TAB 1

Dominion Resources Inc.

General Information

Address/Contact

Dominion Resources, Inc.

120 Tredegar Street
Richmond, VA 23219
United States
Map

Phone: 1-804-8192000
Fax: 1-804-7755819

http://www.dom.com/

Additional Company Links

Ownership Type: Listed
DUNS provided by D&B : 101715035
Auditor/Accountant: Deloitte & Touche, LLP (Deloitte Haskins & Sells)

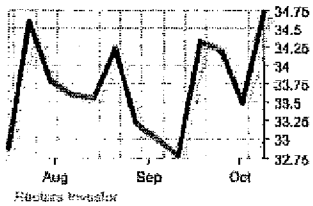
Most Recent Stock Split:
2.0 (20 November 2007)

Historical Stock Split(s):
1.5 (24 January 1992)

Stock Price Activity

Quote | Add to Quote List

3 Months Weekly



Ticker RIC
D D.N
Price
34.86
Change
0.16
Volume
499,300
Exchange
New York Stock Exchange
52-Week High
39.94
52-Week Low
27.15
Currency
USD
Market Index
DJ Utility Average,
Fortune 500,
S&P 500,
SP 500

Discovery Pane

News discovered around this company.

Companies

Dominion Transmi...	83
Federal Energy R...	83
VIRGINIA ELECTRI...	55
Moody's Corp	23
The Williams Com...	12
CenterPoint Ener...	12
Trunkline Gas Co...	12
Tennessee Gas Pi...	12
Panhandle Easter...	12
El Paso Natural ...	11

Subjects

Regulation/Gover...	98
Federal Energy R...	83
Regulatory Bodies	38
Press Release	30
Corporate/Indust...	28
Natural Gas Mark...	26
Corporate Credit...	23
Acquisitions/Mer...	17
Earnings	13
Capacity/Facilit...	13

Industries

Energy	97
Pipeline Transpo...	24
Electricity/Gas ...	22
Pipeline Laying	19
Compressors/Hydr...	13
Newspaper/Magazi...	8
Wind Energy	5
Gas Utilities	5
Electric Power G...	5
Nuclear Fuel	5

Keywords

natural gas
dominion resources
comment date
docket numbers
filed date

Business Description

Dominion Resources, Inc. (Dominion) is a producer and transporter of energy. The Company's portfolio of assets includes approximately 27,000 megawatts of generation; 6,000 miles of electric transmission lines; 56,000 miles of electric distribution lines in Virginia and North Carolina; 14,000 miles of natural gas transmission, gathering and storage pipeline; 28,000 miles of gas distribution pipeline, exclusive of service lines of two inches in diameter or less, and 1.2 trillion cubic feet equivalent of natural gas and oil reserves. Dominion also owns the underground natural gas storage system and operates over 975 billion cubic feet of storage capacity and serves retail energy customers in 12 states. The Company operates in three segments: Dominion Virginia Power (DVP), Dominion Energy and Dominion Generation.

Reuters Extended Business Description
Datamonitor Business Description
Datamonitor Products and Services
Datamonitor Overview and History
Datamonitor Company Statement
Datamonitor SWOT Analysis

Primary Industry Classification

Dow Jones Industry		Electricity/Gas Utilities
SIC	4911	Electric Services
NACE		N/A
NAICS	221112	Fossil Fuel Electric Power Generation

[+] **Secondary Industry Classification**

Source: Reuters

Key Facts

Key Executives

Chairman of the Board, President, Chief Executive Officer: Thomas F. Farrell II

Chief Financial Officer, Executive Vice President: Mark F. McGettrick

Chief Executive Officer of Dominion Virginia: Paul D. Koonce

Chief Executive Officer of Dominion Generation: David A. Christian

Chief Executive Officer of Dominion Energy: Gary A. Sypolt

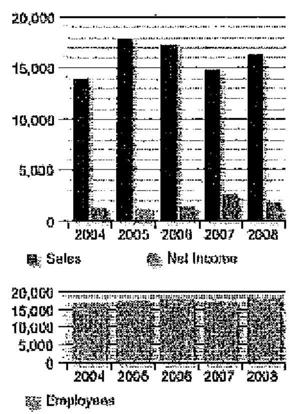
Key Financials News

Currency:	USD
Sales:	16,290.00 m
Sales Growth (1 year):	9.95%
Last Reported Employees (Date):	18,000 (26 February 2009)
Employees Growth (1 year):	5.88%
Last Reported Auditor (Date):	Deloitte & Touche, LLP (Deloitte Haskins & Sells) (26 February 2009)
Market Cap (USD):	20,655.26 m (9 October 2009)
Net Income:	1,834.00 m
Net Profit Margin:	11.27%
EPS:	3.16
Audit Fees (Including Non-Audit Fees):	7,000,000.00
Non-Audit Fees:	0.00
Fiscal Year-End Date:	31 December 2008

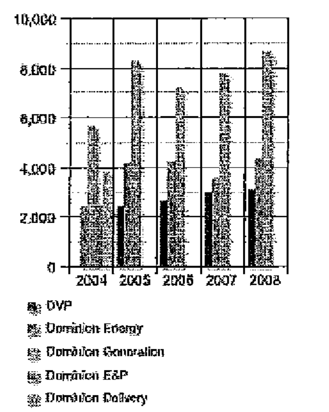
Source: Reuters

Performance/Segment Information

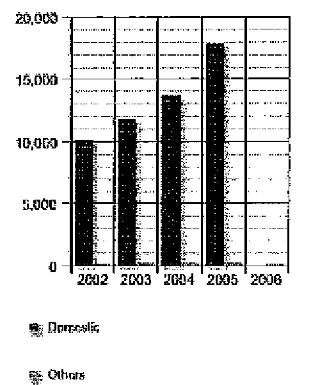
Financial Performance



Business Segment



Geographic Segment



Source: Reuters

Latest News Web News Multimedia

Suggested Categories: All | Performance | Bankruptcy | Management Moves | Contracts/Orders | New Products/Services | Legal/Judicial | Ownership Changes | Press Releases | Trade Articles | Capacities/Facilities | Earnings

View More

1. **Tortoise Power and Energy Infrastructure Fund, Inc. Tortoise Power and Energy...**
   Energy Weekly News, 16 October 2009, 315 words, (English)
2. **Dominion; Dominion Awards $300,000 in Educational Grants**
   Ecology, Environment & Conservation, 16 October 2009, 188 words, (English)
3. **Dominion; Dominion's Appalachian Gateway Project Will Give Market Access to Producers**
   Energy Weekly News, 16 October 2009, 361 words, (English)
4. **Combined Notice of Filings #1**
   Federal Energy Regulatory Commission Documents, 13 October 2009, 770 words, (English)
5. **Combined Notice of Filings #1**
   Federal Register, 13 October 2009, 774 words, (English)

Peer Group
Nearest 10 by Sales

Dow Jones Industry: Electricity/Gas Utilities
Total Number of Companies: 1,073

Rank	Company Name	Sales USD m	Employees	Market Cap USD m	Net Income USD m	Net Profit Margin
23	TOKYO GAS CO., LTD.	17,563.21	15,510	11,231.05	441.25	2.58%
24	Centrais Eletricas Brasileiras SA	16,435.54	23,522	16,312.74	3,451.12	21.04%
25	FPL Group, Inc.	16,410.00	15,061	21,848.59	1,639.00	9.99%
26	**Dominion Resources, Inc.**	16,290.00	18,000	20,655.26	1,834.00	11.27%
27	ONEOK, Inc.	16,157.43	4,742	3,914.35	311.91	3.72%
28	The AES Corporation	16,070.00	25,000	9,878.37	1,234.00	12.30%
29	Edison SpA	15,857.46	2,961	9,140.46	511.39	3.27%
30	Kyushu Electric Power Company, Inc.	15,839.89	19,129	10,287.35	353.24	2.26%
31	PG&E Corporation	14,628.00	21,667	15,305.68	1,338.00	8.09%
32	Pacific Gas & Electric Company	14,628.00	21,451	0.00	1,199.00	0.00%

Competition List from Reuters Research

Source: Reuters

Note: Based on publicly traded company data.

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TAB 3

Part I

Item 1. Business

The Company

Dominion Resources, Inc. (Dominion), headquartered in Richmond, Virginia and incorporated in Virginia in 1983, is one of the nation's largest producers and transporters of energy. Our strategy is to be a leading provider of electricity, natural gas and related services to customers primarily in the eastern region of the U.S. Our portfolio of assets includes approximately 27,000 Mw of generation, 6,000 miles of electric transmission lines, 56,000 miles of electric distribution lines in Virginia and North Carolina, 14,000 miles of natural gas transmission, gathering and storage pipeline, 28,000 miles of gas distribution pipeline, exclusive of service lines of two inches in diameter or less, and 1.2 trillion cubic feet equivalent (Tcfe) of natural gas and oil reserves. Dominion also owns the nation's largest underground natural gas storage system and operates over 975 bcf of storage capacity and serves retail energy customers in twelve states.

The terms "Dominion," "Company," "we," "our" and "us" are used throughout this report and, depending on the context of their use, may represent any of the following: the legal entity, Dominion Resources, Inc., one or more of Dominion Resources, Inc.'s consolidated subsidiaries or operating segments or the entirety of Dominion Resources, Inc. and its consolidated subsidiaries.

Our principal direct legal subsidiaries are Virginia Electric and Power Company (Virginia Power), Dominion Energy, Inc. (DEI), Dominion Transmission, Inc. (DTI), Virginia Power Energy Marketing, Inc. (VPEM), Dominion Exploration and Production, Inc. (DEPI), The East Ohio Gas Company (Dominion East Ohio), Dominion Field Services, Inc. (DFS), Dominion Retail, Inc. (Dominion Retail) and Dominion Resources Services, Inc. (DRS). Virginia Power is a regulated public utility that generates, transmits and distributes electricity for sale in Virginia and northeastern North Carolina. As of December 31, 2008, Virginia Power served approximately 2.4 million retail customer accounts, including governmental agencies, as well as wholesale customers such as rural electric cooperatives and municipalities. DEI is involved in merchant generation, energy marketing and price risk management activities and natural gas and oil exploration and production in the Appalachian basin of the U.S. DTI operates a regulated interstate natural gas transmission pipeline and underground storage system in the Northeast, mid-Atlantic and Midwest states and is engaged in the production, gathering and extraction of natural gas in the Appalachian basin. VPEM provides fuel, gas supply management and price risk management services to other Dominion affiliates and engages in energy trading activities. DEPI explores for, develops and produces natural gas and oil in the Appalachian basin of the U.S. DFS is involved in the gathering and aggregation of Appalachian natural gas supply and provides various marketing-related services to its customers. Dominion Retail markets gas, electricity and related products and services to residential and small commercial and industrial customers. As of December 31, 2008, these nonregulated retail energy marketing operations served approximately 1.6 million residential and small commercial and industrial customer accounts in the Northeast, mid-Atlantic and Midwest regions of the U.S and in Texas. DRS provides accounting, legal, finance and certain administrative and technical services to our subsidiaries. In addition, all of our officers are employees of DRS.

As of December 31, 2008, our regulated gas distribution subsidiaries, Dominion East Ohio, Peoples Natural Gas Company (Peoples) and Hope Gas, Inc. (Hope), served approximately 1.7 million residential, commercial and industrial gas sales and transportation customer accounts in Ohio, Pennsylvania and West Virginia. Of these customers, approximately 500,000 are served by Peoples and Hope, which are held for sale as discussed in *Acquisitions and Dispositions*. We also operate a liquefied natural gas (LNG) import and storage facility in Maryland.

As of December 31, 2008, we had approximately 18,000 full-time employees. Approximately 6,700 employees are subject to collective bargaining agreements.

Our principal executive offices are located at 120 Tredegar Street, Richmond, Virginia 23219 and our telephone number is (804) 819-2000.

Where You Can Find More Information About Dominion

We file our annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at http://www.sec.gov (File No. 001-08489). You may also read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

Our website address is www.dom.com. We make available, free of charge through our website, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports as soon as practicable after filing or furnishing the material to the SEC. You may also request a copy of these filings, at no cost, by writing or telephoning us at: Corporate Secretary, Dominion, 120 Tredegar Street, Richmond, Virginia 23219, Telephone (804) 819-2000. Information contained on our website is not incorporated by reference in this report.

Acquisitions and Dispositions

Following are significant acquisitions and divestitures during the last five years.

Acquisition of Pablo Energy, LLC

In February 2006, we completed the acquisition of Pablo Energy, LLC (Pablo) for approximately $92 million in cash. Pablo held producing and other properties located in the Texas Panhandle area. Following the disposition of these, and all of our other non-Appalachian E&P operations during 2007, the historical results of these operations are included in our Corporate and Other segment.

Acquisition of Kewaunee Nuclear Power Station

In July 2005, we completed the acquisition of the 556 Mw Kewaunee nuclear power station (Kewaunee), located in contractual arrangements. Approximately ten to twenty percent of these agreements are subject to renewal each year.

In October 2008, Dominion East Ohio implemented a rate case settlement which begins the transition to Straight Fixed Variable (SFV) rate design. Under the SFV rate design, Dominion East Ohio will recover a larger portion of its fixed operating costs through a flat monthly charge accompanied by a reduced volumetric base delivery rate. Accordingly, Dominion East Ohio's revenue will be less impacted by weather-related fluctuations in natural gas consumption than under the traditional rate design.

Our Appalachian E&P business generates income from the sale of natural gas and oil we produce from our reserves, including fixed-term overriding royalty interests formerly associated with our volumetric production payment (VPP) agreements discussed in Note 12 to our Consolidated Financial Statements. Variability in earnings relates to changes in commodity prices, which are largely market based, production volumes, which are impacted by numerous factors including drilling success and timing of development projects, and drilling costs which may be impacted by drilling rig availability and other external factors. Production from fixed-term overriding royalty interests formerly associated with our VPP agreements is expected to decline 87% in 2009, reflecting the expiration of these interests in February 2009. We manage commodity price volatility by hedging a substantial portion of our near-term expected production, which should help mitigate the adverse impact on earnings from recent declines in gas and oil prices, such as those experienced in late 2008. These hedging activities may require cash deposits to satisfy collateral requirements. Our Appalachian E&P business added 149 bcfe to its gas and oil reserves as a result of its drilling program during 2008, as compared to production of 46.9 bcfe in 2008, excluding production from fixed-term overriding royalty interests.

Earnings from Dominion Energy's other nonregulated business, producer services, are subject to variability associated with changes in commodity prices. Producer services uses physical and financial arrangements to hedge this price risk.

Competition

Dominion Energy's gas transmission operations compete with domestic and Canadian pipeline companies. We also compete with gas marketers seeking to provide or arrange transportation, storage and other services. Alternative energy sources, such as oil or coal, provide another level of competition. Although competition is based primarily on price, the array of services that can be provided to customers is also an important factor. The combination of capacity rights held on certain long-line pipelines, a large storage capability and the availability of numerous receipt and delivery points along our own pipeline system enables us to tailor our services to meet the needs of individual customers.

With respect to our Ohio natural gas distribution subsidiary, there has been no legislation enacted to require supplier choice for residential and commercial natural gas consumers. However, we have offered an Energy Choice program to customers, in cooperation with the Ohio Commission. See *Regulation—State Regulations—Gas* for additional information.

Regulation

Dominion Energy's natural gas transmission pipeline, storage and LNG operations are regulated primarily by FERC. Dominion Energy's gas distribution service, including the rates that it may charge customers, is regulated by the Ohio Commission. See *State Regulations* and *Federal Regulations* in *Regulation* for more information.

Properties

Dominion Energy's gas distribution network is located in the state of Ohio. This network involves approximately 18,500 miles of pipe, exclusive of service lines of two inches in diameter or less. The rights-of-way grants for many natural gas pipelines have been obtained from the actual owner of real estate, as underlying titles have been examined. Where rights-of-way have not been obtained, they could be acquired from private owners by condemnation, if necessary. Many natural gas pipelines are on publicly-owned property, where company rights and actions are determined on a case-by-case basis, with results that range from reimbursed relocation to revocation of permission to operate.

Dominion Energy has approximately 11,890 miles of gas transmission, gathering and storage pipelines located in the states of Maryland, New York, Ohio, Pennsylvania, Virginia and West Virginia. Dominion Energy operates 20 underground gas storage fields located in New York, Ohio, Pennsylvania and West Virginia, with almost 2,000 storage wells and approximately 345,600 acres of operated leaseholds.

The total designed capacity of the underground storage fields operated by Dominion Energy is approximately 942 bcf. Certain storage fields are jointly-owned and operated by Dominion Energy. The capacity of those fields owned by our partners totals about 242 bcf. Dominion Energy also has about 8 bcf of above-ground storage capacity at its Cove Point LNG facility. Dominion Energy has about 123 compressor stations with more than 706,000 installed compressor horsepower.

Dominion Energy also owns about 1.2 Tcfe of proved natural gas and oil reserves and produces approximately 128 million cubic feet equivalent of natural gas and oil per day from its leasehold acreage and facility investments in Appalachia.

In 2006, FERC approved the proposed expansion of our Cove Point terminal and DTI pipeline and the commencement of construction of such project. Such expansion included the installation of two new LNG storage tanks at our Cove Point terminal, each capable of storing 160,000 cubic meters of LNG and expansion of our Cove Point pipeline to approximately 1,800,000 dekatherms per day. In addition, our DTI gas pipeline and storage system would be expanded by building 81 miles of pipeline, two compressor stations in Pennsylvania and other upgrades.

In 2007, Washington Gas Light Company (WGL) petitioned the U.S. Court of Appeals for the District of Columbia (D.C. Appeals Court) for review of FERC's orders. Prior to FERC's final order approving the Cove Point expansion, WGL had asked FERC to delay its approval based on its assertion that leaks on its system were caused by the composition of gas received from the Cove Point pipeline. FERC rejected WGL's claims, concluding that the leaks were a result of other defects in WGL's system, not the composition of the LNG received from Cove Point. In July 2008, the D.C. Appeals Court affirmed FERC's rulings on a number of important issues, including FERC's findings that the leaks were the result of defects on WGL's system and that we are not responsible for repairs. However, the court vacated FERC's

Conservation and Load Management Programs

We have conducted a series of short-term pilot programs focused on energy conservation and demand response. The pilots were offered to a selection of 4,550 customers in our electric utility's central, eastern and northern Virginia service areas. To help ensure that the results were representative, solicitations were given to select customers. No customer could participate in more than one pilot. We reported results from the pilots at least quarterly to the Virginia Commission staff to help evaluate their effectiveness. Most of these pilots had ended as of December 31, 2008.

The pilots approved by the Virginia Commission included:

- 1,000 residential customers in each of four different energy-saving pilots. The pilots were designed to cycle central air conditioning units during peak-energy demand times, inform customers about their real-time energy consumption patterns, promote programmable thermostats that allow customers to control their use of electricity, and educate customers about the value of reducing energy use during peak-use times.
- Free energy audits and energy efficiency kits to 150 existing residential customers, 100 new homes meeting energy efficiency guidelines set by the EPA, and 50 small commercial customers. In addition, 250 new customer accounts received energy efficiency welcome kits.
- Incentives for commercial customers to reduce load during periods of peak demand by running their generators to produce up to 100 Mw of electricity. This is in addition to existing Dominion options in which commercial and industrial customers have reduced demand by more than 300 Mw during peak-demand periods.

In June 2008, we announced an energy conservation and load management plan that, if implemented, is expected to produce long-term environmental benefits while providing our electric utility customers with cost savings. The plan is part of our *Powering Virginia* strategy to meet the future needs of customers. We expect to launch the plan in early 2010, subject to approval by the Virginia Commission and the North Carolina Commission, as applicable.

A key component of the plan is the potential installation of "smart grid" technologies that are designed to enhance our electric distribution system by allowing energy to be delivered more efficiently. Dependent upon the outcome of demonstration projects taking place in 2009, we expect to make a significant investment in replacing all of our existing meters with Advanced Metering Infrastructure. The technology is expected to lead to improvements in service reliability and the ability of customers to monitor and control their energy use. Additionally, programs in the conservation plan include:

- Incentives for construction of energy-efficient homes that meet the federal government's Energy Star® standards;
- Incentives for residential and commercial customers to install energy-efficient lighting;
- Energy audits and improvements for homes of low-income customers;
- Incentives for residential customers who voluntarily enroll to allow the Company to cycle their air-conditioners and heat pumps during periods of peak demand;
- In-home display devices that display the amount and cost of electricity customers are using; and
- Incentives for residential and commercial customers to improve the energy efficiency of their heating and/or cooling units.

REGULATION

We are subject to regulation by the Virginia Commission, North Carolina Commission, SEC, FERC, EPA, DOE, NRC, Army Corps of Engineers and other federal, state and local authorities.

State Regulations

ELECTRIC

Our electric utility retail service is subject to regulation by the Virginia Commission and the North Carolina Commission.

Our electric utility subsidiary holds certificates of public convenience and necessity which authorize it to maintain and operate its electric facilities now in operation and to sell electricity to customers. However, this subsidiary may not construct or incur financial commitments for construction of any substantial generating facilities or large capacity transmission lines without the prior approval of various state and federal government agencies. In addition, the Virginia Commission and the North Carolina Commission regulate our electric utility subsidiary's transactions with affiliates, transfers of certain facilities and issuance of securities.

Status of Electric Regulation in Virginia

2007 Virginia Regulation Act and Fuel Factor Amendments

On July 1, 2007, legislation amending the Virginia Electric Utility Restructuring Act (the Regulation Act) and the fuel factor statute became effective, which significantly changed electricity regulation in Virginia. Prior to the Regulation Act, our base rates in Virginia were to be capped at 1999 levels until December 31, 2010, at which time Virginia was to convert to retail competition for its electric supply service. The Regulation Act ended capped rates two years early, on December 31, 2008, at which time retail competition would be available only to individual retail customers with a demand of more than 5 Mw and non-residential retail customers who obtain Virginia Commission approval to aggregate their load to reach the 5 Mw threshold. Individual retail customers will also be permitted to purchase renewable energy from competitive suppliers if their incumbent electric utility does not offer a 100% renewable energy tariff.

Pursuant to the Regulation Act, the Virginia Commission entered an order in January 2009 initiating reviews of the base rates and terms and conditions of all investor-owned utilities in Virginia. The Company must submit its filing and accompanying schedules on or before April 1, 2009, and it anticipates that its filing will support an increase in base rates. The ROE in that rate review will be no lower than that reported by not less than a majority of comparable utilities within the southeastern U.S., with certain limitations, as described in the Act. Possible outcomes of the 2009 rate review, according to the Regulation Act, include a rate increase, a rate decrease, and a refund of earnings more than 50 basis points above the authorized ROE. We are unable to predict the outcome of future rate actions at this time. However, an unfavorable outcome could adversely affect our results of operations, financial condition and cash flows.

After the 2009 rate review, the Virginia Commission will conduct biennial reviews of our rates, terms and conditions beginning in 2011. As in the 2009 rate review, our ROE in the biennial reviews can be no lower than that reported by not less than a majority of comparable utilities within the southeastern U.S., with certain limitations, as described in the Act. The Commission shall be authorized to increase our base rates if our earnings are more than 50 basis points below the authorized level. If our earnings are more than 50 basis points above the authorized level, such earnings will be shared with customers. If over-earning persists for two consecutive biennial periods, in addition to earnings sharing, rates may also be reduced.

Separate from base rates, the Regulation Act also authorizes stand-alone rate adjustment clauses for recovery of costs for new generation projects, environmental compliance, FERC-approved transmission costs, conservation and energy efficiency programs, and renewables programs. The Act also provided for enhanced returns on capital expenditures on specific new generation projects, including but not limited to nuclear generation, clean coal/carbon capture compatible generation, and renewable generation projects.

The Regulation Act also continues statutory provisions directing us to file annual fuel cost recovery cases with the Virginia Commission beginning in 2007 and continuing thereafter, as discussed in *Virginia Fuel Expenses.*

Virginia Fuel Expenses

Under amendments to the Virginia fuel cost recovery statute passed in 2004, our fuel factor provisions were frozen until July 1, 2007. Fuel prices increased considerably during that period, which resulted in our fuel expenses being significantly in excess of our fuel cost recovery. Pursuant to the 2007 amendments to the fuel cost recovery statute, annual fuel rate adjustments, with deferred fuel accounting for over- or under-recoveries of fuel costs, were re-instituted beginning July 1, 2007. While the 2007 amendments did not allow us to collect any unrecovered fuel expenses that were incurred prior to July 1, 2007, once our fuel factor was adjusted, this mechanism ensures dollar-for-dollar recovery for prudently incurred fuel costs.

In April 2007, we filed a Virginia fuel factor application with the Virginia Commission. The application showed a need for an annual increase in fuel expense recovery for the period July 1, 2007 through June 30, 2008 of approximately $662 million; however, the requested increase was limited to $219 million under the 2007 amendments to the fuel cost recovery statute, which limited the increase to an amount that resulted in the residential customer class not receiving an increase of more than 4% of total rates in effect as of June 30, 2007. The Virginia Commission approved a fuel factor increase for Virginia jurisdictional customers of approximately $219 million, effective July 1, 2007, with the balance of approximately $443 million deferred for subsequent recovery subject to Virginia Commission approval, without interest, during the period commencing July 1, 2008 and ending June 30, 2011.

In May 2008, we filed an application to revise our fuel factor with the Virginia Commission that would have resulted in an annual increase from 2.232 cents per kWh to 4.245 cents per kWh, effective July 1, 2008. This revised factor included $231 million of prior year under-recovered fuel expense out of a total estimated prior year under-recovered balance of $697 million with the remaining deferred fuel balance expected to be recovered over the next two fuel rate years beginning July 1, 2009. As part of the application, we proposed adoption of a rule that would limit the fuel factor to 3.893 cents per kWh for the current fuel period of July 1, 2008 through June 30, 2009. In order to achieve this lower fuel factor increase, the proposal would have delayed recovery of the prior year under-recovered fuel balance of $697 million to be collected over a three-year period beginning July 1, 2009.

The Virginia Commission approved a settlement proposed by us and other parties, which provided for the following effective July 1, 2008:

i) an increase of our fuel tariff to 3.893 cents per kWh for the collection of the current period and partial recovery of the prior year under-recovered fuel balance;
ii) the recovery of $231 million of the approximately $697 million prior year under-recovered fuel balance, with the balance to be recovered in subsequent fuel periods as provided by Virginia law;
iii) the fuel tariff of 3.893 cents per kWh is estimated to result in an under-recovery of $231 million of projected fuel expenses during the current period; and
iv) we will not propose to recover a return or interest or any other form of carrying costs on the balance of uncollected fuel expenses described in subsection (ii) above, including the estimated $231 million under-recovery of current period expenses described in subsection (iii), provided that the total amount on which we will not propose to recover interest or any other form of carrying costs is limited to $697 million.

The resulting increase in a 1,000 kWh Virginia jurisdictional residential customer's monthly bill is approximately 18% for the 2008 through 2009 fuel period.

North Carolina Regulation

In 2004, the North Carolina Commission commenced a review of our North Carolina base rates and subsequently ordered us to file a general rate case to show cause why our North Carolina jurisdictional base rates should not be reduced. The rate case was filed in September 2004, and in March 2005 the North Carolina Commission approved a settlement that included a prospective $12 million annual reduction in current base rates and a five-year base rate moratorium, effective as of April 2005. Fuel rates are still subject to annual fuel rate adjustments, with deferred fuel accounting for over- or under-recoveries of fuel costs.

In September 2008, our electric utility subsidiary filed an application to revise our fuel factor with the North Carolina Commission, requesting an annual increase in our North Carolina fuel factor from 2.221 cents per kWh to 3.825 cents per kWh to be effective January 1, 2009. The proposal would result in an annual increase in fuel revenue of approximately $69 million for the North Carolina jurisdiction. In December 2008, our electric utility subsidiary, the Public Staff of the North Carolina Commission and other parties filed a proposed settlement that would increase our North Carolina fuel factor from 2.221 cents per kWh to 3.206 cents per kWh. The North Carolina Commission approved the settlement in December 2008. The resulting increase in annual fuel revenue is approximately $42 million for the North Carolina jurisdiction.