

Schedule 1 - Segment Operating Earnings

Preliminary, Unaudited

(millions, except earnings per share)

	Three months ended March 31,		
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Operating Revenue (GAAP Based)	\$ <u>4,389</u>	\$ <u>4,661</u>	\$ <u>(272)</u>
Earnings: ¹			
Dominion Virginia Power	\$ 118	\$ 132	\$ (14)
Dominion Energy	182	142	40
Dominion Generation	336	139	197
Corporate and Other: ²			
Other	(58)	(53)	(5)
Divested U.S. E&P Operations ³	-	123	(123)
Peoples & Hope ⁴	-	35	(35)
OPERATING EARNINGS	\$ <u>578</u>	\$ <u>518</u>	\$ <u>60</u>
Items excluded from operating earnings ^{3, 5}	102	(65)	167
GAAP EARNINGS	\$ <u>680</u>	\$ <u>453</u>	\$ <u>227</u>
Common Shares Outstanding (average, diluted)	578.4	701.7	
Earnings Per Share (EPS): ¹			
Dominion Virginia Power	\$ 0.20	\$ 0.19	\$ 0.01
Dominion Energy	0.32	0.20	0.12
Dominion Generation	0.58	0.20	0.38
Corporate and Other: ²			
Other	(0.10)	(0.08)	(0.02)
Divested U.S. E&P Operations ³	-	0.18	(0.18)
Peoples & Hope ⁴	-	0.05	(0.05)
OPERATING EARNINGS	\$ <u>1.00</u>	\$ <u>0.74</u>	\$ <u>0.26</u>
Items excluded from operating earnings ^{3, 5}	0.18	(0.09)	0.27
GAAP EARNINGS	\$ <u>1.18</u>	\$ <u>0.65</u>	\$ <u>0.53</u>

- 1) 2007 segment earnings and per share values have been recast to reflect the impact of segment realignment and the November 2007 2-for-1 common stock split.
- 2) Earnings have been recast to exclude income and losses from discontinued operations.
- 3) Dominion sold the majority of its E&P operations in 2007.
- 4) Earnings for the Peoples Natural Gas Company (Peoples) and Hope Gas, Inc. (Hope) are excluded from our 2008 operating earnings and guidance.
- 5) Refer to schedules 2 and 3 for details related to items excluded from operating earnings, or find "GAAP Reconciliation" on Dominion's Web site at www.dom.com/investors/

Schedule 2 – Reconciliation of 2008 Operating Earnings to GAAP

2008 Earnings (Three months ended March 31, 2008)

The net effects of the following items, all shown on an after-tax basis, are included in 2008 reported earnings, but are excluded from operating earnings:

- \$136 million net benefit related to the planned sale of Peoples and Hope natural gas distribution companies, mainly reflecting the reversal of deferred tax liabilities established in 2006, due to a change in the expected tax treatment of the sale.
- \$34 million of earnings from Peoples and Hope.
- \$38 million impairment charge related to a Dominion Capital investment.
- \$16 million of impairment charges reflecting other-than-temporary declines in the fair value of securities held in merchant nuclear decommissioning trust funds.
- \$14 million in other charges, including an increase to tax valuation allowances, primarily related to the effect of lower projected capital gain income on the realizability of existing state loss carryforwards.

<i>(millions, except per share amounts)</i>	1Q08	2Q08	3Q08	4Q08	YTD 2008
Operating earnings	\$578				\$578
Items excluded from operating earnings (after-tax):					
Tax benefit related to the planned sale of Peoples & Hope	136				136
Peoples and Hope operations	34				34
Dominion Capital asset impairment	(38)				(38)
Impairment losses in nuclear decommissioning trust funds	(16)				(16)
Other charges	(14)				(14)
Total items excluded from operating earnings	102				102
Reported net income	\$680				\$680
Common shares outstanding (average, diluted)	578.4				578.4
Operating earnings per share	\$1.00				\$1.00
Items excluded from operating earnings (after-tax)	0.18				0.18
Reported earnings per share	\$1.18				\$1.18

Schedule 3 – Reconciliation of 2007 Operating Earnings to GAAP

2007 Earnings (Twelve months ended December 31, 2007)

The net effects of the following items, all shown on an after-tax basis, are included in 2007 reported earnings, but are excluded from operating earnings:

- \$1.5 billion net benefit resulting from the sale of the majority of our E&P operations including:
 - \$2.1 billion net gain from the sales; partially offset by
 - \$506 million in other charges including the effect of discontinuing hedge accounting for certain gas and oil hedges and subsequent changes in the fair value of these hedges (\$342 million), settlement of volumetric production payment (VPP) agreements (\$108 million), and employee-related expenses; and
 - \$148 million in net charges related to the early retirement of debt associated with the completion of our debt tender offer in July 2007;
- \$119 million net benefit related to the release of tax valuation allowances;
- \$270 million of impairment charges related to our merchant generation assets including \$252 million related to the sale of a partially completed generation facility (Dresden);
- \$137 million charge related to the termination of a power sales agreement at our State Line generating facility;
- \$158 million extraordinary item related to the reapplication of SFAS No. 71, *Accounting for the Effects of Certain Types of Regulation*, to the Virginia jurisdiction of our electric utility generation operations;
- \$56 million in charges related to the impairment of certain Dominion Capital investments;
- \$29 million in charges related to litigation reserves;
- \$93 million in other charges, including losses from certain discontinued operations.

<i>(millions, except per share amounts)</i>	1Q07	2Q07	3Q07	4Q07	YTD 2007*
Operating earnings	\$518	\$310	\$551	\$299	\$1,678
Items excluded from operating earnings (after-tax):					
Items related to the sale of the majority of our E&P operations:					
Net gain on sale	(2)	5	2,124	12	2,139
Other related charges	(6)	(482)	(15)	(3)	(506)
Net charges related to debt tender offer		15	(163)		(148)
Release of tax valuation allowances, net	(6)	70	55		119
Impairment of merchant generation assets		(252)	(18)		(270)
Termination of the State Line power sales agreement			(140)	3	(137)
Extraordinary item related to the reapplication of SFAS 71		(158)			(158)
Dominion Capital impairment of assets			(55)	(1)	(56)
Litigation reserves	(16)		(16)	3	(29)
Other charges	(35)	(38)	(6)	(14)	(93)
Total items excluded from operating earnings	(65)	(840)	1,766	0	861
Reported net income	\$453	(\$530)	\$2,317	\$299	\$2,539
Common shares outstanding (average, diluted) **	701.7	698.2	639.6	578.1	655.2
Operating earnings per share	\$0.74	\$0.44	\$0.86	\$0.52	\$2.56
Items excluded from operating earnings (after-tax)	(0.09)	(1.20)	2.76	0.00	1.32
Reported earnings per share	\$0.65	(\$0.76)	\$3.62	\$0.52	\$3.88

* YTD 2007 EPS may not equal sum of quarters due to share count differences.

** As a result of the net loss from continuing operations for the three months ended June 30, 2007, the issuance of common stock under potentially-dilutive securities was considered antidilutive and therefore not included in the calculation of the diluted loss per share for that period.

Schedule 4 - Reconciliation of 2008 Earnings to 2007

Preliminary, unaudited
(millions, except EPS)

Three Months Ended
March 31,
2008 vs. 2007
Increase / (Decrease)

<u>Reconciling Items</u>	<u>Amount</u>	<u>EPS</u>
<i>Dominion Virginia Power</i>		
Regulated electric sales:		
Weather	(\$9)	(\$0.01)
Customer growth	3	0.00
Interest Expense	(6)	(0.01)
Major storm damage and service restoration - distribution operations	(4)	(0.01)
Retail energy marketing operations	6	0.01
Other	(4)	(0.01)
Share Accretion	---	<u>0.04</u>
Change in contribution to operating earnings	(\$14)	\$0.01
<i>Dominion Energy</i>		
Producer services	(8)	(0.01)
Gas and Oil - production ¹	35	0.06
Gas and Oil - prices	16	0.02
Gas and Oil - DDA expense	(12)	(0.02)
Other	9	0.01
Share Accretion	---	<u>0.06</u>
Change in contribution to operating earnings	\$40	\$0.12
<i>Dominion Generation</i>		
Regulated electric sales:		
Weather	(\$16)	(\$0.02)
Customer growth	4	0.01
Other	15	0.02
Virginia fuel underrecovery	125	0.18
Merchant generation margin	62	0.08
Sales of emissions allowances	9	0.01
Outage costs	(3)	0.00
Depreciation and amortization	(12)	(0.02)
Other	13	0.02
Share Accretion	---	<u>0.10</u>
Change in contribution to operating earnings	\$197	\$0.38
<i>Corporate and Other</i>		
Change in contribution to operating earnings ²	(\$163)	(\$0.25)
<i>Change in consolidated operating earnings</i>	<u>\$60</u>	<u>\$0.26</u>
<i>Change in items excluded from operating earnings</i> ^{2,3}	<u>\$167</u>	<u>\$0.27</u>
<i>Change in net income (GAAP earnings)</i>	<u>\$227</u>	<u>\$0.53</u>

1) Increase is primarily due to volumes associated with reacquired overriding royalty interest arising from the VPPs terminated in 2007.

2) Earnings for the Peoples Natural Gas Company (Peoples) and Hope Gas, Inc. (Hope) are excluded from our 2008 operating earnings.

3) Refer to schedules 2 and 3 for details of items excluded from operating earnings, or find "GAAP Reconciliation" on Dominion's Web site at www.dom.com/investors.