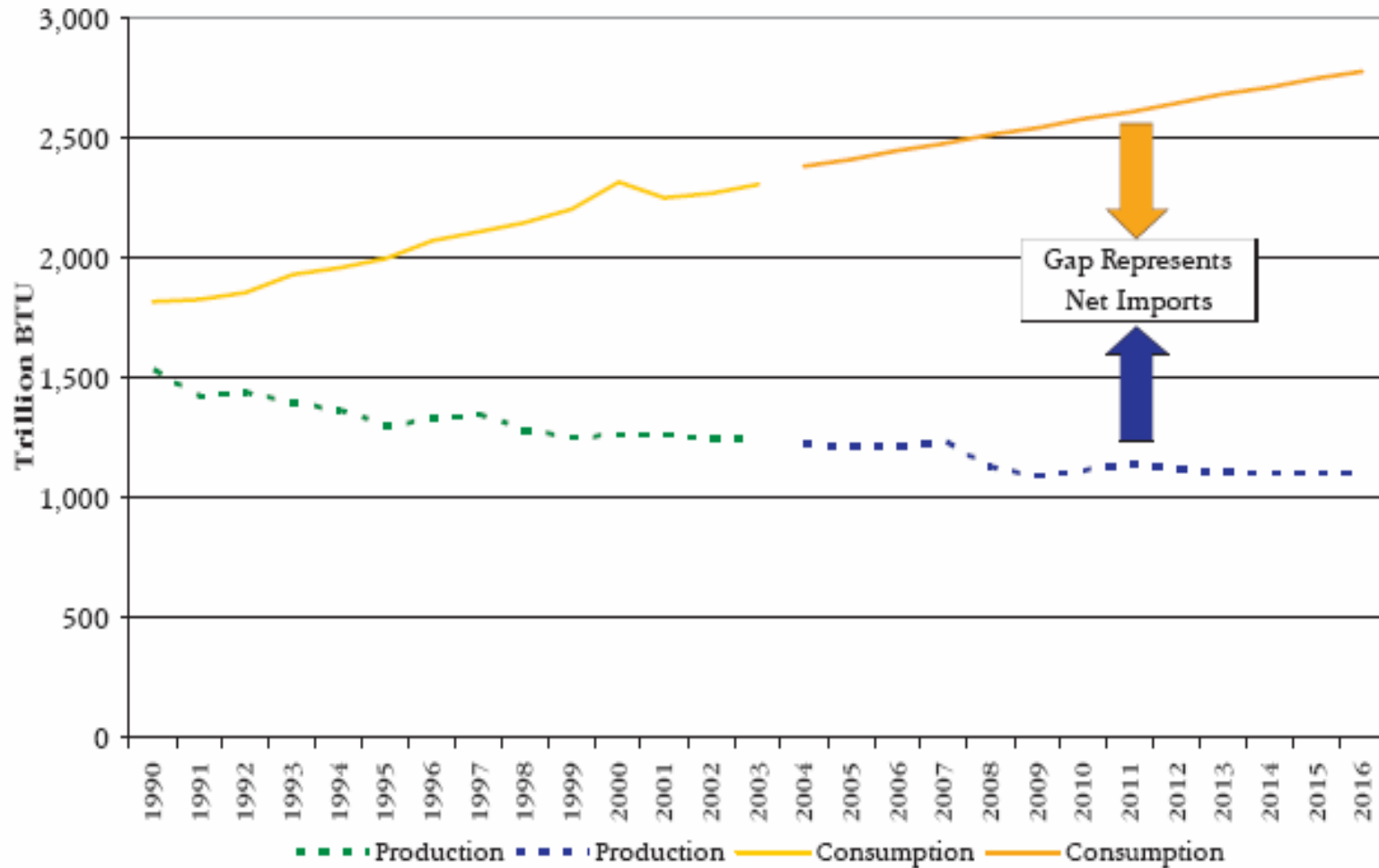




Dominion: Meeting Virginia's Energy Needs

Presentation to Joint Meeting of the
Commission on Electric Utility Restructuring and
Virginia Commission on Coal and Energy
September 19, 2007
David A. Heacock
Senior Vice President, Fossil & Hydro
Dominion

Virginia's Growing Energy Supply and Consumption Gap

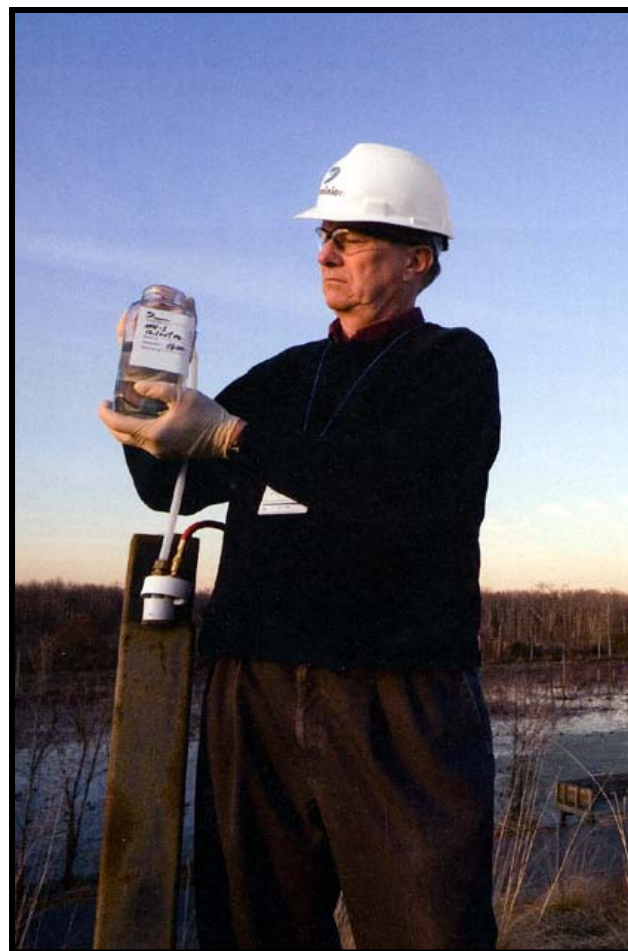


Source: *The Virginia Energy Plan*, p. 5 (2007)
Includes electricity, oil, coal, natural gas, other sources.

Dominion: Committed to Meeting Virginia's Electric Energy Needs

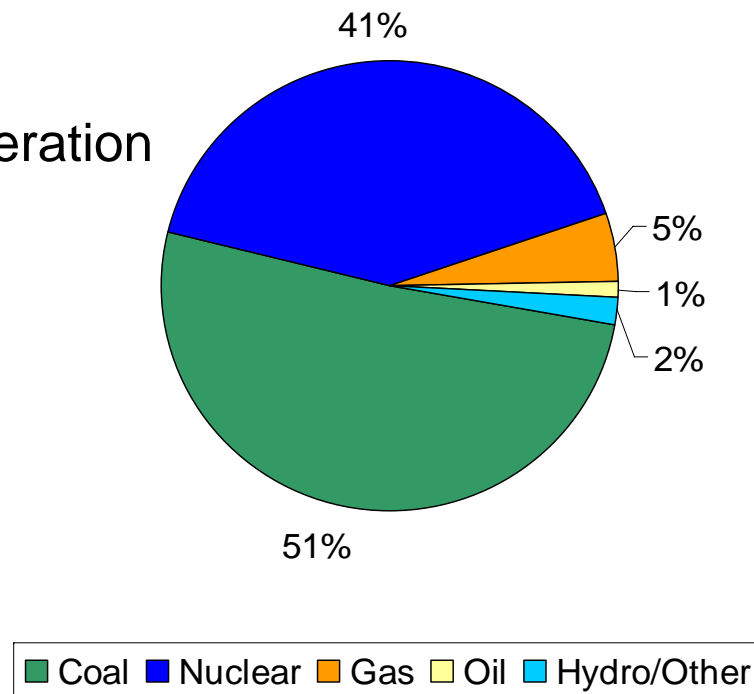
Long record of success through:

- Low-cost, diverse generation mix.
- Reliable service.
- Environmental responsibility.



Dominion: Superior Generation Performance

- More than 17,750 MW to serve Dominion Virginia Power customers.
- More than 90% of our generation in 2006 was from low-cost nuclear and coal power.
- Nuclear facilities (Surry, North Anna) consistently ranked among the nation's most efficient.

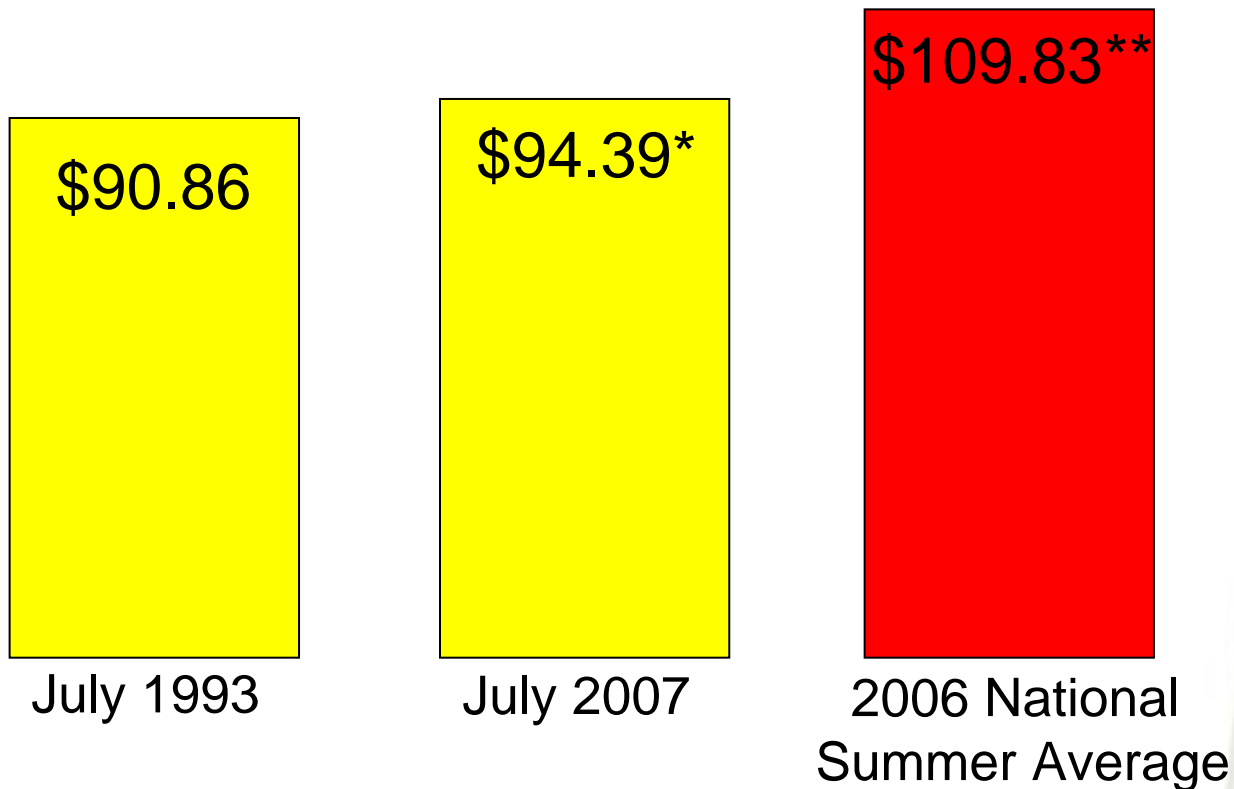


Dominion Virginia Power
Electric Production By Fuel Source



Virginia's Experience: 15 Years of Rate Stability

Typical summer monthly bill (1,000 kWh) –
Dominion residential customers



* Reflects July 1, 2007 fuel factor adjustment, partially deferred for future collection.

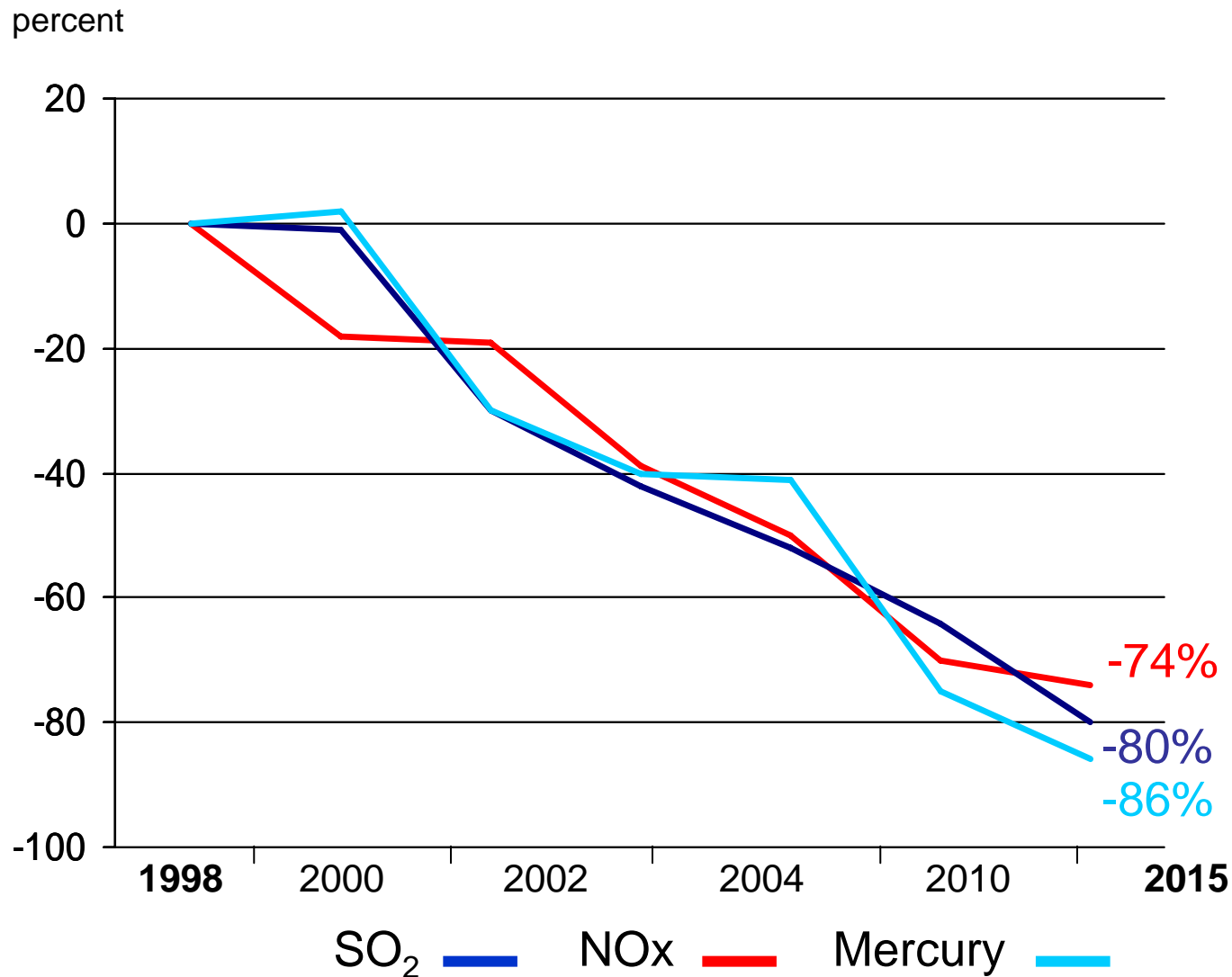
** Source: Edison Electric Institute

Dominion's Environmental Commitment

- By 2015, Dominion will have spent **\$2.6 billion** on environmental projects at facilities serving Virginia.
- Improvements include:
 - Scrubbers on coal stations serving Virginia.
 - Systems to reduce smog and ozone pollution.
 - Converting some generating units from coal to cleaner-burning natural gas.
- Dominion is in the top quartile of electric utilities in minimizing carbon intensity.



Bottom Line: Big Reductions in Emissions at Dominion Virginia Power Facilities



Rising Demand for Electricity in Virginia

- PJM Forecast, January 2007:
 - Dominion's service area has the highest annual peak demand growth rate (1.9 percent) within PJM's 13-state footprint during the next decade.
 - Peak demand will increase by 1,700 MW by 2012 and 4,000 MW by 2017.
- Dominion served its all-time peak load on August 8 of this year (19,688 MW). This is 300MW above the 2006 peak and almost 800 MW above the 2005 peak.
- Growth is fueled by population increase and strong business growth, particularly in high-tech sector.

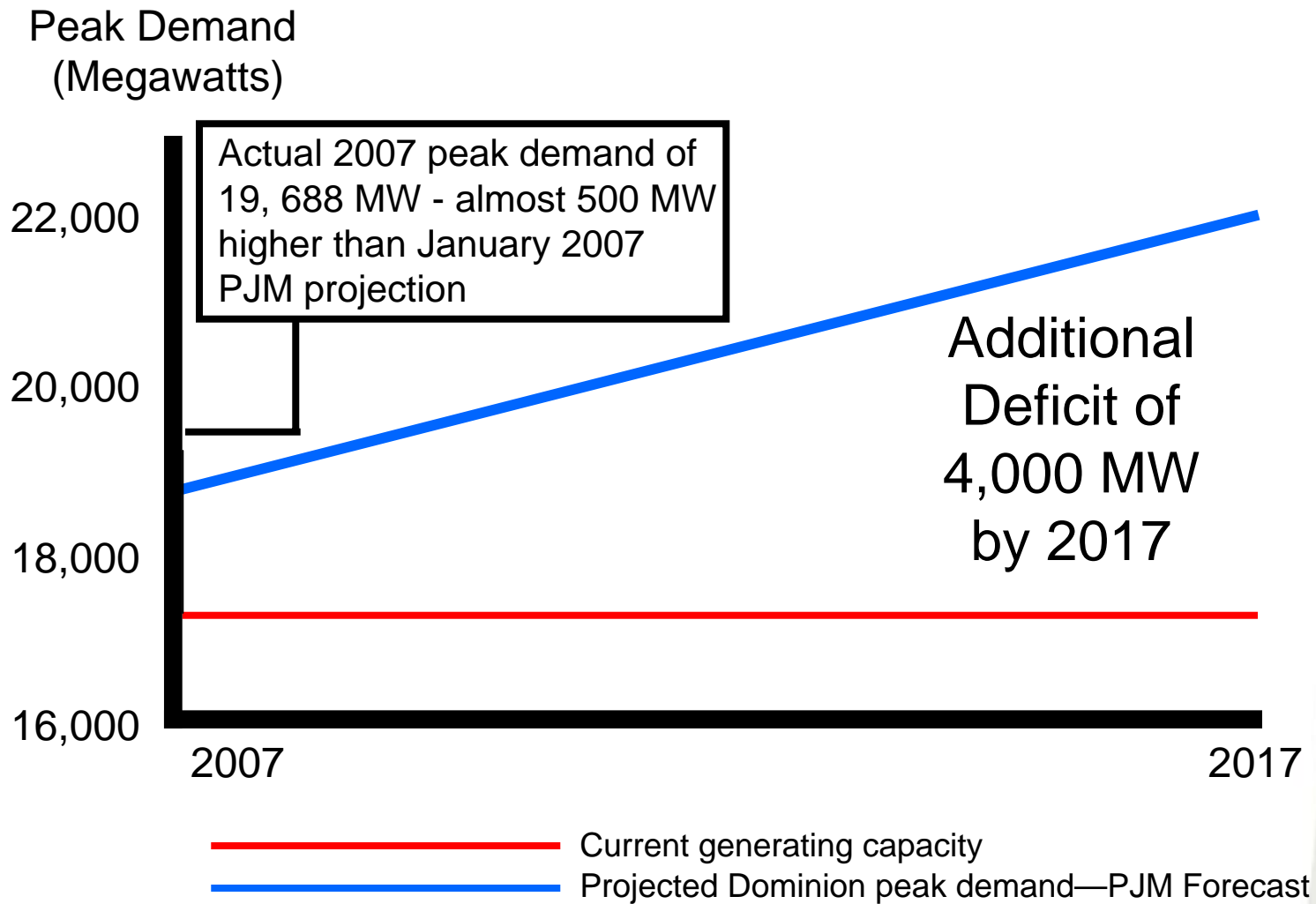


Rising Demand: Case Study - Data Centers

- Northern Virginia major hub for Internet traffic.
- 45 data centers built or planned in Dominion's Northern Virginia service area.
- Data centers typically 15 – 25 times more energy intensive than an office building.
- Data centers now being built or planned in other parts of the state: Southside, Southwest, Shenandoah Valley, Richmond area.



Virginia's Mounting Electric Energy Gap



General Assembly Actions: Long Record of Commitment to Filling the Energy Gap

- SB 651 (2004) facilitating a new clean coal plant in Southwest Virginia.
- SB 262 (2006) Virginia Energy Plan.
- SB 1416/HB 3068 (2007) Re-regulation legislation.
 - Promotes Virginia's energy independence.
 - Sets aggressive goals for conservation and use of renewable energy.
 - Encourages needed investment in new generation.
 - Renewable energy
 - Emission-free advanced nuclear
 - Clean coal (carbon capture compatible)



Major Investments in Reliability

Dominion has announced major capital investments to ensure reliable service while providing stable, predictable rates for our customers.

Key initiatives include:

- Conservation and energy efficiency.
- Renewable energy.
- Urgently needed transmission improvements.
- Gas peaking and combined cycle units.
- Advanced, emission-free nuclear power.
- Clean coal technology.



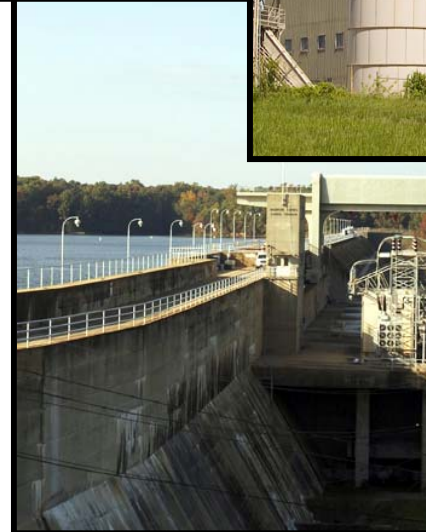
Conservation: Critical to Our Future

- Conservation is key element of Dominion strategy.
- Dominion has strengthened its conservation unit and made it one of top company priorities. New programs include:
 - Energy efficient lighting promotion.
 - Pilot programs, including air conditioner control and energy audits and efficiency kits.
- Dominion is working with SCC Staff, other stakeholders to develop state conservation goal.



Renewable Green Energy – Wind, Waste and Water

- West Virginia wind farms.
 - 132 megawatts
- Using wood waste at two VA power stations.
- Existing hydroelectric in Virginia and North Carolina.
 - Uprate of the Bath County Pumped Storage facility.
- Dominion committed to meeting Virginia's aggressive goal of 12% renewable power by 2022.



Virginia City Hybrid Energy Center

- Electricity to serve 146,000 homes.
- Will use advanced clean-coal technology to control emissions.
- Plans for renewables as fuel source.
- Low, stable fuel costs based on local supply.
- Partnering with Virginia Tech on carbon storage technology.

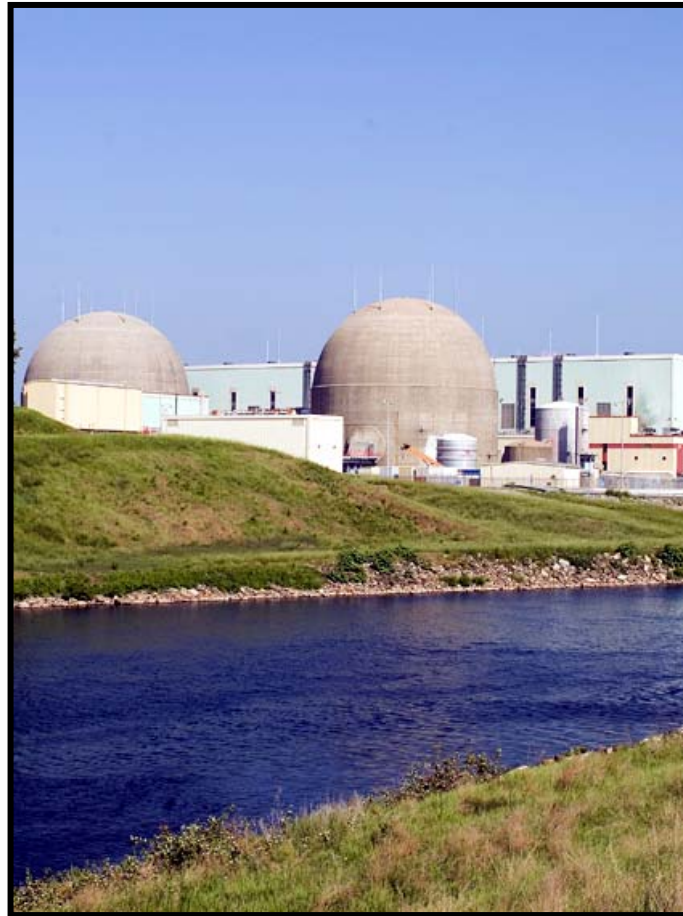


*Artist's rendering



Nuclear Power

- Considering 3rd unit at North Anna.
- Advanced design
- Could serve 375,000 homes.
- No air emissions, including carbon.
- NRC approval of early site permit expected 4th quarter of 2007.
- COL filing, 4th quarter 2007.



Summary

- Virginia's careful, deliberative approach has made us a national model for ensuring stable rates and reliable service.
- Virginia is facing need for significant additional energy infrastructure.
- 2007 re-regulation legislation lays a solid foundation for the needed investments in conservation and new generation.
- Dominion prepared to help Commonwealth achieve greater energy independence.





Dominion[®]
It all starts here.[®]

