Renew Virginia: The Challenge to Remain Competitive

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This presentation contains certain forward-looking statements, including our forecasted dividend growth rate and projected use of proceeds 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, such as 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, fluctuations in the fair value of securities held in our nuclear decommissioning trusts, estimates of proved and unproved reserves, the company’s ability to meet its natural gas and oil production forecasts, 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 on operations, the behavior of other market participants, state and federal legislative and regulatory developments and changes to the 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 & Exchange Commission.

Projections or forecasts shown in this document are based on the assumptions listed in this document and are subject to change at any time. Dominion undertakes no obligation to update any forward-looking information statement to reflect developments after the statement is made.
Our Way to Renew Virginia:

• Remain Competitive
• Remain Reliable
Dominion Today

Map excludes Cirro Energy and Peoples and Hope LDCs

- Generation
  - Regulated
  - Merchant

- Electric
  - Transmission
  - Distribution

- Natural gas
  - Storage
  - Transmission
  - Distribution
Our Electric Franchise

- Serves 2.4 million customers

Customers are being served by:
- 56,000+ miles of electric distribution lines
- 6,000+ miles of electric transmission lines
- About 18,300 megawatts of generation
Balanced, Diverse Fuel Mix

2008 Electric Capacity by Fuel

- Coal: 13%
- Nuclear: 28%
- Natural Gas: 31%
- Oil: 18%

2008 Electric Production by Fuel*

- Coal: 13%
- Nuclear: 12%
- Natural Gas: 31%
- Oil: 8%
- Hydro/Other: 4%

*Electric Production by Fuel proportions exclude Non-utility Generation (NUG) under contract.
Competitive Rates for Large Users

Industrial

- National Avg.: 6.66 Cents/kwh
- Dominion Avg.: 5.83 Cents/kwh (~13%)

Commercial

- National Avg.: 10.06 Cents/kwh
- Dominion Avg.: 7.27 Cents/kwh (~27%)

Source: Edison Electric Institute; end of 2008 statistics
Enhanced Reliability

Annual Electric Reliability Metric

Excluding Major Storms

Average Minutes Out per Customer

<table>
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<tr>
<th>Year</th>
<th>Minutes Out</th>
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<tr>
<td>2004</td>
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<tr>
<td>2008</td>
<td>120</td>
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How To Keep It That Way: The Challenge
Virginia Is Strong – In Good Times & Bad

- Unemployment rate 2.3 percent below national average
- Energy-intensive government, military, and technology
- 300,000+ new DVP customers added since 2003
Virginia’s Reputation

“Top State for Business”

“Best State for Business”

“Most Friendly Business State”

“No. 2 State to Start a Business”

“No. 2 State for Business”
Energy Imports by State - 2007

- California: 53.4
- Virginia: 33.2
- New Jersey: 19.2
- Maryland: 15.2
- Minnesota: 13.7

Millions of Megawatt-Hours
The Challenge – Virginia’s Energy Gap

Peak Demand (Megawatts)
- Current generating capacity
- Projected Dominion peak demand—PJM Forecast

2009

2019

16,000

18,000

20,000

22,000

Additional Deficit of 4,600 MW by 2019
Powering Virginia; A Multifaceted Approach…

• Generation; diversity of dispatch and fuels

• Transmission; regional planning, reliability and efficiency

• Energy Efficiency; Smart Grid integration
Powering Virginia: New Generation

- Virginia City Hybrid Energy Center
  - Clean coal
  - Biomass, waste coal
  - CO$_2$ capture-compatible

- Bear Garden & Warren County
- Ladysmith 5
  - Combined Cycle & Peaking
  - Natural Gas

- Wind projects in Tazewell County, Wise County with BP Wind Energy

- North Anna 3
Powering Virginia: Energy Efficiency

Twelve Programs....

• $1.2 billion in projected savings from conservation measures

• Installation of smart meters for all 2.4 million customers
  ▪ 2013 target completion
  ▪ Energy savings through voltage reduction
Powering Virginia; Energy Efficiency

... And Low-Tech Applications, Too
A Commitment to Renewable Power

Hydro, Wind, Biomass

- Virginia wind projects are in development with BP
  - About 500 megawatts planned

- Pittsylvania Power Station is one of largest biomass generators in U.S.

- VCHEC can burn up to 20 percent biomass

- Virginia renewable goal of 15 percent of base-year electricity sales from renewable energy by 2025
Competitive Rates for Large Users (Illustrative)

Source: 2008 data, Edison Electric Institute