

Dominion's Electric Transmission System:

*A Briefing for the
Commission on
Electric Utility Restructuring*

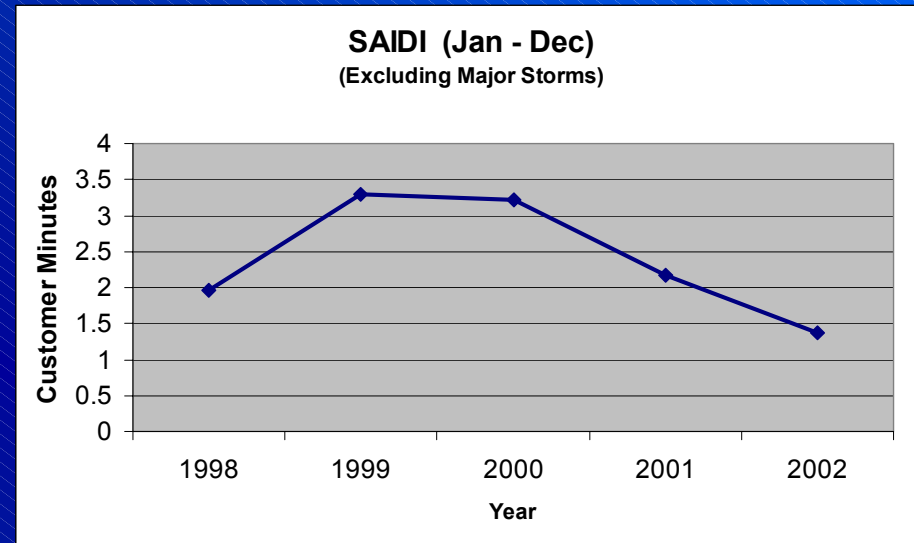
Thomas F. Farrell II
President and CEO
Dominion Energy
October 14, 2003



Dominion

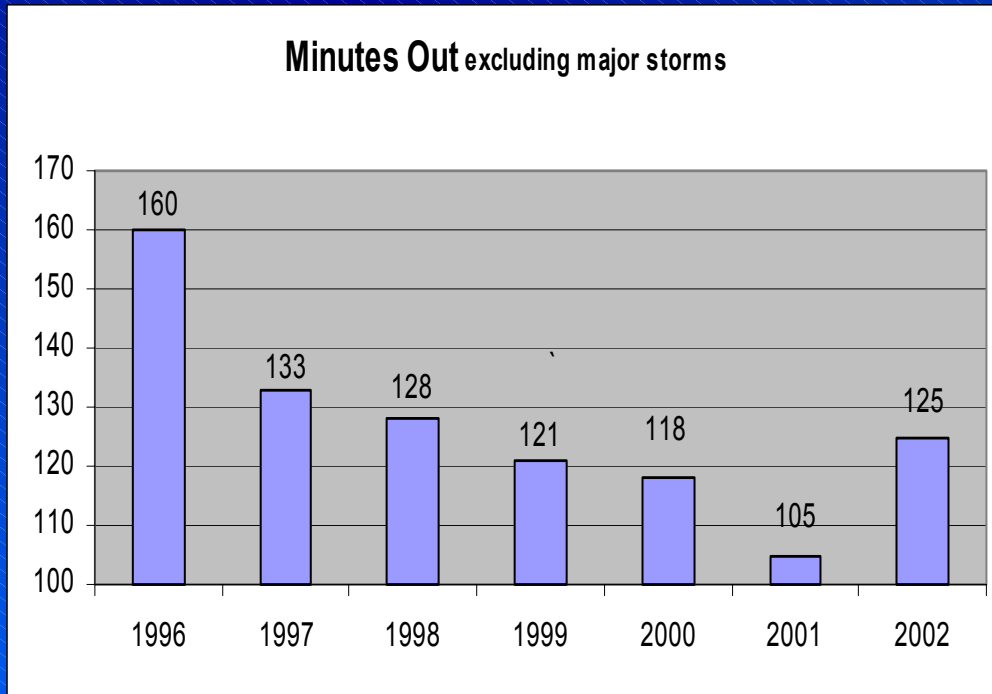
The Dominion System

- Consists of 6,000 miles of transmission lines
 - More than 80 percent of mileage in Virginia
- Has outstanding reliability record
 - Average customer experiences only 1 1/2 - 3 minutes per year of transmission-related outages
- Total transmission spending up by more than 15 percent from 1998 to 2002



System Average Interruption Duration Index

Distribution Spending and Reliability



YTD August 03 Minutes = 99.9

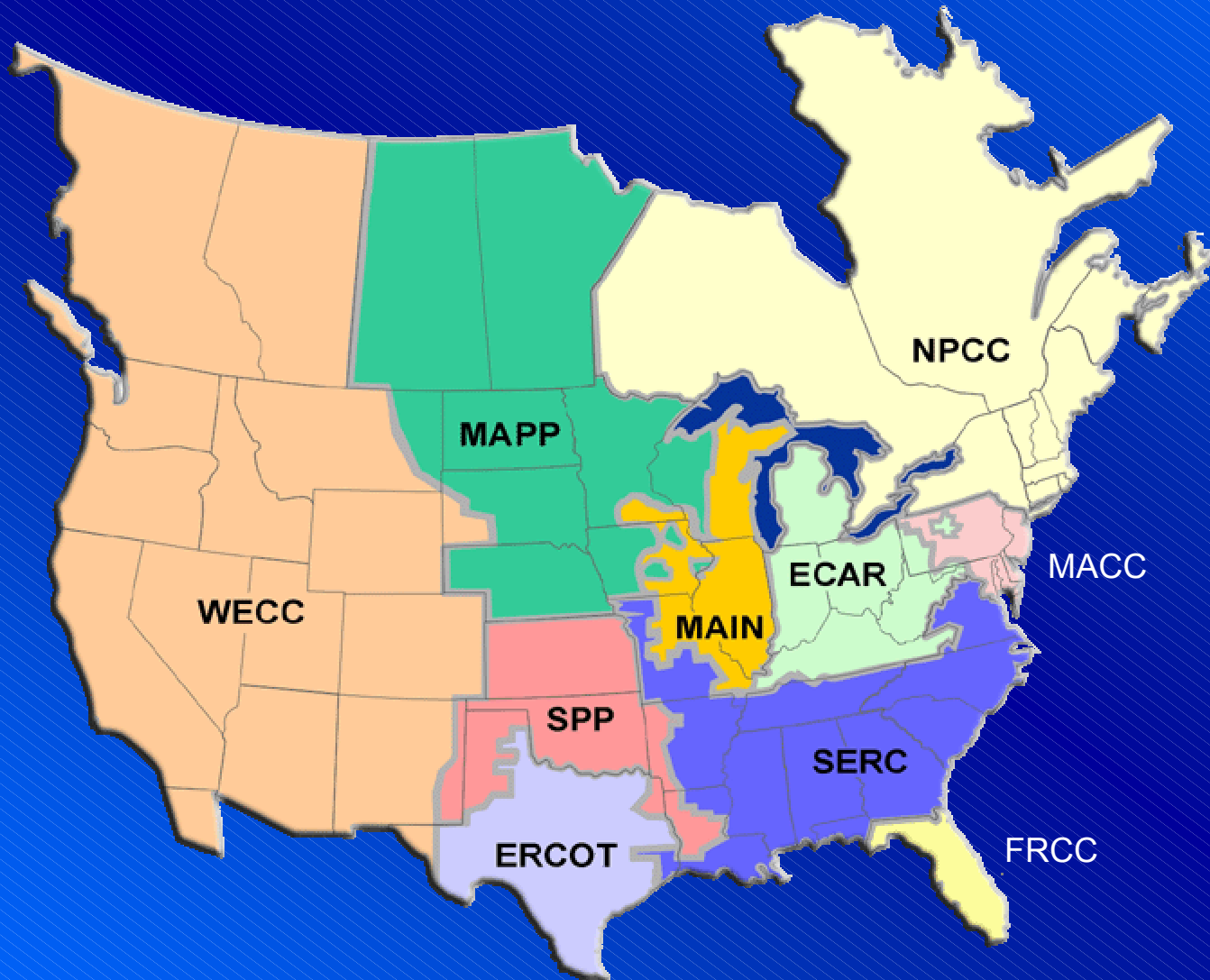
- Total spending has grown by 26 percent from 1992 to 2002
 - O&M portion has increased by 49 percent
 - Capital portion rose by 15 percent
- Distribution spending helps ensure that our customers enjoy high levels of service reliability
 - In 1997, 133 minutes out: In 2002, 125 minutes out
 - Last year, customers had power 99.976 percent of the time

Generation Spending and Reliability

	O & M Spending		Capital Spending	
	1998	2002	1998	2002
Fossil & Hydro	\$186.6 M	\$220.4 M	\$25.6 M	\$487.7 M
Nuclear	\$231.9 M	\$241.7 M	\$44 M	\$133.4 M

- Reliability helped Dominion meet extremely high peak demands for electricity during the hot summer of 2002 and the cold winter of 2002-03
 - Nuclear capacity factor increased from 91.7 percent from 1998 to 96.2 percent in 2002
 - Fossil and Hydro reliability increased from 93 percent in 1998 to 96.4 percent in 2002

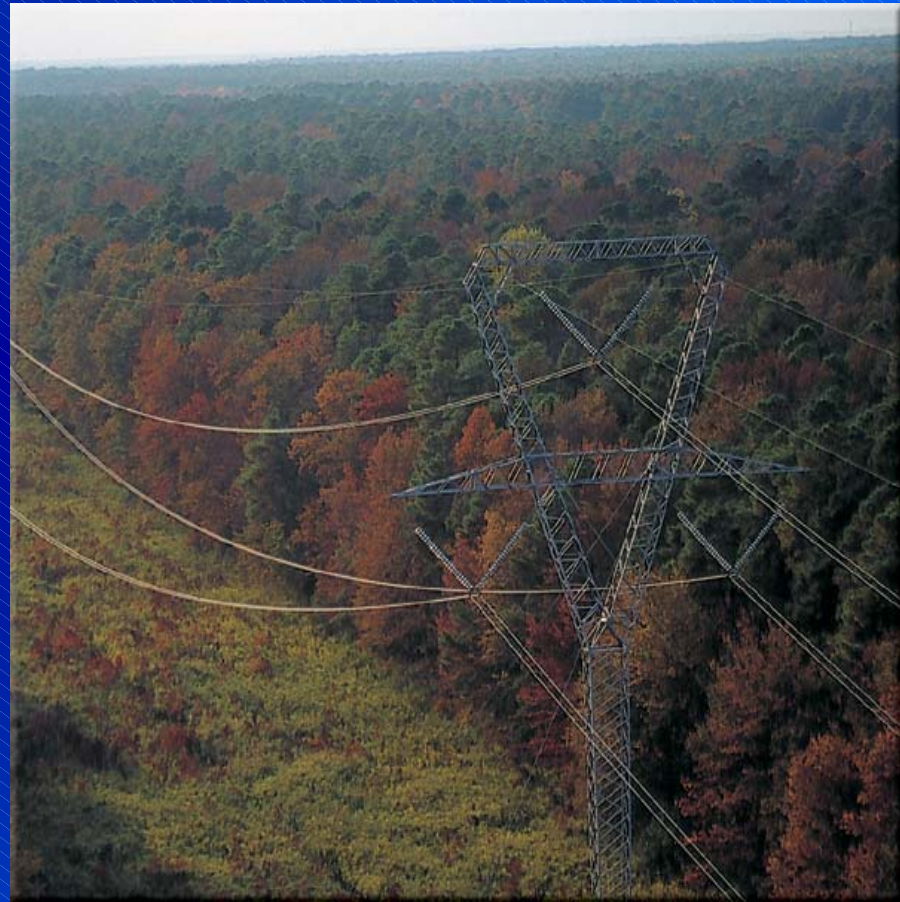
Eastern Interconnect



Dominion: Committed to Maintaining a Robust, Reliable Transmission System

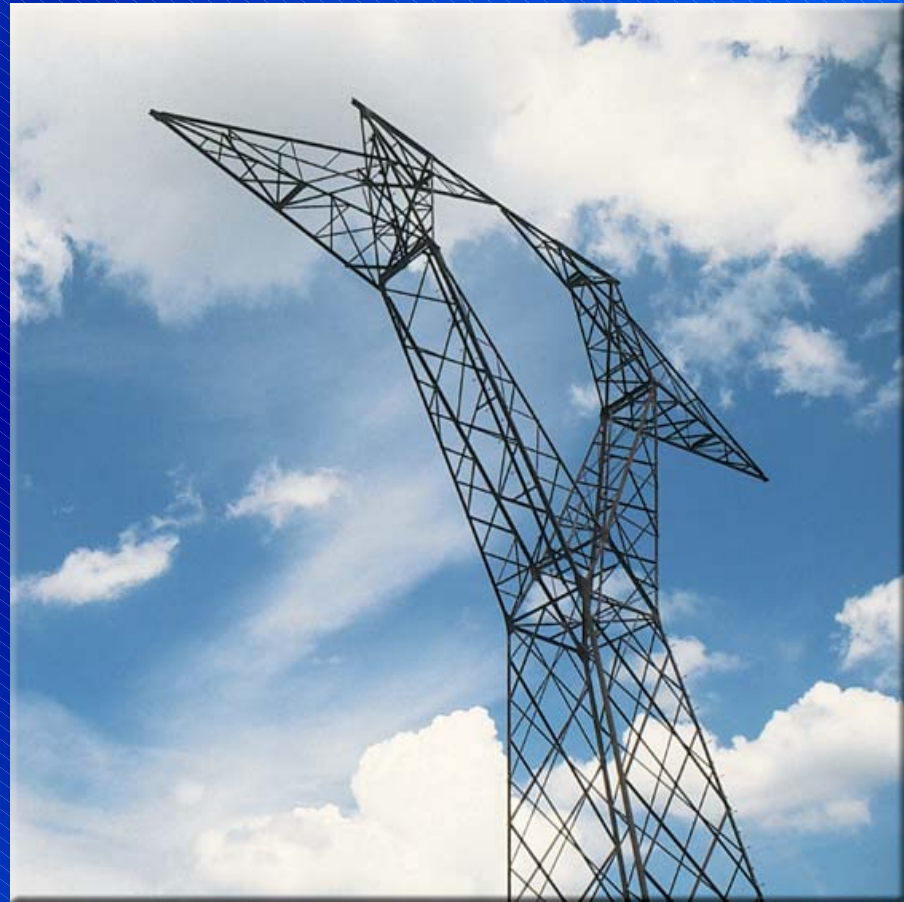
Dominion employs several basic practices to achieve this goal:

- Real-time contingency planning
 - System designed to handle problems as they occur, prevent cascading outages
- Load growth planning/new investment
 - Capital expenditures increased by more than 50 percent from 1998 to 2002
 - Permitting process becoming more time consuming



Dominion: Committed to Maintaining a Robust, Reliable Transmission System

- Interconnect and reliability planning
 - Regular communications with neighboring utilities
 - Join studies with other utilities, regional reliability groups
 - Careful analysis of system outages to determine root causes, corrective measures
- Maintenance and Technology
 - Entire system constantly monitored
 - Latest proven technology used on new facilities

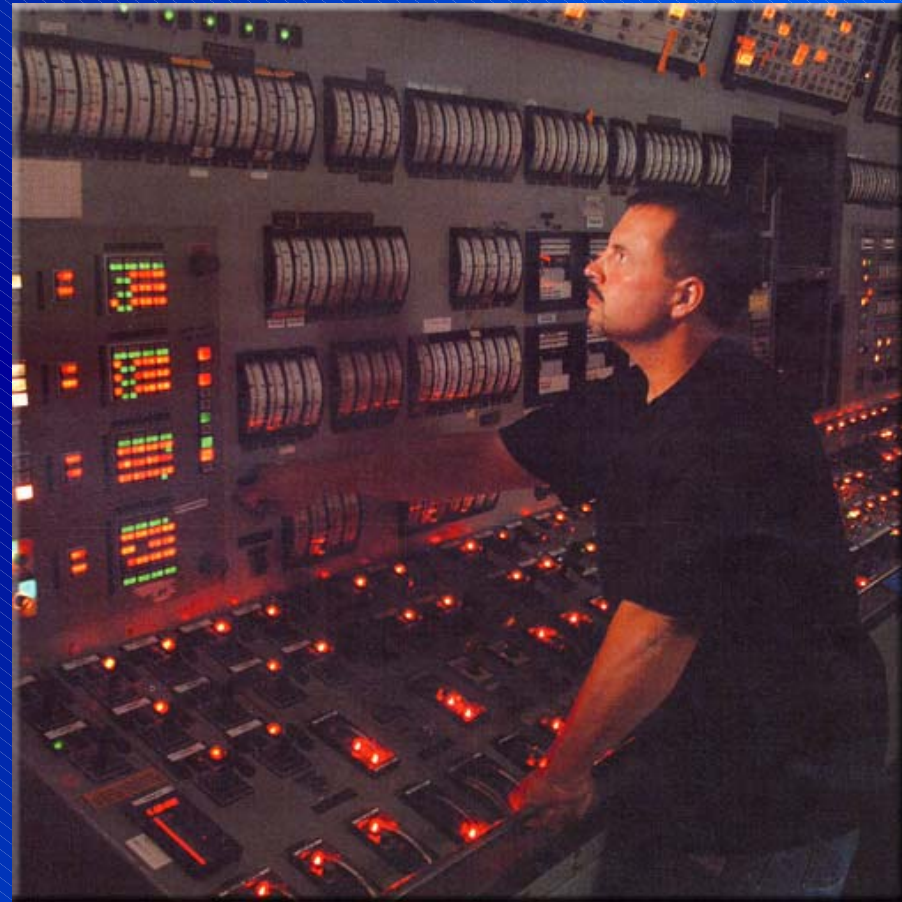


Distribution Technology

- New digital controls at substations identify and speed response to delivery system problems
- “Loop scheme” technologies improve reliability by allowing areas to get power from multiple substations
- New vacuum operated circuit breakers called “reclosers” isolate power line damage and protect the system
- Our Voice Response Unit (VRU) now allows us to handle up to 100,000 calls an hour

Dominion: Reliable Transmission Performance

- A robust system - characterized by superior performance
- Continuously upgraded and expanded
 - operated from a state-of-the-art control center
- Future steps will help keep system robust:
 - Timely siting and permitting
 - Dominion's PJM membership





Dominion