUSIF More

Positive	
Negative	
Evolving	
Stable	

INTERNATIONAL RATINGS

Click on the rating value to access rating history.

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commercial paper

cp

PROGRAM	EXEMPTION	TYPE	MARKET	CURRENCY	SIZE	CUSIP
USCP	4(2)/ 144A	D	US	USD	3,000,000,000	2574P1
USCP	4(2)/ 144A	I	US	USD	3,000,000,000	2574P4

junior subordinated

notes

MATURITY DATE	CURRENCY	ORIGINAL AMOUNT	COUPON RATE	RATINGS LONG TERM	RATINGS SHORT TERM	CUSIP
01-DEC-2027	USD	250,000,000	7.83%	BBB	--	25746RAE6
15-JAN-2031	USD	257,732,000	8.4%	BBB	--	25746UAE9
15-JUN-2064	USD	625,000,000	8.375%	BBB	--	25746U604
30-JUN-2066	USD	300,000,000	7.5%	BBB	--	25746UAY5
30-SEP-2068	USD	500,000,000	6.3%	BBB	--	25746UAZ2

preferred stock

trust preferred stock

MATURITY DATE	CURRENCY	ORIGINAL AMOUNT	COUPON RATE	RATINGS LONG TERM	RATINGS SHORT TERM	CUSIP
15-JAN-2031	USD	250,000,000	8.4%	BBB	--	25746NAA3

senior unsecured

notes

MATURITY DATE	CURRENCY	ORIGINAL AMOUNT	COUPON RATE	RATINGS	CUSIP

				LONG TERM	SHORT TERM	
15-DEC-2009	USD	300,000,000	5.125%	BBB+	–	257469AH9
17-JUN-2010	USD	300,000,000	–	BBB+	–	25746UBF5
01-JUL-2010	USD	700,000,000	8.125%	BBB+	–	25746UAA7
15-DEC-2010	USD	300,000,000	4.75%	BBB+	–	25746UAU3
30-JUN-2012	USD	500,000,000	6.25%	BBB+	–	25746UAJ8
17-SEP-2012	USD	520,000,000	5.7%	BBB+	–	257469AF3
15-MAR-2013	USD	300,000,000	5%	BBB+	–	25746UAM1
15-SEP-2014	USD	250,000,000	7.195%	BBB+	–	257469AC0
15-JUL-2015	USD	500,000,000	5.15%	BBB+	–	25746UAW9
15-NOV-2016	USD	250,000,000	5.6%	BBB+	–	25746UBB4
15-JUN-2018	USD	500,000,000	6.4%	BBB+	–	25746UBE8
15-JAN-2019	USD	600,000,000	8.875%	BBB+	–	25746UBG3
15-DEC-2023	USD	200,000,000	2.125%	BBB+	–	25746UAP4
15-DEC-2023	USD	219,701,000	2.125%	BBB+	–	25746UAT6
15-DEC-2032	USD	300,000,000	6.75%	BBB+	–	257469AG1
15-MAR-2033	USD	300,000,000	6.3%	BBB+	–	25746UAN9
01-AUG-2033	USD	510,000,000	5.25%	BBB+	–	257469AJ5
15-JUN-2035	USD	500,000,000	5.95%	BBB+	–	25746UAV1
15-JUN-2038	USD	400,000,000	7%	BBB+	–	25746UBD0
30-NOV-2017	USD	350,000,000	6%	BBB+	–	25746UBC2
15-JAN-2016	USD	200,000,000	5.2%	BBB+	–	25746UAR0

▲ BACK TO TOP

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL GENERATION PROVIDER, POWER MARKETER, POWER BROKER AND AGGREGATOR

Exhibit C-7 "Credit Report"

Please refer to Exhibit C-6 for information regarding the credit of Dominion Resources, Inc.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL GENERATION PROVIDER, POWER MARKETER, POWER BROKER AND AGGREGATOR

<u>Exhibit C-8 "Bankruptcy Information"</u>

No such filings have been made by Dominion Retail, its corporate parent or affiliates since applicant last filed for certification.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL GENERATION PROVIDER, POWER MARKETER, POWER BROKER AND AGGREGATOR

<u>Exhibit C-9 "Merger Information"</u>

Not applicable.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL GENERATION PROVIDER, POWER MARKETER, POWER BROKER AND AGGREGATOR

Exhibit D-1 "Operations"

Dominion Retail possesses extensive operational experience and expertise in delivering electricity to residential and small commercial customers under utility retail choice programs. Dominion Retail has been engaged in the direct access sale of electricity since 1997.

As it has done in Ohio since commencing electric operations in that state in 2001, Dominion Retail will continue to acquire electricity for resale to retail customers in Ohio from various wholesale sources, including the utilities themselves where applicable. Dominion Retail will continue to arrange for transmission and delivery, as well as applicable ancillary services, in connection with its procurement of electricity for its Ohio customers.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL GENERATION PROVIDER, POWER MARKETER, POWER BROKER AND AGGREGATOR

Exhibit D-2 "Operations Expertise"

Dominion Retail's operations staff has years of experience in delivering electricity to retail choice customers in Ohio, Pennsylvania, Maryland, Virginia, Maine, Massachusetts and Connecticut. In addition, Dominion Retail's Cirro Energy subsidiary company markets electricity to retail choice customers in the State of Texas.

In addition to holding licenses to sell electricity from the states of Ohio, Pennsylvania, New Jersey, Maryland, Virginia, Rhode Island, Massachusetts, Connecticut, Maine, The District of Columbia, New York and Illinois, Dominion Retail is also a licensed natural gas supplier in Ohio, Pennsylvania, Illinois, Virginia, Maryland, New Jersey, Connecticut, The District of Columbia and New York.

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Exhibit D-3 "Key Technical Personnel"

Applicant has operated as a competitive natural gas supplier since 1997 in the states of Ohio and Pennsylvania. In that thirteen year period, Applicant has gained considerable experience and expertise in the competitive retail supply business. Each of Applicant's personnel – including managerial staff – who will be engaged in providing service to Ohio customers have in excess of twelve years of natural gas experience in the marketing and operational areas and in excess of ten years working with GISB rules and practices. Applicant's managerial staff has been engaged in enterprise financial and administrative responsibilities for over twelve years and possesses in excess of twelve years of natural gas sales experience. Information on selected management personnel follows:

Richard Zelenko, Vice President, Dominion Retail, Inc.
Richard.Zelenko@Dom.com; 804-787-6201

Mr. Zelenko has 32 years of total experience in the natural gas business, including the following positions:

Vice President, Dominion Retail: 6½ years
General Manager, Dominion Retail: 2 years
General Manager, LDC Gas Supply: 4½ years
Director, Gas Supply Acquisition, Dominion East Ohio: 3 years
Director, Telecommunications, Dominion East Ohio: 1 year
Manager, Marketing & Gas Supply, Dominion West Ohio: 4 years
Manager, Operations, Dominion West Ohio: 5 years
Various management, operations & engineering positions, Dominion East Ohio: 6 years

Mr. Zelenko has extensive experience in the marketing, operational and gas sales areas, including in excess of eight years working with GISB rules and practices, and enterprise financial and administrative responsibilities for well in excess of ten years.

Thomas J. Butler, Director, Business Development, Dominion Retail, Inc.
Thomas.J.Butler@Dom.com; 412-237-4765

Mr. Butler has over 22 years of total experience in the natural gas business, including the following positions:

Director, Business Development, Dominion Retail: 8 years
Director, Marketing, Dominion Retail: 2 years
Manager, Customer Acquisition, Dominion Retail: 3 years
Manager, Marketing, Dominion Retail: 2 years

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Exhibit D-3 Continued

Director, Industrial Sales, Dominion Peoples: 3 years
Manager, Residential Marketing, Dominion Peoples: 2 years
Manager, Electric Utility Sales, Dominion Peoples: 2 years
Assistant to Vice President, Marketing, Dominion Peoples: 1 year

Prior to joining Dominion in 1988, Mr. Butler worked as an engineer and turn supervisor for LTV Steel Corporation. Mr. Butler possesses broad and extensive experience in the marketing, operations and gas sales areas, including GISB, by virtue of his 22 years of service in both the regulated and unregulated sides of the business. He also has had direct accountability for enterprise financial and administrative performance for more than twelve years.

Jeffrey L. Jones, Director, Retail Electric Commodity Operations
Jeff_L_Jones@Dom.com; 804-787-6204

2001 – Present – Director, Retail Electric Commodity Operations

1992 – 2001 – Manager – Capacity Contracts; Director – Capacity Acquisition – (Capacity Acquisition – Virginia Power)

1981 – 1992 – Contract Administrator; Supervisor – Contract Administration; Director – Gas and Oil Supply – (Fuel Procurement – Virginia Power)

1974 – 1980 – Biological Technician (Environmental Services – Virginia Power)

D. Michael Cornwell, Director- Retail Marketing, Dominion Retail
Mike.Cornwell@dom.com; 804-787-6213

Education: BS, Finance- Virginia Tech, 1984
BS, Marketing Management- Virginia Tech, 1984

Experience:

Mr. Cornwell has worked for Dominion in various capacities for 28 years. He has worked in multiple positions from distribution design as well as finance for the regulated utility, Virginia Power. For the last 13 years, he has worked in the unregulated retail industry for the affiliate, Dominion Retail, where he has held management positions in marketing. Mr. Cornwell is viewed as an industry expert in the de-regulation of natural gas and electricity for the residential and small commercial sector. He has spent the majority of his career providing customers a choice for their energy needs.

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Exhibit D-4 "FERC Power Marketer License Number"

Dominion Retail obtained Market-Based Rate Authorization from FERC, permitting it to make sales of energy, capacity and ancillary services at market-based rates, on January 22, 2004 at Docket No. ER04-249-000.