



News Release

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Company: Dominion, Competitive Power Ventures

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**DOMINION, COMPETITIVE POWER VENTURES ANNOUNCE
DOMINION'S PURCHASE OF CPV POWER STATION DEVELOPMENT PROJECT
IN WARREN COUNTY, VA.**

- *Project already has all permits for combined-cycle power station*
- *Station would generate about 600 megawatts, enough electricity for 600,000 homes*

RICHMOND, Va. – Dominion (NYSE: D), one of the nation's largest producers of energy, and Competitive Power Ventures (CPV), a Silver Spring, MD-based power project development and asset management company, today announced that Dominion has purchased a power station development project in northwest Virginia from CPV. The station will generate about 600 megawatts of electricity when completed.

The 34-acre project will host a combined-cycle, natural gas-fired power station. Dominion plans to build a 2-on-1 unit in which two gas turbines generate electricity and exhaust heat produces steam to generate additional electricity. The equipment vendor has not been selected. The purchase price is confidential.

The development project is located about three miles north of Front Royal, Va., in Warren County. The construction and operation timetable will be determined by future load growth and market conditions.

“This acquisition fits very well into our plan of meeting the projected need of at least 4,000 megawatts of additional electric capacity during the next decade, even after taking conservation efforts into account,” said Thomas F. Farrell II, Dominion chairman, president and chief executive officer. “We plan to meet our customers’ growing demand for energy with a mix of energy conservation and new generation, including renewable energy.”

“New power generation facilities are critically needed in the Washington, D.C., region to meet the growing demand for electricity and to prevent projected power shortfalls in the years ahead,” said Doug Egan, CPV chairman and chief executive officer. “This transaction enables CPV to put more emphasis on our CPV St. Charles natural gas power plant project in Maryland and other CPV projects across the country.

“CPV worked actively over the past year with Virginia state officials to finalize our permits for the Warren County project, which will enable Dominion to move forward with a project that is now fully permitted for a combined-cycle power station,” Egan said. “And I am confident that Dominion will enjoy doing business with the outstanding Warren County leaders and community members.”

Regulatory approvals are required before construction can begin. The project is expected to generate 300 construction jobs. The station will employ 20 people full time once it is built.

About Dominion

Dominion is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 26,500 megawatts of generation, 6,000 miles of electric transmission lines, 14,000 miles of natural gas transmission, gathering and storage pipeline, and 1.1 trillion cubic feet equivalent of natural gas and oil reserves. Dominion also owns the nation's largest underground natural gas storage system and operates more than 975 billion cubic feet of storage capacity and serves retail energy customers in 11 states. For more information about Dominion, visit the company's Web site at <http://www.dom.com>.

About Competitive Power Ventures

Competitive Power Ventures, which was established in 1999, is a North American power industry development and asset management company. In addition to its Silver Spring, Maryland headquarters, CPV has offices in Boston and San Francisco. The company's development professionals have played critical roles in the successful development of more than 30 power plants, representing over 15,000 megawatts of currently operational power generation capacity. CPV is majority owned by Warburg Pincus. For more information, visit www.cpv.com.

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