

A newsletter for investors of Dominion

SMARTGRID

TECHNOLOGY LAUNCHED

Wind Farm Now Up and Spinning

It would have been ambitious theory not so long ago, but today the largest wind farm in the eastern United States is in operation, developed by Dominion and its partner Shell WindEnergy.

The farm is in West Virginia. Named NedPower Mount Storm, it features 132 turbines lined along 12 miles of the Allegheny Front that can produce 264 megawatts of electricity. That's enough to power 66,000 homes and businesses in the mid-Atlantic.

West Virginia Gov. Joe Manchin and other state and local officials joined management of Dominion, Shell Gas & Power-Americas, and turbine manufacturer Gamesa to dedicate the project in June.

SmartGrid — it's a term in popular use because it will deliver power more efficiently at less cost.

Now it's a system in actual use by Dominion Virginia Power in Charlottesville, Va., one of the first cities in the nation to benefit. Charlottesville-area customers will receive "smart meters," the first of several new systems being developed that fall under the term SmartGrid.

In June, Virginia Gov. Tim Kaine joined company officials to unveil the \$20 million launch. Installation across Dominion's electric utility service area is planned by the end of 2013.

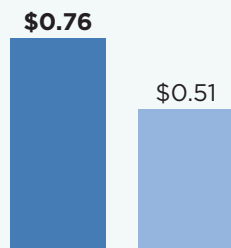
The "smart meter" program is part of a broader energy-conservation plan expected to yield more than \$1.2 billion in customer savings over 15 years. Your company has applied for \$200 million in federal stimulus funds to accelerate installation across the system.



The Quarterly Financial Picture

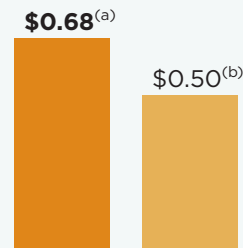
RESULTS OF OPERATIONS (UNAUDITED) — 3 MONTHS ENDED JUNE 30

Reported Earnings Per Share



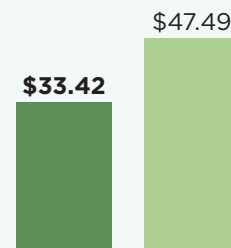
2nd-Qtr. 2009 2nd-Qtr. 2008

Operating Earnings Per Share

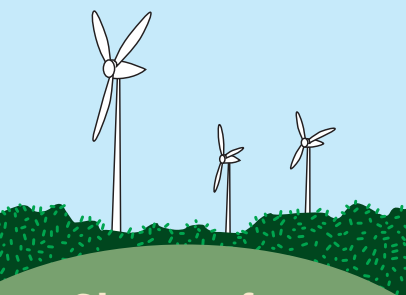


2nd-Qtr. 2009 2nd-Qtr. 2008

Share Price



Closing price as of 6-30-2009 Closing price as of 6-30-2008

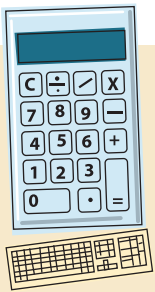


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(a) The net after-tax impact on a per-share basis of the following items is included in reported earnings, but is excluded from operating earnings: an 11-cent benefit due to a downward revision in our nuclear decommissioning asset retirement obligations; a 2-cent net gain related to our investments in nuclear decommissioning trust funds, and 1 cent of earnings from Dominion Peoples and Dominion Hope natural gas local distribution companies, which are planned for sale; partially offset by a 3-cent earnings reduction due to an increase in interim tax provision to reflect the impact of the pending sale of Dominion Peoples and Dominion Hope on our estimated annual effective tax rate; a 2-cent reduction due to a subsequent state income tax update related to a ceiling test impairment charge recorded in the first quarter on our gas and oil properties; and a 1-cent charge related to other items.

(b) The net after-tax impact on a per-share basis of the following items is included in reported earnings, but is excluded from operating earnings: a 4-cent net benefit related to the planned sale of Dominion Peoples and Dominion Hope, primarily reflecting the re-establishment of a regulatory asset in connection with the sale; and 1 cent of earnings from Dominion Peoples and Dominion Hope; partially offset by a 3-cent impairment loss reflecting other-than-temporary declines in the fair value of certain investment securities; and a 1-cent charge related to other items.



Calculating The Cost Basis Of Your Stock

Calculating the cost basis of your stock can be difficult and time-consuming. To simplify that process for you, Dominion has partnered with NetWorth Services to provide a hyperlink from our Web site to NetBasis, an Internet-based calculation system.

For a fee, you can use NetBasis to calculate the cost basis for your Dominion stock. All you need are your purchase/acquisition/sales dates and the number of shares acquired and/or sold on those dates. The NetBasis system will do the rest, automatically adjusting for dividend reinvestment and any corporate actions. Visit our Web site at www.dom.com and click "Investors" for more information.

We encourage you to keep all year-end account statements. These statements provide the information you will need to record the cost basis for shares purchased through Dominion Direct.

About Direct Registration

The direct registration form of ownership allows registered shareholders to maintain their shares in book-entry form, eliminating the need for a physical certificate. You retain full ownership of the shares without the responsibility of holding the actual certificate.

Advantages of DRS:

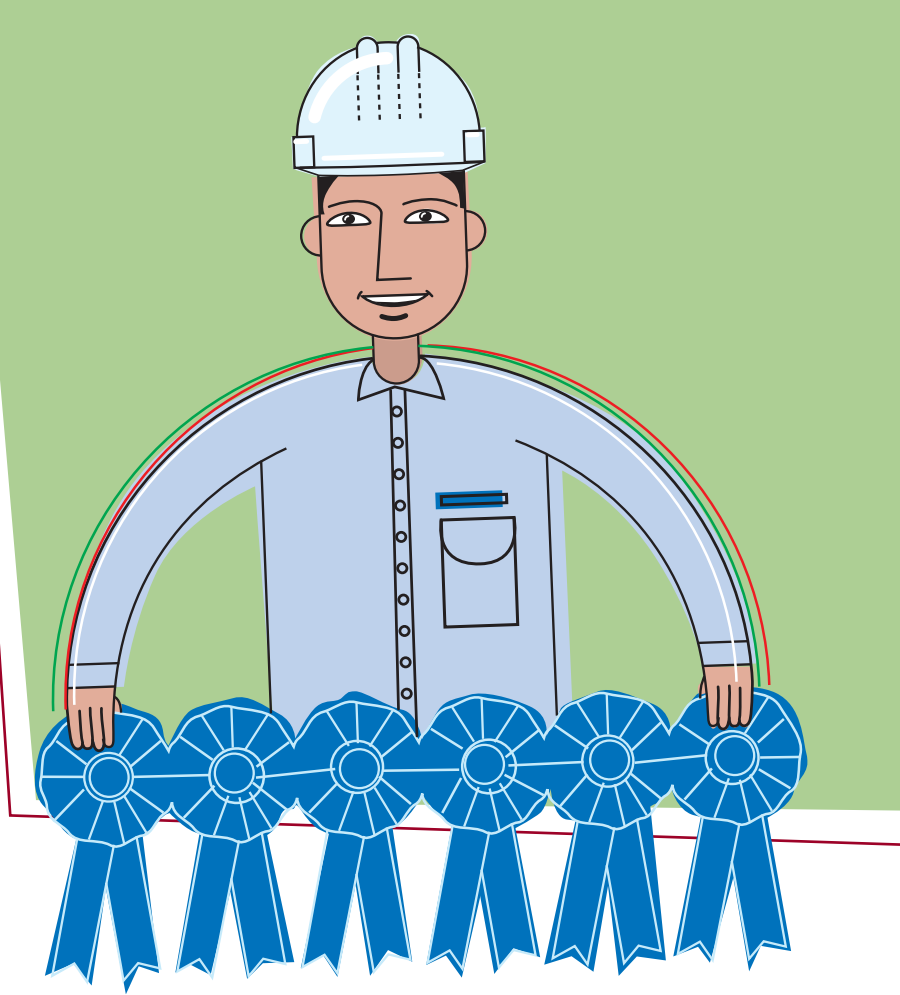
- *Saves you the burden of storing your certificate(s) in a safe place;*
- *Eliminates the risk of costs to replace lost, stolen or destroyed certificates;*
- *Makes stock transactions faster and easier;*
- *Eliminates inconvenience of delivering stock certificate(s) to brokers;*
- *Allows shares to be moved electronically to your brokerage account.*

For more information, please contact:
shareholder.services@dom.com

CFL Update

3.5 million

By late August, Dominion had provided discounts for the purchase of 3.5 million compact fluorescent light bulbs in The Home Depot stores.



Your Company is Committed ...

To Excellence and Safety

Dominion has been honored with six awards for excellence and safety. The recognition comes from the Southeastern Electric Exchange, which presented the Industry Excellence Awards in June during its annual conference in Atlanta. Two awards recognized the company's achievements in safety; four cited excellence in operations. Company representatives on hand to accept the awards told conferees that Dominion is committed to striving for excellence in all areas.

To Giving Back

In West Virginia, where it has natural gas and electric power production operations, Dominion has helped to raise more than \$1.3 million to help local charities. The company is raising the needed money through a charity invitational golf tournament that it first launched in 1995. In July, more than 75 golfers teed off in Bridgeport, W.Va.

This newsletter contains forward-looking statements that are subject to various risks and uncertainties. Discussion of factors that could cause actual results to differ materially from management's projections, forecasts and estimates are detailed in the company's most recent Securities and Exchange Commission filings on Forms 10-Q and 10-K.

For more information, please write:
Dominion
P.O. Box 26532
Richmond, VA 23261

Or e-mail us at:
shareholder.services@dom.com

Visit us online at:
www.dom.com



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