

Code of Conduct Trading, Marketing and Price Reporting

Intent:

The intent of this code of conduct is to establish requirements applicable to buying and selling of natural gas and electricity on behalf of the Company and in reporting these transactions to index developers, and to ensure that these business activities are conducted according to regulatory requirements.

Dominion Resources has adopted a Code of Ethics, which applies to all employees of the Company. Trading, Marketing and Price Reporting of natural gas and electricity on behalf of the Company is subject to all the requirements of Dominion's Code of Ethics.

Applies to:

This policy applies to all employees who engage in buying and selling of natural gas and electricity on behalf of the Company and to all employees who engage in reporting transactions to index developers.

Compliance with Anti-Manipulation Regulatory Requirements:

Each employee subject to this Code of Conduct shall conduct natural gas and electricity transactions on behalf of the Company in accordance with the rules and regulations of the Federal Energy Regulatory Commission prohibiting manipulative conduct subject to its jurisdiction. FERC's regulations arise from the Energy Policy Act of 2005. The regulations prohibit anyone acting in connection with the purchase or sale of natural gas or electric energy or the transportation of natural gas or the transmission of electric energy subject to the FERC's jurisdiction from:

1. using a fraudulent device, scheme or artifice to defraud others;
2. making any untrue statement of material fact, or omitting to state a material fact necessary in order to make the statements not misleading in instances where there is a duty to disclose information under other Commission rules; or
3. engaging in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any entity.

Compliance with Price Reporting Regulatory Requirements:

Each employee subject to this Code of Conduct shall conduct natural gas and electricity transactions on behalf of the Company and reporting of transactions in accordance with the following requirements:

1. Reporting to index developers of natural gas and electricity transactions shall be conducted by the Enterprise Risk Management personnel in accordance with assigned job responsibilities.
2. Subject to appropriate confidentiality agreements with index developers, the Company will report each bilateral, arm's-length transaction between non-affiliated companies in the physical (cash) markets for all applicable trades. Physical (cash) market reporting shall not include financial hedges, financial transactions, or swaps or exchanges of gas or electricity. Data should be provided for each transaction separately. For each transaction, the following information should be provided: (a) price; (b) volume; (c) buy/sell indicator; (d) delivery/receipt location; (e) transaction date; and (f) term (next day or next month).
3. Whenever it appears that errors have occurred in reporting transactions to index developers, they will be corrected as soon as practicable.
4. Enterprise Risk Management personnel will cooperate with index developers in resolving errors through the index developer's established error resolution process.
5. The Company will retain relevant data relating to reported trades for a minimum period of five years.
6. The Company's General Auditor shall annually review the Company's implementation of and adherence to data gathering and submission process applicable to reporting of natural gas and electricity transactions to index developers.

References:

- (1) *Policy Statement on Natural Gas and Electric Price Indices*, 104 FERC ¶ 61, 121 (July 24, 2003);
- (2) *Order on Clarification of Policy Statement on Natural Gas and Electric Price Indices*, 105 FERC ¶ 61, 282 (December 12, 2003);
- (3) *Prohibition of Energy Market Manipulation*, 71 Fed. Reg. 4244 (January 26, 2006); 18 C.F.R. § 1c (2006);
- (4) *Revisions to Record Retention Requirements for Unbundled Sales Service, Persons Holding Blanket Marketing Certificates, and Public Utility Market-Based Rate Authorization Holders*, 71 Fed. Reg. 30,284 (May 26, 2006); 18 C.F.R. §§ 35 and 284 (2006).