

DOMINION RESOURCES INC /VA/
Form U-9C-3
August 14, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM U-9C-3

QUARTERLY REPORT PURSUANT TO RULE 58 OF
THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

For the Calendar Quarter Ended June 30, 2003

Dominion Resources, Inc.
Consolidated Natural Gas Company

(Name of registered holding companies)

120 Tredegar Street
Richmond, Virginia 23219

(Address of principal executive offices)

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ITEM 1 - ORGANIZATION CHART

| <u>Name of Reporting Company</u> | <u>Energy or Gas Related Company</u> | <u>Date of Organization</u> | <u>State of Incorporation</u> | <u>% of Voting Securities Held</u> | <u>Nature of Business</u> |
|--|--|---------------------------------|-----------------------------------|--|---|
| Dominion Resources, Inc. ("DRI")(a) | | | | | |
| Dominion Alliance Holding, Inc. ("DAH") | Energy Related | 11/2000 | Delaware | 100% | Held an investment in Bridgeco for the purpose of developing the infrastructure necessary to operate the Alliance regional transmission organization. |
| Dominion Energy Technologies, Inc. ("DETI") | Energy Related | 4/2001 | Virginia | 100% | Holds venture investments in energy technology companies. |
| Dominion Metering Services, Inc. ("DMS") | Energy Related | 12/2000 | Virginia | 100% | Provided contract meter reading services. |
| Dominion Ohio ES, Inc. ("DOES") | Energy Related | 5/2001 | Ohio | 100% | Provides engineering, construction and other services. |

| | | | | | |
|---|-------------------|--------|----------|------|---|
| Dominion Technical Solutions, Inc. ("DTECH") | Energy Related | 8/2002 | Virginia | 100% | Provides engineering, construction and other services. |
|---|-------------------|--------|----------|------|---|

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ITEM 1 - ORGANIZATION CHART (CONTINUED)

| <u>Name of Reporting Company</u> | <u>Energy or Gas Related Company</u> | <u>Date of Organization</u> | <u>State of Incorporation</u> | <u>% of Voting Securities Held</u> | <u>Nature of Business</u> |
|---|--|---------------------------------|-----------------------------------|--|--|
| Dominion Resources, Inc. ("DRI") (a) | | | | | |
| Dominion Energy Direct Sales, Inc. ("DEDS") | Energy Related | 2/2000 | Virginia | 100% | Primarily engages in retail sales of electricity and gas to commercial and industrial users. |
| Dominion Energy, Inc. ("DEI") (a) | | | | | |
| Dominion Energy Exchange, Inc. ("DEE") | Energy Related | 9/2000 | Virginia | 100% | Owns an interest in EIP Holdings, LLC ("EIP") which owns 66.34% of TradeSpark, LP, an electronic and telephonic marketplace for transactions in natural gas, electricity and other fuels.(b) |
| Dominion Cleveland | Energy Related | 10/2000 | Ohio | 100% | Produces steam and chilled water |

| | | | | | | |
|---|----------------|--------|----------------|------|--|--|
| Thermal, Inc. ("DCT") | | | | | | for retail customers in the Cleveland, Ohio area. |
| Dominion Energy Marketing, Inc. ("DEMI") | Energy Related | 9/2000 | Delaware | 100% | | Engages in the sale of energy on a portfolio basis. |
| Dominion Wagram, Inc. ("Wagram") | Energy Related | 4/2002 | North Carolina | 100% | | Holds contracts pertaining to a steam plant facility in Wagram, NC that serves Westpoint Stevens. |
| Dominion Energy Terminal Company, Inc. ("DETC") (NEW) | Energy Related | 2/2003 | Virginia | 100% | | Holder of 20% General Partnership interest in Dominion Terminal Associates. Primarily engages in coal terminal services. |

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ITEM 1 - ORGANIZATION CHART (CONTINUED)

| <u>Name of Reporting Company</u> | <u>Energy or Gas Related Company</u> | <u>Date of Organization</u> | <u>State of Incorporation</u> | <u>% of Voting Securities Held</u> | <u>Nature of Business</u> |
|--|--------------------------------------|-----------------------------|-------------------------------|------------------------------------|---------------------------|
| Dominion Resources, Inc. ("DRI")(a) | | | | | |

Dominion Energy, Inc.
("DEI")(a)

Dominion Storage, Inc.
("DSI")(a)

Dominion Energy
Canada Limited
("DECL")(a)

| | | | | | |
|---|-------------------|---------|--------------------|------|--|
| Dominion Energy Clearinghouse Canada, Inc. ("DECCI") (NEW) | Energy Related | 11/2002 | Alberta, Canada | 100% | Trading, hedging and marketing of production for Canadian operations. |
|---|-------------------|---------|--------------------|------|--|

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ITEM 1 - ORGANIZATION CHART (CONTINUED)

| <u>Name of Reporting Company</u> | <u>Energy or Gas Related Company</u> | <u>Date of Organization</u> | <u>State of Incorporation</u> | <u>% of Voting Securities Held</u> | <u>Nature of Business</u> |
|----------------------------------|--|---------------------------------|-----------------------------------|--|-------------------------------|
|----------------------------------|--|---------------------------------|-----------------------------------|--|-------------------------------|

Dominion Resources, Inc.
("DRI")(a)

Consolidated Natural Gas
Company ("CNG")(a)

| | | | | | |
|--|-------------|--------|----------|------|--|
| Dominion Field Services, Inc. ("Field Services") | Gas Related | 3/1977 | Delaware | 100% | Engages in activities involving Appalachian natural gas supply, |
|--|-------------|--------|----------|------|--|

| | | | | | | |
|---|-------------|---------|----------------------|--------|--|--|
| | | | | | | including gathering and administration of supply contracts. |
| Dominion | | | | | | |
| Iroquois, Inc.(a) | | | | | | |
| Iroquois Gas Transmission System, L.P. ("Iroquois") | Gas Related | 12/1989 | Delaware Partnership | 24.72% | | Owns and operates an interstate natural gas pipeline that transports Canadian gas to utilities and power generators in New York and New England. |
| Dominion Greenbrier, Inc. ("Greenbrier") | Gas Related | 11/2000 | Virginia | 100% | | Owns 67% of Greenbrier Pipeline Company, LLC. (c) |
| Dominion Oklahoma Texas Exploration & Production, Inc. ("DOTEPI") | Gas Related | 9/2001 | Delaware | 100% | | Engages in natural gas and oil exploration and production. |
| Dominion Natural Gas Storage, Inc. ("DNKS") | Gas Related | 11/2001 | Delaware | 100% | | Owns gas storage facilities, a brine pipeline and a gas interconnect pipeline |
| Dominion Cove Point, Inc. ("Cove Point") | Gas Related | 8/2002 | Virginia | 100% | | Owns a liquefied natural gas import facility. |
| Dominion | | | | | | |
| Transmission, Inc. ("DTI") (a) | | | | | | |

| | | | | | |
|---------------------------------|-------------|--------|----------|------|--|
| Tioga Properties, LLC ("Tioga") | Gas Related | 6/2002 | Delaware | 100% | Owns a developmental underground natural gas storage system. |
|---------------------------------|-------------|--------|----------|------|--|

(a) Directly or indirectly holds interests in energy-related or gas-related companies.

(b) DEE's voting rights in EIP cannot exceed 9.9% unless (i) its economic interest is less than 10% or (ii) it elects to increase its voting rights to equal its economic interest.

(c) Greenbrier Pipeline Company, LLC plans to develop, construct and own a pipeline to meet increased demand for natural gas in the Appalachian and Piedmont regions.

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ITEM 2 - ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS (d) (e)

| <u>Company issuing security (Borrower)</u> | <u>Type of security issued</u> | <u>Principal amount of security</u> | <u>Issue or renewal</u> | <u>Cost of capital</u> | <u>Person to whom issued (Lender)</u> | <u>Collateral given with security</u> | <u>Consideration received for each security</u> |
|--|--------------------------------|-------------------------------------|-------------------------|------------------------|---------------------------------------|---------------------------------------|---|
| Wagram | Short Term Advances | \$ 7,611,464 | - | - | DEI | - | - |
| Cove Point | Short Term Note | \$34,654,000 | - | - | DRI | - | - |
| Tioga | Short Term Note | \$59,000 | - | - | DRI | - | - |

| <u>Company Contributing Capital</u> | <u>Company Receiving Capital</u> | <u>Type and Amount of Capital Infusion</u> |
|-------------------------------------|----------------------------------|--|
|-------------------------------------|----------------------------------|--|

| | | |
|------|-------|---|
| DEI | DECCI | Common Stock of \$7 |
| DECL | DETC | Common Stock of \$1,000 and Capital Contribution of \$3,122 |

(d) The chart reflects net advances made by Lenders to Borrowers during the second quarter of 2003. Advances are evidenced by book entries and were made pursuant to Rule 52. See also the DRI Form U-6B-2 filed for the second quarter of 2003.

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ITEM 2 - ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS (continued)

(e) All of the following DRI Money Pool activity occurred from April through June 2003 for the participating energy-related and gas-related companies included in this U-9C-3.

| Company | DRI Money Pool (In Thousands) | | | Ending Balance |
|----------------------------|----------------------------------|--------------------|----------------------|-------------------|
| | <u>Beginning Balance</u> | <u>Withdrawals</u> | <u>Contributions</u> | |
| Field Services | \$9,205 | \$157,329 | \$172,877 | \$24,753 |
| Dominion Iroquois, Inc. | 4,319 | 13 | 520 | 4,826 |
| Greenbrier | (17,472) | 1,138 | 0 | (18,610) |
| DOTEPI | (265,841) | 173,277 | 176,602 | (262,516) |
| DNGS | (17,448) | 409 | 0 | (17,857) |
| DAH | (9,044) | 33 | 0 | (9,077) |
| DMS | (198) | 0 | 0 | (198) |

Additionally, as of June 30, 2003 there remained outstanding the following guarantees:

| Guarantees (In Thousands) | | |
|------------------------------|------------------|---------------|
| <u>Company</u> | <u>Guarantor</u> | <u>Amount</u> |
| Field Services | CNG | \$173,600 |
| DOTEPI | CNG | 305,700 |
| DNGS | CNG | 265 |
| Cove Point | CNG | 589 |
| Greenbrier | DRI | 9,865 |
| DEMI | DRI | 255,750 |
| DECCI | DRI | 23,281 |

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ITEM 3 - ASSOCIATE TRANSACTIONS

Part I - Transactions Performed by Reporting Companies on Behalf of Associate Companies (f)

| <u>Reporting Company Rendering Service</u> | <u>Associate Company Receiving Service</u> | <u>Types of Services Rendered</u> | <u>Direct Costs Charged</u> | <u>Indirect Costs Charged</u> | <u>Cost of Capital</u> | <u>Total Amount Billed</u> |
|--|--|---|-------------------------------------|---------------------------------------|----------------------------|------------------------------------|
| DOES | Dominion Equipment, Inc. (g) | Engineering Services | \$6,063 | 0 | 0 | \$6,063 |
| DTECH | Fairless Energy, LLC (h) | Engineering Services | \$404,719 | 0 | 0 | \$404,719 |

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| | | | | | | |
|----------------|--|--|-------------|---|---|-------------|
| DTECH | Dresden Energy, LLC (h) | Engineering Services | \$759 | 0 | 0 | \$759 |
| DTECH | Pleasants Energy, LLC (i) | Engineering Services | \$984 | 0 | 0 | \$984 |
| DTECH | Armstrong Energy Limited Partnership, LLLP (j) | Engineering Services | \$14,023 | 0 | 0 | \$14,023 |
| DTECH | Troy Energy, LLC (k) | Engineering Services | \$2,172 | 0 | 0 | \$2,172 |
| Field Services | Dominion Transmission, Inc. (l) | Sales of Extracted Products, & Rental fees | \$3,703,098 | 0 | 0 | \$3,703,098 |
| Field Services | Dominion Exploration & Production, Inc. (m) | Fuel Management Services | \$30,000 | 0 | 0 | \$30,000 |
| Field Services | Dominion Appalachian Development Properties, LLC (n) | Fuel Management Services | \$24,000 | 0 | 0 | \$24,000 |

(f) As per Rules 80 and 81, natural gas supply, storage or transportation capacity transactions are not reported hereunder. Services provided by or to Dominion Resources Services, Inc. ("DRS") are billed pursuant to standard at-cost service agreements between DRS and Dominion Resources, Inc. subsidiaries. Information with respect to transactions under such agreements is not provided in this report, but is provided by Form U-13-60.

(g) Services provided by DOES to Dominion Equipment, Inc. are provided pursuant to service agreements dated June 1, 2001 in the form of Exhibit B to the DRI Form U-9C-3 filed for the fourth quarter of 2001.

(h) Services provided by DTECH to Dresden Energy, LLC and Dominion Equipment III, Inc. as agent for Fairless Energy, LLC are provided pursuant to service agreements dated August 1, 2002 in the form of Exhibits D and E respectively, to the DRI Form U-9C-3 filed for the third quarter of 2002.

(i) Services provided by DTECH to Pleasants Energy, LLC are provided pursuant to service agreements dated August 1, 2002 in the form of Exhibit B.

(j) Services provided by DTECH to Armstrong Energy Limited Partnership, LLLP are provided pursuant to service agreements dated August 1, 2002 in the form of Exhibit C to the DRI Form U-9C-3 filed for the third quarter of 2002.

(k) Services provided by DTECH to Troy Energy, LLC are provided pursuant to service agreements dated August 1, 2002 in the form of Exhibit C.

(l) Services provided by Field Services to DTI are provided pursuant to a service agreement dated April 23, 2001 in the form of Exhibit A(e) to the CNG Form U-9C-3 filed for the second calendar quarter of 2002.

(m) Services provided at cost.

(n) Services provided by Field Services to Dominion Appalachian Development, Inc. are provided pursuant to a service agreement dated May 1, 2002 in the form of Exhibit A(g) to the CNG Form U-9C-3 filed for the second calendar quarter of 2002.

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ITEM 3 - ASSOCIATE TRANSACTIONS (continued)

Part II - Transactions Performed by Associate Companies on Behalf of Reporting Companies (f)

| <u>Associate Company Rendering Service</u> | <u>Reporting Company Receiving Service</u> | <u>Types of Services Rendered</u> | <u>Direct Costs Charged</u> | <u>Indirect Costs Charged</u> | <u>Cost of Capital</u> | <u>Total Amount Billed</u> |
|--|--|---|-------------------------------------|---------------------------------------|----------------------------|------------------------------------|
| DTI | Field Services (o) | Operations & Maintenance Services | \$372,250 | \$29,822 | 0 | \$402,072 |
| DTI | Greenbrier (p) | Administration, Engineering, Operations & Maintenance Services | \$308,704 | \$7,482 | 0 | \$316,186 |
| DTI | DNGS (q) | Administration, Engineering, Operations & Maintenance Services | \$15,376 | \$1,742 | 0 | \$17,118 |
| DTI | Dominion Cove Point LNG Limited Partnership (r) | Engineering, Operations & Maintenance Services | \$588,986 | \$148,069 | 0 | \$737,055 |
| DTI | Tioga (s) | Administration, Engineering, Operations, Accounting, Marketing & Storage | \$18,478 | \$4,285 | 0 | \$22,763 |

Services

| | | | | | | |
|---|------------|--|--------------|---|---|--------------|
| Dominion Exploration & Production, Inc. | DOTEPI (t) | Operations & Maintenance of Gas Properties | \$16,953,009 | 0 | 0 | \$16,953,009 |
|---|------------|--|--------------|---|---|--------------|

(o) Services provided by DTI to Field Services are provided pursuant to agreements in the form of Exhibit A(i) to the CNG Form U-9C-3 filed for the second calendar quarter of 2002.

(p) Amount represents 100% of the services provided by DTI to Greenbrier Pipeline Company, LLC which is owned 33% by a non-affiliated entity. Services provided by DTI to Greenbrier are provided pursuant to a service agreement dated January 1, 2001, in the form of Exhibit B to the CNG Form U-9C-3 filed for the first calendar quarter of 2001.

(q) Services provided by DTI to DNGS are provided pursuant to a service agreement dated December 1, 2001 in the form of Exhibit A(l) to the CNG Form U-9C-3 filed for the third calendar quarter of 2002.

(r) Services provided by DTI to Dominion Cove Point LNG Limited Partnership are provided pursuant to a service agreement dated August 30, 2002 in the form of Exhibit A(m) to the CNG Form U-9C-3 filed for the third calendar quarter of 2002.

(s) A copy of the Service Agreement between DTI and Tioga dated July 1, 2002 in the form of Exhibit A(o) to the CNG Form U-9C-3 filed for the fourth calendar quarter of 2002.

(t) Services provided by Dominion Exploration & Production, Inc. to DOTEPI are provided pursuant to a Market Services Agreement dated November 1, 2001 in the form of Exhibit A(k) to the CNG Form U-9C-3 filed for the second calendar quarter of 2002.

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ITEM 4 - SUMMARY OF AGGREGATE INVESTMENT

Investments in energy-related companies (in thousands):

| | | |
|--|------------------|--------|
| Total consolidated capitalization of DRI as of June 30, 2003 | \$28,364,140 (u) | Line 1 |
|--|------------------|--------|

| | | |
|--|------------------|--------|
| Total capitalization multiplied by 15% (Line 1 multiplied by 0.15) | <u>4,254,621</u> | Line 2 |
|--|------------------|--------|

| | | |
|-----------------------------------|-------------|--------|
| Greater of \$50 million or line 2 | \$4,254,621 | Line 3 |
|-----------------------------------|-------------|--------|

Total current aggregate investment:
(categorized by major line of energy-related business)

Energy-related business by category

| | |
|------------|----------|
| Category 2 | 10 |
| Category 5 | 278,953 |
| Category 6 | 13,703 |
| Category 7 | 10,337 |
| Category 8 | 377,150 |
| Category 9 | <u>4</u> |

Total current aggregate investment (v) 680,157 Line 4

Difference between the greater of \$50 million or 15% of capitalization and the total aggregate investment of the registered holding system (line 3 less line 4) \$3,574,464 Line 5

Investments in gas-related companies (in thousands):

Total current aggregate investment: (categorized by major line of gas-related business) (w)

| | | |
|--------------------------------|---------------|-----------------------------|
| Gas exploration and production | 2,551,661 | |
| Gas sales and storage services | 518,480 | |
| Gas transportation | <u>52,724</u> | <u> </u> |
| | | <u>\$3,122,865</u> |

(u) Includes short-term debt of \$1,483,032.

(v) Includes guarantees of \$255,750.

(w)Includes guarantees of \$490,019.

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ITEM 5 - OTHER INVESTMENTS

| Major Line of Energy- <u>Related Business</u> | Other Investment in <u>Last U-9C-3 Report</u> | Other Investment in this <u>U-9C-3 Report</u> | Reason for Difference in <u>Other</u> <u>Investment</u> |
|--|--|--|---|
|--|--|--|---|

None.

ITEM 6 - FINANCIAL STATEMENTS AND EXHIBITS

A. Financial Statements

Balance sheets as of June 30, 2003 and income statements for the three-months and six-months ended June 30, 2003 for the following companies are filed under confidential treatment pursuant to Rule 104(b):

DEDS

DEE

DAH

DETI

DMS

DCT

DOES

Wagram

DTECH

DEMI

Field Services

Greenbrier

DOTEPI

DNGS

Cove Point

Tioga

DETC

DECCI

B. Exhibits

The certificate as to filing with interested state commissions is attached hereto as Exhibit A.

The form of service agreement, dated August 1, 2002 between DTECH and Pleasants Energy, LLC is attached as Exhibit B.

The form of service agreement, dated August 1, 2002 between DTECH and Troy Energy, LLC is attached as Exhibit B.

SIGNATURE

The undersigned registered holding companies have duly caused this quarterly report to be signed on their behalf by the undersigned attorney thereunto duly authorized pursuant to the requirements of the Public Utility Holding Company Act of 1935.

DOMINION RESOURCES, INC.

/s/ James F. Stutts _____

By: James F. Stutts
Its Attorney

CONSOLIDATED NATURAL GAS COMPANY

/s/ James F. Stutts

By: James F. Stutts
Its Attorney

Dated: August 14, 2003

Exhibit A

CERTIFICATE

The undersigned certifies that she is the duly designated and acting attorney of Dominion Resources, Inc., a Virginia corporation ("DRI") and Consolidated Natural Gas Company, a Delaware corporation ("CNG") and that:

The Combined Quarterly Report for DRI and CNG on Form U-9C-3 filed pursuant to Rule 58 for the quarter ended June 30, 2003 was filed with each state commission having jurisdiction over the retail rates of the public utility companies that are associate companies of any of the reporting companies.

The names and addresses of such state utility commissions are:

Utilities Department
Public Utility Commission of Ohio
180 Broad Street
Columbus, OH 43266-0573

Executive Secretary
West Virginia Public Service Commission
201 Brooks Street
Charleston, WV 25301

Secretary
Pennsylvania Public Utility Commission
North Office Building
Commonwealth Avenue and North Street
Harrisburg, PA 17101

General Counsel
Virginia State Corporation Commission
1300 East Main Street
10th Floor

Richmond, VA 23219

Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

IN WITNESS WHEREOF, I have hereunto set my hand as of the 14th day of August 2003.

/s/ Sharon L. Burr

Sharon L. Burr
Attorney for
Dominion Resources, Inc.
Consolidated Natural Gas Company

Exhibit B

August 1, 2002

Pleasants Energy, LLC
120 Tredegar Street
Richmond, Virginia 23219
Gentlemen:

This Agreement is entered into by and between Dominion Technical Solutions, Inc. ("Providing Company"), a Virginia corporation and Pleasants Energy, LLC ("Receiving Company"), a Delaware corporation. Receiving Company has requested that Providing Company provide it with certain services which it may from time to time require in the conduct of its business. Providing Company has agreed to provide such services to Receiving Company, upon the terms and conditions hereinafter provided.

Accordingly, in consideration of the mutual promises herein contained, Providing Company and Receiving Company agree as follows:

1. Upon oral or written request by Receiving Company, Providing Company will provide such engineering services, training and technical support and scheduled maintenance support services as are deemed necessary or desirable. In so doing,

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Providing Company may arrange for and provide the services of its own qualified personnel, or it may, after consultation with Receiving Company, arrange for and provide the services of such qualified, non-affiliated personnel as Providing Company, in its own opinion, deems necessary or appropriate.

2. All services rendered under and in accordance with this Agreement shall be provided at cost.

The cost of rendering such services shall include: (1) a portion of the salaries and wages of employees of Providing Company determined according to the time devoted by such employees to the performance of services hereunder for Receiving Company; (2) the costs of such employees' benefits, payroll taxes and compensated absences attributable to salaries and wages directly billed, as determined in accordance with Providing Company policies and procedures in place from time to time, (3) all other out-of-pocket operating costs, including expenses for transportation, tolls and other expenses incurred by Providing Company or its employees in connection with the performance of services under this Agreement, (4) the actual costs of materials and supplies furnished by Providing Company in connection with the performance of services under this Agreement, and (5) administrative and general costs attributable to services performed under this Agreement (including reasonable amounts for general office maintenance and depreciation, amortization, return and related taxes on Providing Company's general plant investment), determined in accordance with Providing Company's policies and procedures.

3. Providing Company shall render monthly statements to Receiving Company for services supplied or to be supplied in the manner set forth above. Such statements shall include the costs of all services supplied hereunder during the preceding month and may include estimated amounts attributable to services which Providing Company anticipates it will supply during the next succeeding calendar month. All statements so rendered will be due and payable ten (10) days after receipt thereof.
4. This Agreement shall become effective as of August 1, 2002 and shall continue in force and effect until terminated by either party upon thirty (30) days' written notice of termination; provided, however, that this Agreement shall be subject to termination or modification at any time to the extent that its performance may conflict with the provisions of the Public Utility Holding Company Act of 1935, as amended, or any rule, regulation or order of the Securities and Exchange Commission adopted or promulgated prior or subsequent to the making of this Agreement; and provided, further, that this Agreement shall be subject to the approval of any state or federal regulatory body or agency, the approval of which is, by the laws of said state or of the United States, a legal prerequisite to the execution, acceptance or performance of this Agreement.
5. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a person with which it is affiliated, but otherwise no assignment of this Agreement or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party.

If you approve of this proposal, please indicate your acceptance by executing both copies hereof in the space provided and return one (1) fully executed copy to Providing Company.

Respectfully submitted,

Dominion Technical Solutions, Inc.

By: /s/ Jimmy D. Staton

Jimmy D. Staton

Senior Vice President - Electric

Transmission And Electric Distribution

Accepted and Agreed to:

Pleasants Energy, LLC

By: /s/Malcolm G. Deacon, Jr.
Malcolm G. Deacon, Jr.
Vice President - Technical Services

Exhibit B

August 1, 2002

Troy Energy, LLC
120 Tredegar Street
Richmond, Virginia 23219

Gentlemen:

This Agreement is entered into by and between Dominion Technical Solutions, Inc. ("Providing Company"), a Virginia corporation and Troy Energy, LLC ("Receiving Company"), a Delaware corporation. Receiving Company has requested that Providing Company provide it with certain services which it may from time to time require in the conduct of its business. Providing Company has agreed to provide such services to Receiving Company, upon the terms and conditions hereinafter provided.

Accordingly, in consideration of the mutual promises herein contained, Providing Company and Receiving Company agree as follows:

1. Upon oral or written request by Receiving Company, Providing Company will provide such engineering services, training and technical support and scheduled maintenance support services as are deemed necessary or desirable. In so doing, Providing Company may arrange for and provide the services of its own qualified personnel, or it may, after consultation with Receiving Company, arrange for and provide the services of such qualified, non-affiliated personnel as Providing Company, in its own opinion, deems necessary or appropriate.
2. All services rendered under and in accordance with this Agreement shall be provided at cost.

The cost of rendering such services shall include: (1) a portion of the salaries and wages of employees of Providing Company determined according to the time devoted by such employees to the performance of services hereunder for Receiving Company; (2) the costs of such employees' benefits, payroll taxes and compensated absences attributable to salaries and wages directly billed, as determined in accordance with Providing Company policies and procedures in place from time to time, (3) all other out-of-pocket operating costs, including expenses for transportation, tolls and other expenses incurred by Providing Company or its employees in connection with the performance of services under this Agreement, (4) the actual costs of materials and supplies furnished by Providing Company in connection with the performance of services under this Agreement, and (5) administrative and general costs attributable to services performed under this Agreement (including reasonable amounts for general office maintenance and depreciation, amortization, return and related taxes on Providing Company's general plant investment), determined in accordance with Providing Company's policies and procedures.

3. Providing Company shall render monthly statements to Receiving Company for services supplied or to be supplied in the manner set forth above. Such statements shall include the costs of all services supplied hereunder during the preceding month and may include estimated amounts attributable to services which Providing Company anticipates it will supply during the next succeeding calendar month. All statements so rendered will be due and payable ten (10) days after receipt thereof.
4. This Agreement shall become effective as of August 1, 2002 and shall continue in force and effect until terminated by either party upon thirty (30) days' written notice of termination; provided, however, that this Agreement shall be subject to termination or modification at any time to the extent that its performance may conflict with the provisions of the Public Utility Holding Company Act of 1935, as amended, or any rule, regulation or order of the Securities and Exchange Commission adopted or promulgated prior or subsequent to the making of this Agreement; and provided, further, that this Agreement shall be subject to the approval of any state or federal regulatory body or agency, the approval of which is, by the laws of said state or of the United States, a legal prerequisite to the execution, acceptance or performance of this Agreement.
5. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a person with which it is affiliated, but otherwise no assignment of this Agreement or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party.

If you approve of this proposal, please indicate your acceptance by executing both copies hereof in the space provided and return one (1) fully executed copy to Providing Company.

Respectfully submitted,

Dominion Technical Solutions, Inc.

By: /s/ Jimmy D. Staton

Jimmy D. Staton

Senior Vice President - Electric

Transmission And Electric Distribution

Accepted and Agreed to:

Troy Energy, LLC

By: /s/ Malcolm G. Deacon, Jr.

Malcolm G. Deacon, Jr.

Vice President - Technical Services