

Dominion Resources, Inc.
("Dominion")

Audit Committee Charter

I. INTRODUCTION

This charter assigns specific oversight responsibilities and authority to the Audit Committee. Management is responsible for the preparation, presentation and integrity of Dominion's financial statements; accounting and financial reporting principles; internal controls; and procedures designed to assure compliance with accounting standards, Dominion's Code of Ethics and Business Conduct, and applicable laws and regulations. Dominion's independent auditor is responsible for performing an independent audit of the consolidated financial statements and the effectiveness of internal controls over financial reporting in accordance with the auditing standards of the Public Company Accounting Oversight Board.

II. ROLE AND PURPOSE

The Committee will be responsible for assisting the Board with oversight of the following:

- Dominion's relationship with its independent auditor, including the firm's qualifications, independence and performance;
- The integrity of Dominion's financial statements and reporting practices;
- Dominion's compliance with legal and regulatory requirements, including Dominion's Code of Ethics and Business Conduct; and
- The performance of Dominion's internal audit function.

The Committee will provide an open avenue of communication among the independent auditor, financial and senior management, internal audit department, the individual(s) who have operational responsibility for the ethics and compliance program and the Board of Directors.

III. ORGANIZATION AND MEMBERSHIP

1. The Committee is comprised of three or more Directors who are appointed by the full Board and who serve at the Board's pleasure. Unless a Chair is elected by the Board, the Committee may designate a Chair by majority vote of its members.
2. Each Committee member shall be an "independent" Director in accordance with the New York Stock Exchange listing standards and Dominion's Corporate Governance Guidelines. All members of the Committee shall be, or become within a reasonable period of time, financially literate as determined by the Board. The Committee shall also comply with the following requirements:

- Each Committee member must meet the following additional independence requirements in accordance with Securities and Exchange Commission (SEC) rules and regulations:
 - Committee members may not receive, either directly or indirectly, any consulting, advisory or other compensatory fee from Dominion other than in their capacity as a Director or Committee member. Compensatory fees do not include fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with Dominion not contingent in any way on continued service;
 - Committee members cannot be affiliated persons of Dominion as defined by Exchange Act Rule 10A-3(e).
 - At least one Committee member shall be a “audit committee financial expert,” as defined by the rules of the SEC and as disclosed by Dominion; and
 - If a Committee member simultaneously serves on the audit committee of more than two other public companies, the Board must determine that such simultaneous service would not impair his or her ability to serve on the Committee and must disclose this determination.
3. The Committee will meet at least four times annually or more frequently as circumstances dictate, and report regularly to the Board on all of the matters discussed and acted on by the Committee. A majority of the Committee constitutes a quorum, and the Committee may act by unanimous written consent.

IV. ADMINISTRATION AND DELEGATION

1. The Committee is authorized to obtain advice and assistance from independent counsel and other advisors as it believes necessary and appropriate, and it will have the sole authority to retain and terminate such advisors and to approve such advisors’ fees and other retention concerns.

Dominion will provide appropriate funding, as determined by the Committee, for payment of the compensation to the independent auditors, the compensation of any advisors employed by the Committee and the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

2. Except as described below, the Committee may delegate functions to a subcommittee of one or more members only with the Board’s approval.
3. On an annual basis, the Committee will:
- Review and approve its report to be included in Dominion’s proxy statement;
 - Evaluate its performance;
 - Review this charter and update it as necessary (with any amendments subject to approval by the Board); and
 - Determine its funding requirements for the independent auditor or any advisors.

V. RESPONSIBILITIES AND DUTIES

The Committee's responsibilities and duties will be as follows:

A. Governance and Corporate Responsibility

1. Appoint, compensate, retain, oversee, evaluate and when necessary or desirable, terminate Dominion's independent auditor, including approving the independent auditor's engagement fees and terms as well as significant non-audit engagements of the independent auditor. As part of its oversight responsibilities, the Committee will examine the independent auditor's qualifications, independence and compliance with partner rotation requirements. The independent auditor reports directly to the Committee. The Committee shall have the sole authority with respect to, and may not delegate these responsibilities.
2. Pre-approve all auditing services and permitted non-audit services to be provided by Dominion's independent auditor including establishment of detailed pre-approval policies. The Committee may delegate the authority to grant pre-approvals only to one or more of its members, whose decisions must be presented to the Committee for its ratification. Dominion will disclose the Committee's approval of any non-audit services by the independent auditor in its periodic reports filed with the SEC.
3. At least annually, obtain and review a written report by the independent auditor describing the following:
 - All relationships the independent auditor has with Dominion, including any non-audit services and related fees;
 - The firm's internal quality-control procedures;
 - Any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any governmental or professional inquiry or investigation within the preceding five years respecting one or more independent audits carried out by the firm; and
 - Any steps taken to address any such issues.
4. The Committee will periodically meet with the independent auditor, the internal auditor and management, in separate executive sessions, to discuss any matters that the Committee or these groups believe should be discussed privately.
5. Resolve any disagreements between management and the independent auditor.
6. Review the internal audit function (including its responsibilities, budget and staffing as well as any significant reports it prepares for management) and discuss these with the internal auditor, management and the independent auditor.
7. Approve the appointment and replacement of the senior internal auditing executive.

8. Approve hiring into a controller, managing director, director or officer level position, any employee or former employee of the current independent auditor. In addition, approve hiring such employee or former employee into a position with oversight of the financial reporting process.
9. Establish procedures for the following:
 - The receipt, retention and treatment of complaints received by Dominion regarding accounting, internal accounting controls or auditing matters; and
 - The confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
10. Oversee the implementation and effectiveness of the ethics and compliance program. To carry out this responsibility:
 - The Committee shall periodically review and evaluate the effectiveness of Dominion's policies, procedures and resources to manage the ethics and compliance program, including the results of management's investigation and follow-up of any material instances of noncompliance or other significant deficiencies related to ethics, business conduct, and applicable legal and regulatory requirements.
 - The individual(s) with operational responsibility for the ethics and compliance program shall have direct reporting obligations to the Committee, including express authority to communicate personally to the Committee (A) promptly on any matter involving criminal conduct or potential criminal conduct, and (B) no less than annually on the implementation and effectiveness of the ethics and compliance program.
11. Review, and have the power to approve or disapprove, any request for a waiver of or pre-approval of a transaction under Dominion's Code of Ethics and Business Conduct involving a Director or executive officer.

B. Audit Function and Financial Statements

1. Consider the audit scope and plans of the independent auditor and internal auditor and the audit procedures to be utilized.

The independent auditor will report to the Committee on the following:

- All critical accounting policies and practices utilized by Dominion;
- All material communications between the independent auditor and management, such as any management letter, schedule of judgement differences or schedule of unadjusted differences; and
- All alternative treatments of financial information that have been discussed with management.

The internal auditor will report to the Committee on the following:

- The development of the annual audit plan;
 - Any unjustified restriction or limitation placed on the audit function;
 - Any unresolved issues which would have an impact on internal controls or the financial statements; and
 - The reasons for any significant deviations from the established annual audit plan.
2. Review and consider Dominion's annual and quarterly financial statements, related reports and findings from the Company's Disclosure Committee, and meet to discuss them with management and the independent auditor, including the following:
- Major issues regarding accounting principles and financial statement presentation, including any significant changes in the selection or application of accounting principles or adoption of new principles;
 - Disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Dominion's financial statements;
 - Major issues as to the adequacy of Dominion's internal controls and any special audit steps adopted in light of significant deficiencies and material weakness;
 - Analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements, including analyses of the effects of applying alternative accounting principles on the financial statements; and
 - Effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the financial statements.
3. The Committee shall recommend to the Board whether the audited financial statements should be included in the Annual Report on Form 10-K.
4. Review with management the effectiveness of the Company's internal control over annual and interim financial reporting. Establish procedures for management, the independent auditors and the internal auditors to report any significant deficiencies and material weaknesses in the design or operation of Dominion's internal controls over financial reporting, as well as any fraud that involves management or other employees who have a significant role in the internal controls over financial reporting.
5. Review with the independent auditor any audit problems or difficulties, including the following:
- Any restrictions on the scope of the firm's activities or its access to requested information;
 - Any significant disagreements with management;

- Accounting adjustments proposed by the independent auditor but not adopted;
- Communications between the audit teams and the audit firm's national office with regard to auditing or accounting issues presented by the engagement; and
- Any management or internal control letter issued or proposed to be issued by the independent auditor.

The Committee will also review management's responses to these issues.

C. Other Duties

1. Review and discuss with management the type and presentation of information included in Dominion's earnings news releases as well as financial information and earnings guidance provided to Dominion's securities analysts and rating agencies.
2. Discuss policies with respect to risk assessment and risk management, including reviewing periodic reports from the Board's Finance and Risk Oversight Committee, or such successor committee, concerning that Committee's risk assessment and oversight responsibilities.
3. Review and discuss periodic reports from the General Counsel and the Chief Nuclear Officer, or such other appropriate or successor positions.
4. Review and discuss periodic reports from management pertaining to information technology security and controls, construction controls and such other appropriate reports as the Committee requests.
5. Perform such other functions as may be assigned by the Board of Directors or as specified in its Corporate Governance Guidelines or any policies approved by the Board.