



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ANDREW M. CUOMO
ATTORNEY GENERAL

DIVISION OF SOCIAL JUSTICE
ENVIRONMENTAL PROTECTION BUREAU

VIA FACSIMILE
AND FEDERAL EXPRESS

September 14, 2007

Mr. Thomas F. Farrell, II
Chairman, President and Chief Executive Officer
Dominion Resources, Inc.
120 Tredegar Street, P.O. Box 26532
Richmond, Virginia 23219

Dear Mr. Farrell:

We are aware that Dominion Resources, Inc. ("Dominion") has plans to build a coal-fired electric generating unit that would generate 585 megawatts of electricity without current plans to capture and sequester the resulting carbon dioxide (CO₂) emissions. The increase in CO₂ emissions from the operation of this unit, in combination with Dominion's other coal-fired power plants, will subject Dominion to increased financial, regulatory, and litigation risks. We are concerned that Dominion has not adequately disclosed these risks to its shareholders, including the New York State Common Retirement Fund, which is a significant holder of Dominion stock. Pursuant to the Attorney General's investigatory authority under New York General Business Law § 352, and New York Executive Law § 63(12), accompanying this letter is a subpoena seeking information regarding Dominion's analyses of its climate risks and its disclosures of such risks to investors.

Climate change is one of the most pressing environmental challenges facing the world today. Emissions from U.S. power plants currently constitute 30% of total U.S. carbon emissions. As a result, many power companies are taking steps to reduce CO₂ emissions from their power plant fleets. In contrast, however, the annual emissions from Dominion's proposed new coal-fired power plant will exacerbate global warming harms and undermine the concerted efforts being undertaken by New York and other states to address global warming.

As you are aware, a public company must disclose information material to a shareholder's investment decision. We are concerned that Dominion has failed to disclose material information about the increased climate risks Dominion's business faces. For example, any one of the several new or likely regulatory initiatives for CO₂ emissions from power plants –

including state carbon controls, EPA's regulations under the Clean Air Act, or the enactment of federal global warming legislation – would add a significant cost to carbon-intensive coal generation, such as the new coal plant planned by Dominion.

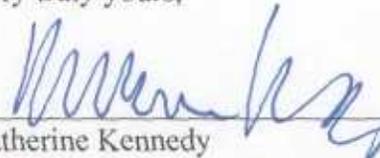
In its 2006 Form 10-K, Dominion made no disclosure of projected CO₂ emissions from the proposed plant or its current plants. Further, Dominion did not attempt to evaluate or quantify the possible effects of future greenhouse gas regulations, or discuss their impact on the company. Dominion also did not present any strategies to reduce CO₂ emissions, as new regulations likely would require. These omissions make it difficult for investors to make informed decisions.

Under federal and state laws and regulations, Dominion's disclosures to investors must be complete and not misleading. Selective disclosure of favorable information or omission of unfavorable information concerning climate change is misleading. Dominion cannot excuse its failure to provide disclosure and analysis by claiming there is insufficient information concerning known climate change trends and uncertainties.

The enclosed subpoena requires your response by October 9, 2007.

We are available to discuss these issues with you further. Please feel free to contact Katherine Kennedy at (212) 416-8540 or Matthew Gaul at (212) 416-8198 with any questions.

Very truly yours,



Katherine Kennedy
Special Deputy Attorney General
Environmental Protection Bureau
Office of the New York Attorney General



Matthew Gaul
Chief
Investor Protection Bureau
Office of the New York Attorney General

Attachment