STANDARD FORM 299 (1/99)
Prescribed by DOI/USDA/DOT
P.L. 96-487 and Federal
Register Notice 5-22-95

APPLICATION FOR TRANSPORTATION AND UTILITY SYSTEMS AND FACILITIES ON FEDERAL LANDS

FORM APPROVED
OMB NO. 1004-0060
Expires:

FOR AGENCY USE ONLY

Application Number

Date Filed

NOTE: Before completing and filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

1. Name and address of applicant *(include zip cod)*

Courtney Fisher
Dominion Virginia Power
701 E Cary Street
Richmond, VA 23219
804-771-6408

2. Name, title, and address of authorized agent if different from item 1 *(include zip code)*

3. TELEPHONE *(area code)*

Applicant

Authorized Agent

4. As applicant are you? *(check one)*

a. ☐ Individual
b. X Corporation*
c ☐ Partnership/Association*
d. ☐ State Government/State Agency
e. ☐ Local Government
f. ☐ Federal Agency

** If checked, complete supplemental page*

5. Specify what application is for: *(check one)*

a. X New authorization
b. ☐ Renewing existing authorization No.
c. ☐ Amend existing authorization No.
d. ☐ Assign existing authorization No.
e. ☐ Existing use for which no authorization has been received *
f. ☐ Other*

** If checked, provide details under item 7*

6. If an individual, or partnership are you a citizen(s) of the United States? ☐ Yes ☐ No

7. Project description (describe in detail): (a) Type of system or facility, *(e.g., canal, pipeline, road);* (b) related structures and facilities; (c) physical specifications *(Length, width, grading, etc.)*; (d) term of years needed: (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction *(Attach additional sheets, if additional space is needed.)*

a. Rebuild of existing 500 kV transmission line
b. NA
c. 300 ft wide existing easement crossing approximately 940 ft of Harpers Ferry Historic National Park and approximately 1055 ft of the Appalachian Trail Property
d. Perpetual term
e. 2011-2015 construction time frame
f. 500 kV electricity
g. Duration of Project May 2011-June 2015

8. Attach a map covering area and show location of project proposal

9. State or Local government approval: ☐ Attached X Applied for ☐ Not Required State applications to be filed

10. Nonreturnable application fee: X Attached ☐ Not required

11. Does project cross international boundary or affect international waterways? ☐ Yes X No *(if "yes," indicate on map)*

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

Dominion Virginia Power owns and operates over 6000 miles of high voltage transmission lines within the existing service territory. See DVP "Fact Sheet for Mt. Storm – Doubs 500 kV Rebuild Project" included as part of this application.

(Continued on reverse)

This form is authorized for local reproduction.

13a. Describe other reasonable alternative routes and modes considered.

No other route alternatives were examined because given there is existing right-of-way, use of the existing right-of-way minimizes impacts to both the human and natural environmental. Use of existing right-of-way is consistent with FERC Guideline #1 (as well as Virginia Code 56-46.1 and 56-529) which all promote use of existing right-of-way.

b. Why were these alternatives not selected?
N/A See above.

c. Give explanation as to why it is necessary to cross Federal Lands.

This is the rebuild of an existing transmission line across Federal Lands; a new crossing will not be needed.

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. *(Specify number, date, code, or name)*

Environmental Assessments were prepared for the crossing of the Appalachian Trail and the Manassas National Battlefield Park for the construction of the Meadowbrook to Loudoun 500kV line. The Meadowbrook to Loudoun project is similar to this Mt. Storm to Doubs project, however it does not include the addition and another 500kV circuit; it is a rebuild of an existing 500kV line.

15. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

See Attachment H for need explanation. Cost of this project in both West Virginia and Virginia in 2010 dollars is estimated at 287.4 million

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

This project will likely not have effects on population in the area since there is already an existing transmission line there.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

*** These will be analyzed through the NEPA process**

18. Describe the probable effects that the proposed project will have on (a) populations of fish, plantlife, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

*** These will be analyzed through the NEPA process**

19. State whether any hazardous material, as defined in this paragraph, will be used, produced, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous material" means any substance, pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. 6901 et seq., and its regulations. The term hazardous materials also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does **not** include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERClA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.
No hazardous materials.

20. Name all the Department(s)/Agency(ies) where this application is being filed.
This application is only being filed with the NPS. Associated permits related to this project have been or will be filed with the USACE, the West Virginia Department of Environmental Protection, the Virginia Department of Conservation and Recreation, Virginia Department of Transportation, West Virginia Department of Transportation, West Virginia Division of Land and Water, Virginia Marine Resources Commission.

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant	Date
C Bishop	6/3/2011

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

APPLICATION FOR TRANSPORTATION AND UTILITY SYSTEMS AND FACILITIES ON FEDERAL LANDS

GENERAL INFORMATION
ALASKA NATIONAL INTEREST LANDS

This application will be used when applying for a right-of-way, permit, license, lease, or certificate for the use of Federal lands which lie within conservation system units and National Recreation or Conservation Areas as defined in the Alaska National Interest lands Conservation Act. Conservation system units include the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System, National Trails System, National Wilderness Preservation System, and National Forest Monuments.

Transportation and utility systems and facility uses for which the application may be used are:

1. Canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other systems for the transportation of water.
2. Pipelines and other systems for the transportation of liquids other than water, including oil, natural gas, synthetic liquid and gaseous fuels, and any refined product produced therefrom.
3. Pipelines, slurry and emulsion systems, and conveyor belts for transportation of solid materials.
4. Systems for the transmission and distribution of electric energy.
5. Systems for transmission or reception of radio, television, telephone, telegraph, and other electronic signals, and other means of communications.
6. Improved right-of-way for snow machines, air cushion vehicles, and all-terrain vehicles.
7. Roads, highways, railroads, tunnels, tramways, airports, landing strips, docks, and other systems of general transportation.

This application **must** be filed simultaneously with each Federal department or agency requiring authorization to establish and operate your proposal.

In Alaska, the following agencies will help the applicant file an application and identify the other agencies the applicant should contact and possibly file with:

Department of Agriculture
Regional Forester, Forest Service (USFS)
Federal Office Building, P.O. Box 21628
Juneau, Alaska 99802-1628
Telephone: (907) 586-7847 *(or a local Forest Service Office)*

Department of the Interior
Bureau of Indian Affairs (BIA)
Juneau Area Office
Federal Building Annex
9109 Mendenhall Mall Road, Suite 5
Juneau, Alaska 99802
Telephone: (907) 586-7177

Department of the Interior
Bureau of Land Management
222 West 7th Avenue
P.O. Box 13
Anchorage, Alaska 99513-7599
Telephone: (907) 271-5477 (or a local BLM Office)

National Park Service (NPS)
Alaska Regional Office
2525 Gambell Street, Room 107
Anchorage, Alaska 99503-2892
Telephone: (907) 257-2585

U.S. Fish & Wildlife Service (FWS)
Office of the Regional Director
1011 East Tudor Road
Anchorage, Alaska 99503
Telephone: (907 786-3440

Note-Filings with any Interior agency may be filed with any office noted above or with the: Office of the Secretary of the Interior, Regional Environmental Officer, Box 120, 1675 C Street, Anchorage, Alasaka 99513

Department of Transportation
Federal Aviation Administration
Alaska Region AAL-4, 222 West 7th Ave., Box 14
Anchorage, Alaska 99513-7587
Telephone: (907) 271-5285

NOTE - The Department of Transportation has established the above central filing point for agencies within that Department. Affected agencies are: Federal Aviation Administration (FAA), Coast Guard (USCG), Federal Highway Administration (FHWA), Federal Railroad Administration (FRA).

OTHER THAN ALASKA NATIONAL INTEREST LANDS

Use of this form is not limited to National Interest Conservation Lands of Alaska.

Individual department/agencies may authorize the use of this form by applicants for transportation and utility systems and facilities on other Federal lands outside those areas described above.

For proposals located outside of Alaska, applications will be filed at the local agency office or at a location specified by the responsible Federal agency.

SPECIFIC INSTRUCTIONS
(Items not listed are self-explanatory)

Item

7 Attach preliminary site and facility construction plans. The responsible agency will provide instructions whenever specific plans are required.

8 Generally, the map **must** show the section(s), township(s), and range(s) within which the project is to be located. Show the proposed location of the project on the map as accurately as possible. Some agencies require detailed survey maps. The responsible agency will provide additional instructions.

9 10, and 12 - The responsible agency will provide additional instructions.

13 Providing information on alternate routes and modes in as much detail as possible, discussing why certain routes or modes were rejected and why it is necessary to cross Federal lands will assist the agency(ies) in processing your application and reaching a final decision. Include only reasonable alternate routes and modes as related to current technology and economics.

14 The responsible agency will provide instructions.

15 Generally, a simple statement of the purpose of the proposal will be sufficient. However, major proposals located in critical or sensitive areas may require a full analysis with additional specific information. The responsible agency will provide additional instructions.

16 through 19 - Providing this information in as much detail as possible will assist the Federal agency(ies) in processing the application and reaching a decision. When completing these items, you should use a sound judgment in furnishing relevant information. Fore example, if the project is not near a stream or other body of water, **do not** address this subject. The responsible agency will provide additional instructions.

Application **must** be signed by the applicant or applicant's authorized representative.

If additional space is needed to complete any item, please put the information on a separate sheet of paper and identify it as "Continuation of Item".

(for supplemental, see reverse)

SUPPLEMENTAL

NOTE: The responsible agency(ies) will provide instructions	CHECK APPROPRIATE BLOCK	
I - PRIVATE CORPORATIONS	ATTACHED	FILED*
a. Articles of Incorporation *	X	
b. Corporation Bylaws *	X	
c. A certification from the State showing the corporation is in good standing and is entitled to operate within the State. *	X	
d. Copy of resolution authorizing filing *		X
e. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate. *		X 12/15/2006 Meadowbrook to Loudoun Case
f. If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify previous applications. * N/A	☐	☐
g. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal. * N/A	☐	☐
II - PUBLIC CORPORATIONS	☐	☐
a. Copy of law forming corporation	☐	☐
b. Proof of organization	☐	☐
c. Copy of Bylaws	☐	☐
d. Copy of resolution authorizing filing	☐	☐
e. If application is for an oil or gas pipeline, provide information required by item "I-f" and I-g" above.	☐	☐
III - PARTNERSHIP OR OTHER UNINCORPORATED ENTITY	☐	☐
a. Articles of association, if any	☐	☐
b. If one partner is authorized to sign, resolution authorizing action is	☐	☐
c. Name and address of each participant, partner, association, or other	☐	☐
d. If application is for an oil or gas pipeline, provide information required by "I-f" and "I-g" above.	☐	☐

* If the required information is already filed with the agency processing this application and is current, check block entitled "Filed." Provide the file identification information *(e.g., number, date, code, name)*. If not on file or current, attach the requested information.

NOTICE

NOTE: This applies to the Department of the Interior/Bureau of Land Management (BLM).

The Privacy Act of 1974 provides that you be furnished with the following information in connection with the information provided by this application for an authorization.

AUTHORITY: 16 U.S.C. 310 and 5 U.S.C. 301.

PRINCIPAL PURPOSE: The primary uses of the records are to facilitate the (1) processing of claims or applications; (2) recordation of adjudicative actions; and (3) indexing of documentation in case files supporting administrative actions.

ROUTINE USES: BLM and the Department of the Interior (DOI) may disclose your information on this form: (1) to appropriate Federal agencies when concurrence or supporting information is required prior to granting or acquiring a right or interest in lands or resources; (2) to members or the public who have a need for the information that is maintained by BLM for public record; (3) to the U.S. Department of Justice, court, or other adjudicative body when DOI determines the information is necessary and relevant to litigation; (4) to appropriate Federal, State, local, or foreign agencies responsible for investigating, persecuting violation, enforcing, or implementing this statute, regulation, or order; and (5) to a congressional office when you request the assistance of the Member of Congress in writing.

EFFECT OF NOT PROVIDING THE INFORMATION: Disclosing this information is necessary to receive or maintain a benefit. Not disclosing it may result in rejecting the application.

DATA COLLECTION STATEMENT

The Federal agencies collect this information from applicants requesting right-of-way, permit, license, lease, or certifications for the use of Federal lands

Federal agencies use this information to evaluate your proposal

No Federal agency may request or sponsor, and you are not required to respond to a request for information which does not contain a currently valid OMB Approval Number.

BURDEN HOURS STATEMENT

The public burden for this form is estimated to vary from 30 minutes to 25 hours per response, with an average of 2 hours per response, including the time for eviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to: U.S. Department of the Interior, Bureau of Land Management, Information Clearance Officer (WO-630), 1849 C Street, Mail Stop 401LS, Washington, D.C. 20240

A reproducible copy of this form may be obtained from the Bureau of Land Management, Division of Lands, 1620 L Street, Rm. 1000LS, Washington, D.C. 20036

MOUNT STORM TO DOUBS 500kV REBUILD PROJECT

Dominion plans to rebuild an aging transmission line within existing right-of-way

BACKGROUND

Dominion's Mt. Storm to Doubs 500 kilovolt (500kV) transmission line is a critical component of the electric grid that serves West Virginia, Virginia, and Maryland. This line was put into service in 1966 and, after more than four decades of operation, the structures and equipment are approaching the end of their expected service life and require replacement to maintain reliability. Dominion has been addressing maintenance issues on this line for over 15 years, including extensive and ongoing repairs; however the entire line is now in need of a complete rebuild.

Please note that Dominion is NOT involved in the PATH project in West Virginia, Virginia, and Maryland. Dominion's rebuild of its Mt. Storm to Doubs line is entirely separate from PATH.

PROJECT OVERVIEW

Remove existing structures and rebuild 96.4 miles of new 500kV line between Mt. Storm, West Virginia and the Potomac River/Maryland border. Rebuilding this line now will:

- ***NOT require new right-of-way***
- *Replace aging infrastructure prior to equipment failure*
- *Take advantage of a window of opportunity to allow the Mt. Storm to Doubs line to be rebuilt during off-peak periods without disrupting power service to customers*
- *Replace structures at, or very near, the current locations with slightly taller structures to maintain required ground clearances, see diagrams below*

PROJECT BENEFITS

- **Reduces the risk of a major failure of the high-voltage network**
- **Maintains local and regional electric reliability**
- **Increases capacity of the line by approximately 66 percent**

PROPOSED TIMELINE

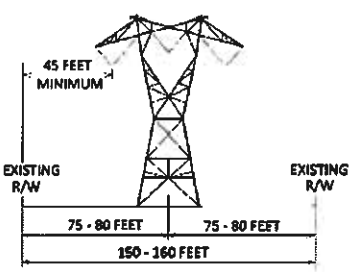
Fall 2010 — Outreach to stakeholders and regulatory entities for necessary approvals

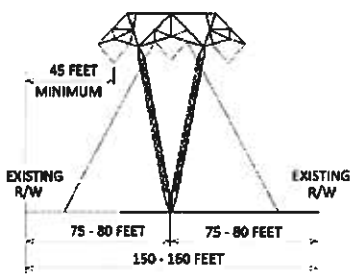
Spring 2011 — Initiate construction activities in West Virginia

Fall 2011 — Initiate construction activities in Virginia

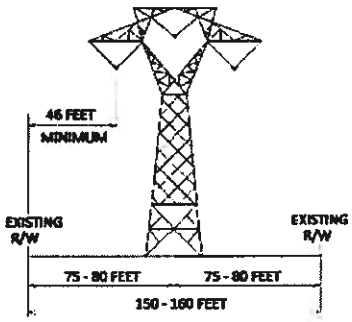
Summer 2015 — Energize rebuilt line

Existing Structures
(self-supporting & guyed, average height 100')

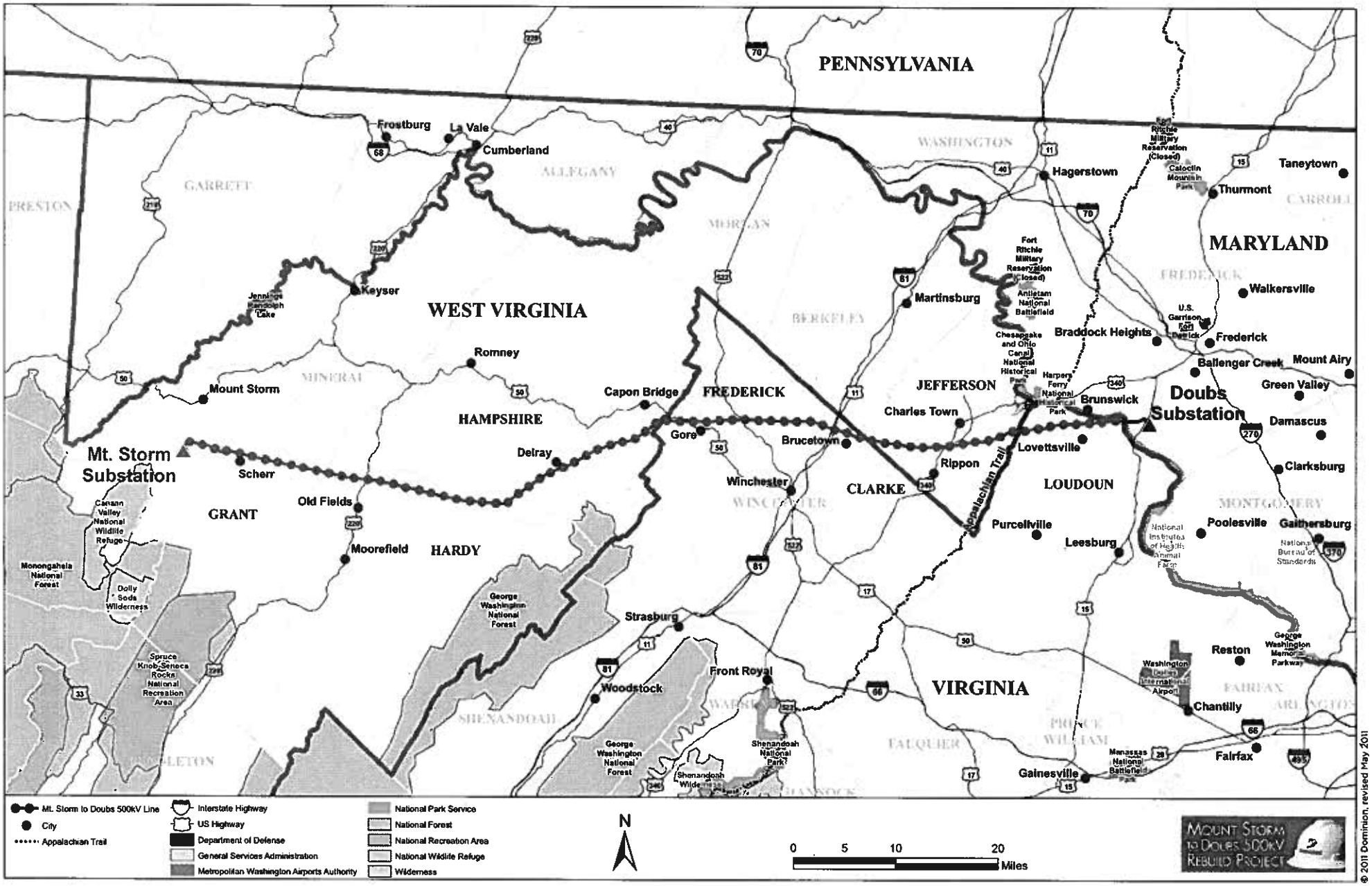




Proposed Structure
(self-supporting, average height 122')



See reverse side for a map of the *Mount Storm to Doubs 500kV Rebuild Project*.



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If you have questions or comments regarding the *Mt. Storm to Doubs 500kV Rebuild Project*, please send an email to: powerline@dom.com or phone one of our transmission customer service agents at 1-888-291-0190 from 7 a.m. to 7 p.m., Monday–Friday, or 9 a.m. to 1 p.m., Saturday. You can also obtain information about this project and updates as we proceed at www.dom.com, keyword: *MSD*

Attachment H
to Form 299, Question 15

In order to maintain the structural integrity and reliability of its transmission system, Virginia Electric and Power Company ("Dominion Virginia Power" or the "Company") proposes to rebuild its portion of the existing 500 kV Mt. Storm - Doubs Line #551 ("Mt. Storm - Doubs Line" or "Line #551") in Frederick, Clarke and Loudoun Counties.[1] Line #551 currently runs 99.26 miles from the Company's Mt. Storm Power Station in Grant County, West Virginia to The Potomac Edison Company's ("Potomac Edison's") Doubs Substation in Maryland. The Doubs Substation is connected to the Company's Pleasant View Substation in Virginia by the 500 kV Doubs - Pleasant View Line #543 owned in Virginia by Dominion Virginia Power and in Maryland by Potomac Edison. Dominion Virginia Power's portion of Line #551 is 96.4 miles long, of which 65.7 miles are in West Virginia and 30.7 miles are in Virginia. Potomac Edison owns the remaining 2.86 miles of the line, which are in Maryland. Attachment H.E.1 shows the Company's existing transmission system with the proposed rebuild project.

The Company proposes to remove Line #551's existing 500 kV weathering steel (COR-TEN®)[2] lattice towers, originally constructed by 1966, and replace them with a new 500 kV galvanized steel lattice tower line located entirely within existing right-of-way and to replace the existing conductors with 3-1351 ACSR conductors, for the entire length of the Company's portion of Line #551 by June 2015. In addition, at Mt. Storm Substation, the Company will upgrade four 500 kV breakers and associated equipment from 3000 amp to 5000 amp.

Rebuilding the Mt. Storm - Doubs Line with modern facilities and in accordance with good utility engineering practices and National Electric Safety Code (NESC) guidelines will increase the capacity of the line by approximately 66%, from 2,598 MVA to 4,325 MVA. The estimated cost to rebuild Dominion Virginia Power's portion of the Mt. Storm - Doubs Line is $299.4 million ($287.4 million for transmission work and $12 million for substation work).

The Mt. Storm - Doubs Line is a critical component of the electric transmission grid that serves Virginia, Maryland, West Virginia, the District of Columbia, and beyond. It is heavily loaded, a fact that played a major role in determining the need for construction of the 500 kV Trans-Allegheny Interstate Line ("TrAIL Line") being built by Dominion Virginia Power and the Trans-Allegheny Interstate Line Company. Line #551, which was constructed in the early 1960s and completed in 1966, is part of the first 500 kV loop built in North America. It

[1] The Company was granted certificate of public convenience and necessity Nos. ET-91e, ET-129 and ET-130 to construct and operate the 500 kV Mt. Storm - Doubs Line by the Commission's June 26, 1963 Order Granting Certificates of Public Convenience and Necessity in Case No. 11655. The Company does not indicate by filing an application in this proceeding that it believes Commission approval is required to rebuild and operate the Mt. Storm - Doubs Line at the previously approved 500 kV voltage. Rather, the Company seeks to resolve any potential claim that the new replacement transmission structures will be materially different from the existing towers such that the Company's existing certificates of public convenience and necessity covering Line #551 require amendment to reflect the change in structures.

[2] Registered trademark of United States Steel Corporation.

was built with first generation 500 kV technology, and, after more than 44 years of continued operation, the line and associated facilities are approaching the end of their expected service lives and require replacement with new facilities to maintain reliable service. All of the Mt. Storm - Doubs Line weathering steel (COR-TEN®) tower structures (numbering 458 steel towers) have experienced inherent corrosion and deterioration requiring extensive repairs, including replacement of tower members. This deterioration has become so extensive that the existing steel tower structures must be replaced as soon as possible. Additionally, the tower grillage foundations also are experiencing the same corrosion phenomena and require replacement. Industry studies on conductor splices show that splices begin to fail at 40 years. The Mt. Storm - Doubs Line has over 200 such conductor splices that are at the end of their useful lives. The porcelain insulators are also at the end of their useful lives and are in need of replacement. Examples of these issues are provided in Attachment I.A.1.

Dominion Virginia Power has been aggressively addressing these issues over the last 15+ years. The existing lattice towers were made of a high strength low alloy material introduced in the 1960s called weathering steel (COR-TEN®). This product was advertised as a superior product designed for longevity, requiring less maintenance (no painting) over its projected 60-year life. Weathering steel is designed to create an iron oxide patina that is supposed to protect the steel such that no other surface coating is required, thus reducing maintenance costs. Patinas have a dark brown uniform appearance that blends into the natural background, a further justification for using this supposed, at that time, maintenance-free product.

Over the years, weathering steel has proven to be anything but maintenance-free. It has been found to have inherent corrosion problems that continuously deteriorate the steel members in lattice type towers. In the mid 1970s, Dominion Virginia Power maintenance crews began to notice "pack-out" at joint locations and began to monitor these conditions. The term pack-out addresses deformation of tower joints caused by the in-place corrosion of the steel. This pack-out is known to cause member cracking and fastener failure due to the deformation resulting from the phenomenon. During the 1980s, Dominion Virginia Power representatives discovered severe pack-out growth and pronounced rust in the splice areas, which indicated continued corrosion and the potential for severe loss of the steel section. In 1984, Dominion Virginia Power made initial measurements for member thickness in both joint and reference steel locations in various COR-TEN® towers across its system. Reference steel refers to the portion of the member that spans from one bolted end to the next, whereas joint steel is the location of the member in and around the bolts. In 1998, Dominion Virginia Power revisited these same locations to obtain additional measurements in an attempt to determine if the steel was continuing to corrode and at what rate. These measurements showed that corrosion was continuing and loss of steel thickness was occurring.

Attachment H
to Form 299, Question 15

Even prior to the 1998 measurements, Dominion Virginia Power maintenance crews were actively making repairs to the COR-TEN® towers of Line #551. Fatigue failure of arm hanger members had been detected and repaired for several years prior to 1998. In addition, ground line corrosion was an inherent problem that had been addressed. The F-Series tower that comprises this line includes both self-supporting and guyed towers. The self-supporting tower has four legs, each resting on its own concrete foundation. This tower has a stub angle attachment to the concrete foundations. This stub angle is imbedded into the concrete as it is poured and protrudes above the concrete for attachment of the tower leg. Due to the location of this piece at the bottom of the tower, groundline moisture fed from rain or condensation settling at the base, combined with vegetation that prevents drying, contributes to more rapid deterioration, requiring monitoring and remedial action to prevent tower collapse. Repairs ranged from rust removal and coating to replacement of the stub angle with base shoes, where the angles have deteriorated below minimum thickness.

There are 458 lattice COR-TEN® towers on Line #551. Of these, 202 are self-supporting and 256 are guyed. The guyed tower has two legs in a V configuration with the base of the V terminating on a steel grillage foundation. Four guy wires are attached near the top of the tower to provide longitudinal and lateral support. The V attaches to the grillage via a "flower pot," or cast iron base, in which the V rests. The tower leg members terminate inside the flower pot, where conditions are favorable for corrosion. These legs and flower pots are prone to severe corrosion due to groundline moisture and debris that can collect inside the pot. Cleaning and treatment of these flower pots, which are also prone to cracking, and legs have been an on-going effort for many years.

A 2001 failure of a guy grip (the piece of hardware that attaches the guy wire to the anchor) resulted in a tower collapse of one of these guyed V towers on a similar Dominion Virginia Power 500 kV line constructed in the same timeframe. A temporary H-frame structure was installed to get the line back in service, and then a new guyed structure was later installed under a scheduled outage. The guy grip manufacturer indicated that the grips had reached their end of life and recommended replacement on all guyed towers on that line, as well as on other lines that used these guyed towers. By mid-2003, the replacement of grips on all guyed V towers in the Company's 500 kV loop, including for Line #551, was completed.

In 1999, Dominion Virginia Power engineers evaluated the structural integrity of the Line #551 towers using PLSCADD, an industry standard program for designing and analyzing transmission lines and structures. A statistical analysis of the data from the 1984 and 1998 measurements was used to generate a loss of thickness at the reference steel and joint locations. The analysis predicted which members would fail as a result of the deterioration. The towers were analyzed on a site specific basis, so the number of member failures varied depending on the span length. As a result of this analysis, specific tower members were identified

for replacement or reinforcement, and a specification package was prepared for use by construction crews. In addition to replacing these predetermined members, a climbing inspection revealed many more members that needed replacement due to fatigue cracking or excessive corrosion.

In addition to steel repair, the concrete foundations for the self-supporting towers have also required repair. While the construction crews were performing the steel repair, they also evaluated the foundation condition based on a set of five conditions defined by engineering. The repairs ranged from minor crack filling and concrete coating to major rebuilding of the deteriorated foundations.

In 2005, Dominion Virginia Power's Planning Department identified a need to increase the ampacity of Line #551 to 3000 amps (2598 MVA) from the 2622 amps (2270 MVA) rating. In order to achieve this new rating, the operating temperature of the conductor had to be increased to 81° C, resulting in more conductor sag. Thirty six spans were identified with insufficient ground clearance to the new sag. In order to achieve the required clearance, a grading plan was developed to lower the ground profile for 35 spans where the clearance violations occurred. The violations typically occurred under one phase at a knoll or hump in the right-of-way. Grading was not possible for one span, so an H-Frame structure was installed in mid-span.

Line #551 is in need of a complete rebuild now. Previously, the critical importance of the Mt. Storm - Doubs Line to the PJM transmission system, and the heavy electrical load it carries, made it impractical to remove the line from service long enough to rebuild without severely placing the grid at risk. However, with the new 500 kV TrAIL Line being energized by June 2011, enough load relief will be available to allow the Company to take the Mt. Storm - Doubs Line out of service temporarily during periods in the spring and fall over the next several years to completely rebuild the line by June 2015.

Taking this opportunity to rebuild the Mt. Storm - Doubs Line after the TrAIL Line is placed in service is critical. As the electrical load continues to grow in the region, the opportunity to take the Mt. Storm - Doubs Line out of service long enough to rebuild it in a timely manner will diminish, eventually putting Dominion Virginia Power back in a similar situation prior to the TrAIL Line being placed in service. In addition, the line will continue to deteriorate, thereby increasing the risk of potentially severe impacts on the reliability of the grid should this line need to be taken out of service for an extended period of time during peak summer conditions.

Dominion Virginia Power hired Quanta Technology ("Quanta"), a leading expert in transmission and distribution solutions, to independently investigate the condition of the Mt. Storm - Doubs Line and the need to rebuild it. Quanta's condition assessment of the line confirms the critical need to replace the Mt. Storm - Doubs Line by 2015.

Attachment H
to Form 299, Question 15

Dominion Virginia Power's transmission system is responsible for providing transmission service to the Company's retail customers and also to the customers of Old Dominion Electric Cooperative, Virginia Eastern Municipal Association, Central Virginia Electric Cooperative in Virginia as well as the customers in North Carolina of North Carolina Electric Membership Cooperative and North Carolina Eastern Municipal Power Agency. To accomplish this reliably, the Dominion Virginia Power's transmission system, and in particular the northern Virginia service area, is extremely reliant on a robust and reliable regional transmission system.

Dominion Virginia Power is part of the PJM Interconnection, L.L.C. ("PJM"), the regional transmission organization (RTO) providing service to a large portion of the eastern United States. PJM is currently responsible for ensuring the reliability and coordinating the movement of electricity through all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. This service area has a population of about 51 million and in 2006 set a new summer peak demand of 145,951 MW, of which Dominion Virginia Power's load portion was approximately 19,375 MW serving 2.3 million customers. Dominion Virginia Power's all time peak was set in 2007 with a demand of 19,688 MW. Dominion Virginia Power's load zone is the third largest area in PJM behind only American Electric and Power Company and Commonwealth Edison. However, based on the 2010 PJM load forecast, the Dominion zone is the fastest growing zone in all of PJM with an average of 2.5% as compared to the PJM average of 1.7%. On December 28, 2010, PJM issued a draft 2011 load forecast. Although unofficial, this most recent forecast continues to show the Dominion zone as the fastest growing zone in all of PJM with an average of 2.1% as compared to the PJM average of 1.3%.

As a transmission owner in PJM's planning region, the Company fully participates in PJM's transmission planning process under PJM's Regional Transmission Expansion Plan Protocol and is obligated under the PJM Operating Agreement to construct, operate and own transmission facilities as designated by PJM in its annual Regional Transmission Expansion Plan ("RTEP"). Each year, PJM, transmission owners and other stakeholders conduct a thorough study of the electric transmission grid and, based upon the findings, consider proposals to address the system needs identified by the study. At the conclusion of this process, PJM approves its annual RTEP. This process is conducted by PJM's Office of Interconnection, with the advice and recommendations of PJM's Transmission Expansion Advisory Committee ("TEAC"), and culminates with the PJM board reviewing all proposals and determining which one(s) best address regional needs.

PJM's 2010 study included consideration of the Line #551 rebuild project for inclusion in the RTEP as part of PJM's aging infrastructure program. On December 1, 2010, the PJM Board approved the inclusion of the Mt. Storm - Doubs Line rebuild project in its 2010 RTEP as a baseline reliability project to

address aging infrastructure needs. The Office of Interconnection's presentation to the TEAC confirmed that there will be a window of opportunity to permit the outages of the Mt. Storm - Doubs Line needed to conduct the rebuild project when the TrAIL Line is placed in service in the Spring of 2011. It also found that "best efforts" need to be used to complete the rebuild project by 2015 and that "it is imperative that the parties [Dominion Virginia Power and Potomac Edison] start as soon as possible." A copy of the relevant portion of the TEAC presentation is provided as Attachment I.A.2. For a complete version of the TEAC presentation see:

http://www.pjm.com/~/media/committees-groups/committees/teac/20101028/20101028-reliability-analysis-update.ashx

With the new TrAIL Line providing an alternate route for the transfer of bulk power into the large eastern load centers around Washington, D.C., and the lighter loads during off-peak periods, the Company believes that Line #551 can be removed from service in the fall and spring without major reliability issues. If conditions allow, the Company believes the line may also be removed from service for some portion of the winter months, but weather and grid conditions may require re-networking of the line with adequate notice. PJM must authorize the outages, so in July and August of 2010 the Company submitted its requests to PJM to obtain the necessary outages for Line #551 between January 2012 and May 2015. While it is impossible to know with certainty if and for what time periods the outages will be available and authorized by PJM prior to their actual commencement, based on preliminary studies conducted by PJM and the Company, and the Company's experience with executing similar construction projects within variable outage windows, the Company is optimistic sufficient outage windows will be available to support a June 2015 target date for the rebuild project.

Because the timing and duration of the outages are not totally within the Company's control, it must be prepared, on relatively short notice, to perform as much of this construction and conductor work as possible during the outages permitted. To accomplish this goal, the Company will use the same extensive pre-planning, focused timeline management and tested construction techniques that were successful with the Meadow Brook - Loudoun project, Dominion Virginia Power's portion of the TrAIL Line. The Company will not be able to take advantage of the first requested outage window in early 2012 for construction in Virginia; however, if the Company has Commission authorization of the rebuild project by November 1, 2011, there will be sufficient time to implement the process for initiating the nine month lead time required to maximize use of the outage window requested to begin in September 2012.

The Mt. Storm-Doubs rebuild project will address the aging infrastructure concerns of the Company and PJM, and the additional capacity increase of 66% to 4325 MVA realized as a result of the rebuild will provide reliability benefits in northern Virginia and across the expanded region over the long term.

Attachment H
to Form 299, Question 15

	Actual Summer Peak Loads									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Northern Virginia	5244	5399	5323	5143	6067	6368	6480	6398	6093	6508
% Growth	11.9%	3.0%	-1.4%	-3.4%	18.9%	4.9%	1.8%	-1.3%	-4.8%	6.8%
System Peak	16136	16988	16439	16253	18897	19375	19688	19051	18137	19140
% Growth	7.88%	5.28%	-3.23%	-1.1%	16.3%	2.5%	1.6%	-3.2%	-4.8%	5.3%

	Projected Summer Peak Loads Based on 2010 PJM Load Forecast									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Northern Virginia	7128	7505	7808	8042	8230	8375	8562	8744	8939	9135
% Growth		5.3%	4.0%	3.0%	2.3%	1.8%	2.2%	2.1%	2.2%	2.2%
System Peak	20488	21365	21958	22476	22982	23353	23843	24316	24830	25387
% Growth		4.3	2.8	2.4	2.3	1.6	2.1	2.0	2.1	2.2

BYLAWS

OF

VIRGINIA ELECTRIC AND POWER COMPANY

As amended and restated
June 1, 2009

TABLE OF CONTENTS

Article		Page
I	Name	1
II	Shareholders' Meetings	1
III	Annual Meeting	1
IV	Special Meetings	1
V	Notice of Shareholders' Meetings and Voting Lists	2
VI	Waiver of Notice	3
VII	Quorum	3
VIII	Proxy and Voting	3
IX	Board of Directors	4
X	Powers of Directors	4
XI	Executive and Other Committees	4
XII	Meetings of Directors and Quorum	5
XIII	Action Without a Meeting	5
XIV	Officers	6
XV	Eligibility of Officers	6
XVI	Chairman of the Board of Directors and President	7
XVII	Vice Presidents	7
XVIII	Corporate Secretary	8
XIX	Treasurer	8
XX	Controller	8
XXI	Resignations and Removals	9
XXII	Vacancies	9
XXIII	Certificates for Shares	9
XXIV	Transfer of Shares	10
XXV	Record Date	10
XXVI	Voting of Shares Held	10
XXVII	Bonds, Debentures and Notes Issued Under an Indenture	11
XXVIII	Amendments	11
XXIX	Emergency Bylaws	11

BYLAWS

OF

VIRGINIA ELECTRIC AND POWER COMPANY

ARTICLE I.

Name.

The name of the Corporation is Virginia Electric and Power Company.

ARTICLE II.

Shareholders' Meetings.

All meetings of the Shareholders shall be held at such place, within or without of the Commonwealth, as provided in the notice of the meeting given pursuant to Article V. If the Chairman of the Board of Directors determines that the holding of any meeting at the place named in the notice might be hazardous, he may cause it to be held at some other place deemed by him suitable and convenient, upon arranging notice to Shareholders who attend at the first place and reasonable opportunity for them to proceed to the new place.

ARTICLE III.

Annual Meeting.

The Annual Meeting of the Shareholders shall be held on any date during the period May 1 through May 31 as determined by the Board of Directors from year to year. In the event that such Annual Meeting is omitted by oversight or otherwise on the date herein provided for, the Board of Directors shall cause a meeting in lieu thereof to be held as soon thereafter as conveniently may be, and any business transacted or elections held at such meeting shall be as valid as if transacted or held at the Annual Meeting. Such subsequent meeting shall be called in the same manner as provided for Special Shareholders' Meetings.

ARTICLE IV.

Special Meetings.

Special Meetings of the Shareholders shall be held whenever called by the Chairman of the Board of Directors, any Chief Executive Officer, or a majority of the Directors or in accordance with the provisions of Article III of the Articles of Incorporation. Special Meetings of the Shareholders shall also be held following the accrual or termination of voting rights of the Preferred Stock, whenever requested to be called in the manner provided in Article III of the Articles of Incorporation.

ARTICLE V.

Notice of Shareholders' Meetings and Voting Lists.

Written notice stating the place, day and hour of each Shareholders' Meeting and the purpose or purposes for which the meeting is called shall be given not less than 10 nor more than 60 days before the date of the meeting, or such longer period as is specified below, by, or at the direction of, the Board of Directors or its Chairman, any Chief Executive Officer, any President or any Vice President or the Corporate Secretary or any Assistant Corporate Secretary, by hand or by mail, to each Shareholder of record entitled to vote at the meeting, at his or her registered address and the person giving such notice shall make affidavit in relation thereto. Such notice shall be deemed to be given when deposited in the United States mails addressed to the Shareholder at his address as it appears on the stock transfer books, with postage thereon prepaid or when hand delivered at said address.

Notice of a Shareholders' Meeting to act on an amendment of the Articles of Incorporation, on a plan of merger or share exchange, on a proposed dissolution of the Corporation or on a proposed sale, lease or exchange, or other disposition, of all, or substantially all, of the property of the Corporation otherwise than in the usual and regular course of business, shall be given in the manner provided above, not less than 25 nor more than 60 days before the date of the meeting. Any notice of a Shareholders' Meeting to act on an amendment of the Articles of Incorporation, a plan of merger or share exchange or a proposed sale, lease or exchange, or other disposition of all, or substantially all, of the property of the Corporation otherwise than in the usual and regular course of business shall be accompanied by a copy of the proposed amendment, plan of merger or exchange or agreement effecting the disposition of assets.

Any meeting at which all Shareholders having voting power in respect of the business to be transacted thereat are present, either in person or by proxy, or of which those not present waive notice in writing, whether before or after the meeting, shall be a legal meeting for the transaction of business notwithstanding that notice has not been given as hereinbefore provided.

The officer or agent having charge of the share transfer books of the Corporation shall make, at least 10 days before each meeting of Shareholders, a complete list of the Shareholders entitled to vote at such meeting or any adjournment thereof, with the address of and number of shares held by each. The list shall be arranged by voting group and within each voting group by class or series of shares. Such list, for a period of 10 days prior to such meeting, shall be kept on file at the principal office of the Corporation. Any person who shall have been a Shareholder of record for at least 6 months immediately preceding his demand or who shall be the holder of record of at least 5% of all the outstanding shares of the Corporation, upon demand stating with reasonable particularity the purpose thereof, shall have the right to inspect such list, in person, for any proper purpose if such list is directly connected with such purpose, during usual business hours within the period of 10 days prior to the meeting. Such list shall also be produced at the time and place of the meeting and shall be subject to the inspection of any Shareholder during the whole time of the meeting for the purposes thereof.

ARTICLE VI.

Waiver of Notice.

Notice of any Shareholders' Meeting may be waived by any Shareholder, whether before or after the date of the meeting. Such waiver of notice shall be in writing, signed by the Shareholder and delivered to the Corporate Secretary. Any Shareholder who attends a meeting shall be deemed to have waived objection to lack of notice or defective notice of the meeting, unless the Shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting and shall be deemed to have waived objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Shareholder objects to considering the matter when it is presented.

ARTICLE VII.

Quorum.

At any meeting of the Shareholders, a majority in number of votes of all the shares issued and outstanding having voting power in respect of the business to be transacted thereat, represented by such Shareholders of record in person or by proxy, shall constitute a quorum, but a lesser interest may adjourn any meeting from time to time and the meeting may be held as adjourned without further notice. When a quorum is present at any meeting, a majority vote represented thereat shall decide any question brought before such meeting, unless the question is one upon which by express provision of law or of the Articles of Incorporation or of these Bylaws a larger or different vote is required, in which case such express provision shall govern and control the decision of such question. The provisions of this Article are, however, subject to the provisions of Article III of the Articles of Incorporation.

ARTICLE VIII.

Proxy and Voting.

Shareholders of record entitled to vote may vote at any meeting held, in person or by proxy executed in writing by the Shareholder or by his duly authorized attorney-in-fact, which shall be filed with the Corporate Secretary or the secretary of the meeting before being voted. A proxy shall designate only one person as proxy, except that proxies executed pursuant to a general solicitation of proxies may designate one or more persons as proxies. Proxies shall entitle the holders thereof to vote at any adjournment of the meeting, but shall not be valid after the final adjournment thereof. No proxy shall be valid after 11 months from its date unless the appointment form expressly provides for a longer period of validity. Shareholders entitled to vote may also be represented by an agent personally present, duly designated by power of attorney, with or without power of substitution, and such power of attorney shall be produced at the meeting on request. Each holder of record of stock of any class shall, as to all matters in respect of which stock of any class has voting power, be entitled to one vote for each share of stock of such class standing in his name on the books.

ARTICLE IX.

Board of Directors.

A Board of Directors shall be chosen by ballot at the Annual Meeting of the Shareholders or at any meeting held in lieu thereof as herein before provided in Article III. The number of Directors may be fixed from time to time by Resolution of the Board of Directors within a variable range of not less than three nor more than eighteen. Except as otherwise provided in Article XXI hereof, each Director shall serve until the next Annual Meeting of Shareholders and until his successor is duly elected and qualified or until the number of Directors is decreased. The foregoing provisions are, however, subject to Article III of the Articles of Incorporation, if and whenever the same may become applicable by the accrual of voting rights to the Preferred Stock.

ARTICLE X.

Powers of Directors.

All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors, subject to any limitation set forth in the Articles of Incorporation and so far as this delegation of authority is not inconsistent with the laws of the Commonwealth of Virginia, with the Articles of Incorporation or with these Bylaws.

ARTICLE XI.

Executive and Other Committees.

The Board of Directors, by resolution passed by a majority of the whole Board, may designate two or more of its number to constitute an Executive Committee. If a quorum is present, the Committee may act upon the affirmative vote of a majority of the Committee members present. When the Board of Directors is not in session, the Executive Committee shall have and may exercise all of the authority of the Board of Directors except that the Executive Committee shall not (i) approve or recommend to Shareholders action that Virginia law requires to be approved by Shareholders; (ii) fill vacancies on the Board of Directors or any of its Committees or elect officers; (iii) Amend Articles of Incorporation other than as permitted by statute; (iv) adopt, amend or repeal these Bylaws; (v) approve a plan of merger not requiring Shareholder approval; (vi) authorize or approve a distribution, except according to a general formula or method prescribed by the Board of Directors; or (vii) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares, except that the Board of Directors may authorize the Executive Committee to do so within limits specifically prescribed by the Board of Directors. If the Executive Committee is created for any designated purpose, its authority shall be limited to such purpose. The Executive Committee shall report its action to the Board of Directors. Regular and special meetings of the Executive Committee may be called and held subject to the same requirements with respect to time, place and notice as are specified in these Bylaws for regular and special meetings of the Board of Directors. Members of the Executive Committee shall receive such compensation for attendance at meetings as may be fixed by the Board of Directors.

The Board of Directors likewise may appoint from their number other Committees from time to time, the number composing such Committees and the power conferred upon the same to be subject to the foregoing exceptions for an Executive Committee but otherwise as determined by vote of the Board of Directors.

ARTICLE XII.

Meetings of Directors and Quorum.

Regular Meetings of the Board of Directors may be held at such places within or without the Commonwealth of Virginia and at such times as the Board by vote may determine from time to time, and if so determined no notice thereof need be given. Special Meetings of the Board of Directors may be held at any time or place either within or without the Commonwealth of Virginia, whenever called by the Chairman of the Board of Directors, any Chief Executive Officer, any President, any Vice President, the Corporate Secretary, or three or more Directors, notice thereof being given to each Director by the Corporate Secretary or an Assistant Corporate Secretary, the Directors or the officer calling the meeting, or at any time without formal notice provided all the Directors are present or those not present waive notice thereof. Notice of Special Meetings, stating the time and place thereof, shall be given by mailing the same to each Director at his residence or business address at least two days before the meeting, or by delivering the same to him personally or telephoning the same to him at his residence or business address at least one day before the meeting, unless, in case of exigency, the Chairman of the Board of Directors or any Chief Executive Officer shall prescribe a shorter notice to be given personally or by telephoning each Director at his residence or business address.

A written waiver of notice signed by the Director entitled to such notice, whether before or after the date of the meeting, shall be equivalent to the giving of such notice. A Director who attends or participates in a meeting shall be deemed to have waived timely and proper notice of the meeting unless the Director, at the beginning of the meeting or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

A majority of the number of Directors fixed at the time in accordance with the Bylaws shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time, and the meeting may be held without further notice. The foregoing provision is, however, subject to Article III of the Articles of Incorporation. When a quorum is present at any meeting, a majority of the members present thereat shall decide any question brought before such meeting, except as otherwise provided by law, by the Articles of Incorporation or by these Bylaws.

ARTICLE XIII.

Action Without a Meeting.

Any action required to be taken at a meeting of the Directors, or any action which may be taken at a meeting of the Directors or of a Committee, may be taken without a meeting if a consent in writing (which may be in any number of counterparts), setting forth the action so to be taken, shall be signed by all of the Directors, or all of the members of the Committee, as the case may be, either before or after such action is taken. Such consent shall have the

same force and effect as a unanimous vote. The form of written consent may include an electronic transmission.

ARTICLE XIV.

Officers.

The Board of Directors shall appoint such officers of the Corporation with such titles and duties as the Board in its discretion may determine. The Chairman of the Board of Directors and the Vice Chairman, if one is elected, shall be officers unless they are not full-time employees of the Corporation. The officers and the Chairman of the Board shall be elected or appointed by the Board of Directors after each election of Directors by the Shareholders, and a meeting of the Board of Directors may be held without notice for the purpose of electing officers following the Annual Meeting of the Shareholders. The foregoing shall not preclude the Board from electing individual officers at any regular or special meeting of the Board of Directors.

The Board of Directors may appoint one or more Chief Executive Officers, Presidents, Chief Operating Officers, Chief Financial Officers, Treasurers and Controllers and other officers with such titles, powers and duties with respect to the Corporation and its operating divisions as the Board of Directors may prescribe. Except as otherwise prescribed by the Board of Directors, such officers shall have the powers and duties commonly incident to their offices. Where more than one such Chief Executive Officer or Chief Financial Officer has been so appointed, each shall be authorized to execute documents on behalf of the Corporation as its chief executive officer or chief financial officer, as the case may be, for purposes of filing the same with governmental or regulatory authorities including, without limitation, the State Corporation Commission of the Commonwealth of Virginia and the Securities and Exchange Commission.

The officers appointed by the Board of Directors shall include a Corporate Secretary who shall perform the duties set forth in Article XVIII and such other duties as are commonly incident to such office.

The Board of Directors, in its discretion, may appoint one or more Vice Presidents and one or more assistant officers to any of the officers it appoints with the exception of any Chief Executive Officers, Presidents, Chief Operating Officers or Chief Financial Officers, and may appoint such other officers or agents as it may deem advisable and prescribe their powers and duties. Unless otherwise provided by the Board, any such officer or agent shall have the powers and duties commonly incident to his office.

Except as otherwise provided by the Board of Directors, each Chief Executive Officer, President and Vice President shall have authority to sign certificates of stock, bonds, deeds and contracts and to delegate such authority in such manner as may be approved by a Chief Executive Officer or President.

ARTICLE XV.

Eligibility of Officers.

The Chairman of the Board of Directors, any Vice Chairman of the Board of Directors and any Chief Executive Officer of the Corporation shall be Directors. The office of Chief

Executive Officer may be held by a person who does not also hold the office of President. In the case where a Chief Executive Officer who is not a President has been appointed by the Board of Directors, any President also appointed shall not be chief executive officer, but shall have such other powers and responsibilities as are prescribed by the Board of Directors and these Bylaws. Any person may hold more than one office provided, however, that none of the Corporate Secretary, any Treasurer, any Chief Financial Officer or any Controller shall at the same time hold the office of Chairman of the Board of Directors or any office as Chief Executive Officer or President.

ARTICLE XVI.

Chairman of the Board of Directors and Vice Chairman.

The Chairman of the Board of Directors shall preside at the meetings of the Board of Directors. He may call meetings of the Board of Directors and of any Committee thereof whenever he deems it necessary. He shall call to order, and act as chairman of, all meetings of the Shareholders and prescribe rules of procedure therefor. He shall perform the duties commonly incident to his office and such other duties as the Board of Directors shall designate from time to time.

In the absence of the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors, if one has been elected, shall perform his duties. The Vice Chairman, if any, shall also perform the duties commonly incident to his office and such other duties as the Board of Directors shall designate from time to time. In the absence of the Vice Chairman of the Board of Directors, or if no Vice Chairman has been elected, his duties shall be performed by a Chief Executive Officer of the Corporation. If more than one Chief Executive Officer has been appointed, the Chairman shall from time to time designate the order in which such chief executive officers shall serve in the event of such absences.

ARTICLE XVII.

Presidents; Vice Presidents

In the event of the absence or disability of a Chief Executive Officer, the duties and powers of the Chief Executive Officer shall be performed and exercised by the President; and in the event of the absence or disability of a President, the duties and powers of the President shall be performed and exercised by the Vice President designated to so act by the line of succession provided by the Board of Directors, or if not so provided by the Board of Directors, in accordance with the order of priority set forth below. Where the absent or disabled Chief Executive Officer or President has been appointed for a division, the officers in the line of succession referred to in this Article shall, unless otherwise provided by the Board of Directors, be officers in the corresponding division. The order of priority among Vice Presidents for succession referred to above is: (a) The Executive Vice Presidents in order of their seniority of first election to such office, or if two or more shall have been first elected to such office on the same day, in order of their seniority in age; (b) The Senior Vice Presidents in order of their seniority of first election to such office, or if two or more shall have been first elected to such office on the same day, in order of their seniority in age; (c) All other Vice Presidents at the principal office of the Corporation in the order of their seniority of first election to such office or if two or more shall have been first elected to such office on the same day, the order of their seniority in age; and (d) Any other persons that are designated on a list that shall have been approved by the Board of Directors, such persons to be taken in

such order of priority and subject to such conditions as may be provided in the resolution approving the list.

ARTICLE XVIII.

Corporate Secretary.

The Corporate Secretary shall keep accurate minutes of all meetings of the Shareholders, the Board of Directors and the Executive Committee, shall perform the duties commonly incident to his office, and shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The Corporate Secretary shall have power, together with a Chief Executive Officer, a President or a Vice President, to sign certificates for shares of stock. In his absence an Assistant Corporate Secretary shall perform his duties.

ARTICLE XIX.

Treasurer.

The Treasurer, subject to the order of the Board of Directors, shall have the care and custody of the money, funds and securities of the Corporation and shall have and exercise under the supervision of the Board of Directors, all the powers and duties commonly incident to his office. He shall deposit all funds of the Corporation in such bank or banks, trust company or trust companies or with such firm or firms doing a banking business, as the Directors shall designate. He may endorse for deposit or collection all checks, notes, et cetera, payable to the Corporation or to its order, may accept drafts on behalf of the Corporation, and, together with the President or a Vice President, may sign certificates for shares of stock.

All checks, drafts, notes and other obligations for the payment of money except bonds, debentures and notes issued under an Indenture shall be signed either manually or, if and to the extent authorized by the Board of Directors, through facsimile, by the Treasurer or an Assistant Treasurer or such other officer or agent as the Board of Directors shall authorize. Checks for the total amount of any payroll may be drawn in accordance with the foregoing provisions and deposited in a special fund. Checks upon this fund may be drawn by such person as the Treasurer shall designate.

Where a Treasurer has been appointed to serve for a division of the Corporation, he shall exercise the foregoing power and duties with respect to such division.

ARTICLE XX.

Controller.

The Controller shall keep accurate books of account of the Corporation's transactions and shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

ARTICLE XXI.

Resignation and Removals.

Any Director may resign at any time by giving written notice to the Board of Directors, to the Chairman of the Board of Directors, to a Chief Executive Officer or to the Corporate Secretary, and any member of any Committee may resign by giving written notice either as aforesaid or to the Committee of which he is a member or the chairman thereof. Any officer may resign at any time by delivering notice to the Corporation. Any such resignation shall take effect at the time specified therein or, if the time be not specified, upon receipt thereof; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

The Shareholders, at any meeting called for the purpose, by vote of a majority of the stock having voting power issued and outstanding, may remove any Director from office with or without cause and elect his successor; but this provision is subject to Article III of the Articles of Incorporation, if and whenever the same may become applicable by the accrual of voting rights to the Preferred Stock. The Board of Directors, by vote of a majority of the entire Board, may remove any officer, agent or member of any Committees elected or appointed by them, with or without cause, from office.

ARTICLE XXII.

Vacancies.

If the office of any officer or agent, one or more, becomes vacant by reason of death, disability, resignation, removal, disqualification or otherwise, the Directors at the time in office, may, by a majority vote at a meeting at which a quorum is present, choose a successor or successors who shall hold office for the unexpired term or until his successor is duly elected and qualified or his position is eliminated.

ARTICLE XXIII.

Certificates for Shares.

Every Shareholder shall be entitled to a certificate or certificates for shares of record owned by him in such form as may be prescribed by the Board of Directors, duly numbered and setting forth the number and kind of shares to which such Shareholder is entitled. Such certificates shall be signed by a Chief Executive Officer, a President or a Vice President and by a Treasurer or an Assistant Treasurer or the Corporate Secretary or an Assistant Corporate Secretary. The Board of Directors may also appoint one or more Transfer Agents and/or Registrars for its stock of any class or classes and may require stock certificates to be countersigned and/or registered by one or more of such Transfer Agents and/or Registrars. If certificates for shares are signed by a Transfer Agent or by a Registrar, the signatures thereon of the President or a Vice President and the Treasurer or an Assistant Treasurer or the Corporate Secretary or an Assistant Corporate Secretary may be facsimiles, engraved or printed. Any provisions of these Bylaws with reference to the signing of stock certificates shall include, in cases above permitted, such facsimiles. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates shall have

been delivered by the Corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures shall have been used thereon had not ceased to be such officer or officers of the Corporation.

Notwithstanding the foregoing, the Board of Directors may authorize the issue of some or all of the shares of any or all of its classes or series without certificates. Within a reasonable time after the issue or transfer of shares without certificates, the Corporation shall send the Shareholder a written statement of the information required on certificates by the Virginia Stock Corporation Act or other applicable law.

ARTICLE XXIV.

Transfer of Shares.

Shares may be transferred by delivery of the certificate accompanied either by an assignment in writing on the back of the certificate or by a written power of attorney to sell, assign and transfer the same on the books of the Corporation, signed by the person appearing by the certificate to be the owner of the shares represented thereby, and shall be transferable on the books of the Corporation upon surrender thereof so assigned or endorsed. The person registered on the books of the Corporation as the owner of any shares shall be entitled exclusively as the owner of such shares to receive dividends and to vote in respect thereof. It shall be the duty of every Shareholder to notify the Corporation of his address.

ARTICLE XXV.

Record Date.

For the purpose of determining the Shareholders entitled to notice of or to vote at any meeting of Shareholders, or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of Shareholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination of Shareholders, provided that such date shall not in any case be more than 70 days prior to the date on which the particular action, requiring such determination of Shareholders, is to be taken. If no record date shall be fixed for the determination of Shareholders entitled to notice of or to vote at a meeting of Shareholders, or for the determination of the Shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders in such cases. A determination of Shareholders entitled to notice of or to vote at a Shareholders' meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

ARTICLE XXVI.

Voting of Shares Held.

Unless the Board of Directors shall otherwise provide, the Chairman of the Board of Directors, any Chief Executive Officer, President or Vice President, or the Corporate Secretary may from time to time appoint one or more attorneys-in -fact or agents of the Corporation, in

the name and on behalf of the Corporation, to cast the votes that the Corporation may be entitled to cast as a shareholder or otherwise in any other corporation, any of whose stock or securities of which may be held by the Corporation, at meetings of the holders of any such other corporations, or to consent in writing to any action by any such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed on behalf of the Corporation such written proxies, consents, waivers or other instruments as he may deem necessary or proper in the premises; or either the Chairman of the Board of Directors, a Chief Executive officer, a President or the Corporate Secretary may himself attend any meeting of the shareholders of any such other corporation and there at vote or exercise any or all other powers of the Corporation as the shareholder of such other corporation.

ARTICLE XXVII.

Bonds, Debentures and Notes Issued Under an Indenture.

All bonds, debentures and notes issued under an Indenture shall be signed by a Chief Executive Officer, President or any Vice President or such other officer or agent as the Board of Directors shall authorize and by the Corporate Secretary or any Assistant Corporate Secretary or by a Treasurer or any Assistant Treasurer or such other officer or agent as the Board of Directors shall authorize.

The signature of any authorized officer of the Corporation on bonds and debentures authenticated by a corporate trustee may be made manually or by facsimile.

ARTICLE XXVIII.

Amendments.

All Bylaws shall be subject to alteration or repeal, and new Bylaws may be made by the affirmative vote of a majority of the Directors. The Shareholders entitled to vote, however, shall have the power to rescind, amend, alter or repeal the Bylaws and to enact Bylaws which, if expressly so provided, may not be amended, altered or repealed by the Board of Directors.

ARTICLE XXIX.

Emergency Bylaws.

The Emergency Bylaws provided in this Article XXIX shall be operative during any emergency notwithstanding any different provision in the preceding Articles of the Bylaws or in the Articles of Incorporation of the Corporation or in the Virginia Stock Corporation Act. An emergency exists if a quorum of the Corporation's Board of Directors cannot readily be assembled because of some catastrophic event. To the extent not inconsistent with these Emergency Bylaws, the Bylaws provided in the preceding Articles shall remain in effect during such emergency and upon the termination of such emergency the Emergency Bylaws shall cease to be operative unless and until another such emergency shall occur.

During any such emergency:

(a) Any meeting of the Board of Directors may be called by any officer of the Corporation or by any Director. Notice shall be given by the person calling the meeting. The

notice shall specify the place of the meeting, which shall be the principal office of the Corporation at the time if feasible, but otherwise shall be any other place specified in the notice. The notice shall also specify the time of the meeting. Notice may be given only to such of the Directors as it may be feasible to reach at the time and by such means as may be feasible at the time, including publication or radio. If given by mail, messenger or telephone, the notice shall be addressed to the Director's address or such other place as the person giving the notice shall deem most suitable. Notice shall be similarly given, to the extent feasible, to the other persons referred to in (b) below. Notice shall be given at least two days before the meeting if feasible in the judgment of the person giving the notice, but otherwise shall be given any time before the meeting as the person giving the notice shall deem necessary.

(b) At any meeting of the Board of Directors, a quorum shall consist of a majority of the number of Directors fixed at the time by Article IX of the Bylaws. If the Directors present at any particular meeting shall be fewer than the number required for such quorum, other persons present, as determined by the following provisions and in the following order of priority, up to the number necessary to make up such quorum, shall be deemed Directors for such particular meeting:

(i) The Executive Vice Presidents;

(ii) The Senior Vice Presidents in the order of their seniority of first election to such office, or if two or more shall have been first elected to such office on the same day, in the order of their seniority in age;

(iii) All other Vice Presidents at the principal office of the Corporation in the order of their seniority of first election to such office, or if two or more shall have been first elected to such office on the same day, in the order of their seniority in age; and

(iv) Any other persons that are designated on a list that shall have been approved by the Board of Directors before the emergency, such persons to be taken in such order of priority and subject to such conditions as may be provided in the resolution approving the list.

(c) The Board of Directors, during as well as before any such emergency, may provide, and from time to time modify, lines of succession in the event that during such an emergency any or all officers or agents of the Corporation for any reason shall be rendered incapable of discharging their duties.

(d) The Board of Directors, before and during any such emergency, may, effective in the emergency, change the principal office or designate several alternative principal offices or regional offices, or authorize the officers so to do.

No officer, Director or employee shall be liable for any action taken in good faith in accordance with these Emergency Bylaws.

These Emergency Bylaws shall be subject to repeal or change by further action of the Board of Directors or by action of the Shareholders, except that no such repeal or change shall modify the provisions of the next preceding paragraph with regard to action or inaction prior to the time of such repeal or change. Any such amendment of these Emergency Bylaws

may make any further or different provision that may be practical and necessary for the circumstances of the emergency.

0006317 - 2

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 18, 2008

The State Corporation Commission finds the accompanying articles submitted on behalf of

Virginia Electric and Power Company

comply with the requirements of law and confirms payment of all required fees. Therefore, it is ORDERED that this

CERTIFICATE OF MERGER

be issued and admitted to record with the articles of merger in the Office of the Clerk of the Commission, effective December 1, 2008. Each of the following:

Dominion Nuclear North Anna, LLC

is merged into Virginia Electric and Power Company, which continues to exist under the laws of VIRGINIA with the name Virginia Electric and Power Company, and the separate existence of each non-surviving entity ceases.

STATE CORPORATION COMMISSION

By Judith Williams Jagdmann

Commissioner

MERGACPT
CIS0317
08-11-18-0504

ARTICLES OF MERGER
OF
DOMINION NUCLEAR NORTH ANNA, LLC
AND
VIRGINIA ELECTRIC AND POWER COMPANY

These Articles of Merger are hereby filed with the State Corporation Commission of Virginia pursuant to Sections 13.1-720 and 13.1-1072 of the Code of Virginia, as amended, and set forth:

FIRST: That the name and state of incorporation or formation of each of the constituent companies which are to merge are as follows:

NAME	STATE OF FORMATION OR ORGANIZATION
Dominion Nuclear North Anna, LLC	Virginia
Virginia Electric and Power Company	Virginia

SECOND: That the name of the surviving company of the merger is Virginia Electric and Power Company (the "Surviving Corporation").

THIRD: That attached hereto as Exhibit A, and incorporated herein by this reference, is the executed Plan of Merger setting forth the terms and conditions of the merger.

FOURTH: That the Plan of Merger has been adopted by the Board of Directors of Virginia Electric and Power Company pursuant to Section 13.1-718 of the Virginia Stock Corporation Act, and by the Sole Member of Dominion Nuclear North Anna, LLC pursuant to Section 13.1-1070 of the Virginia Limited Liability Company Act. The approval of the shareholders of Virginia Electric and Power Company is not required pursuant to Section 13.1-718F of the Virginia Stock Corporation Act.

FIFTH: That the Articles of Incorporation of Virginia Electric and Power Company, which will survive the merger, shall be the Articles of Incorporation of the Surviving Corporation.

SIXTH: That the merger shall be effective as of December 1, 2008.

[signature page follows]

VIRGINIA ELECTRIC AND POWER COMPANY

Date Signed: 11-18-08

By: Carter M. Reid
Carter M. Reid
Vice President – Governance
and Corporate Secretary

DOMINION NUCLEAR NORTH ANNA, LLC

By: Dominion Nuclear Projects, Inc.,
Its Sole Member

Date Signed: 11-18-08

Mark F. McGettrick
Chief Executive Officer

Exhibit A

PLAN OF MERGER
MERGING
DOMINION NUCLEAR NORTH ANNA, LLC
(a Virginia limited liability company),
into
VIRGINIA ELECTRIC AND POWER COMPANY
(a Virginia public service corporation)

The following agreement and plan of merger (the "Plan of Merger") is hereby established in accordance with Section 13.1-716 of the Virginia Stock Corporation Act and Section 13.1-1070 of the Virginia Limited Liability Company Act.

1. Parties to the Merger. Pursuant to Section 13.1-716 of the Virginia Stock Corporation Act and Section 13.1-1070 of the Virginia Limited Liability Company Act, Dominion Nuclear North Anna, LLC, a Virginia limited liability company, (the "Non-Surviving Entity") shall be merged into Virginia Electric and Power Company, a Virginia public service corporation. Virginia Electric and Power Company shall be the surviving entity (the "Surviving Corporation").

2. Terms and Conditions of the Merger.

(A) Directors. The directors of Virginia Electric and Power Company shall continue to hold office as the directors of the Surviving Corporation until the first annual meeting of the shareholders of the Surviving Corporation when their respective successor(s) are elected or appointed in the manner provided in the By-laws of the Surviving Corporation.

(B) Continuation of Officers. Upon the effective date of merger, all persons who are appointed as officers of the Non-Surviving Entity shall resign and the officers of Virginia Electric and Power Company shall be the officers of the Surviving Corporation subject to the By-laws of the Surviving Corporation.

(C) Articles of Incorporation. The Articles of Incorporation of Virginia Electric and Power Company shall be the Articles of Incorporation of the Surviving Corporation following the merger.

(D) Effective Date of Merger.

(1) This Plan of Merger shall be submitted to the respective members and Board of Directors of the constituent companies as may be required by applicable law and the governing company documents of the constituent companies and shall be adopted upon receipt of such vote as is required by applicable law and governing company documents.

(2) This Plan of Merger is subject to receipt of all required regulatory approvals, including, without limitation (i) Virginia State Corporation Commission approval, and (ii) prior written consent of the Nuclear Regulatory Commission to a transfer of control over the Non-Surviving Entity's Early Site Permit, and, unless and until such regulatory approvals have been obtained and all closing documents have been executed, this Plan of Merger shall not be deemed effective, nor shall articles of merger reflecting this Plan of Merger be filed with the State Corporation Commission of the Commonwealth of Virginia.

(3) Subject to first satisfying the conditions of paragraph 2(D)(2) above, the merger shall be deemed effective as of December 1, 2008.

(E) Effect of Merger.

(1) Surviving Corporation. The Surviving Corporation, shall, without other transfer, succeed to and possess all of the rights, privileges, powers, immunities and franchises, both public and private, and shall be subject to all the

restrictions, liabilities, obligations, disabilities, and duties of the Non-Surviving Entity, and all property, both real and personal, and all debts and liabilities due such company which shall be vested in the Surviving Corporation.

(2) Rights of Creditors. All of the rights of creditors and all liens upon any property of the non-Surviving Entity shall be preserved, unimpaired, limited to the property affected by such liens at the time of merger, and all debts, liabilities, and duties of such Non-Surviving Entity shall attach to the Surviving Corporation and may be entered against it to the same extent as if said debts, liabilities, and duties had been incurred or contracted by it.

(3) Delivery of Deeds and Instruments. From time to time, as requested by the Surviving Corporation, or by its successors or assigns, the Non-Surviving Entity shall execute and deliver or cause to be executed and delivered all deeds and other instruments, and shall take such other actions as the Surviving Corporation may deem necessary and desirable in order to more fully vest in the Surviving Corporation, title and possession of all of the property, rights, privileges, powers and franchises referred to in this Plan of Merger.

(F) Expenses of Merger. The Surviving Corporation shall pay all expenses associated with this Plan of Merger.

(G) SCC Approval. Pursuant to the Virginia State Corporation Commission ("SCC") Order Approving Merger in Joint Petition for Dominion Resources, Inc. and Consolidated Natural Gas Company for Approval of Agreement and Plan of Merger under Chapter 5 of Title 56 of the Code of Virginia, Case No. PUA-1999-00020, issued on September 17, 1999, neither Virginia Electric and Power Company nor any

other affiliate of Dominion Resources, Inc. subject to the jurisdiction of the SCC shall have any obligation under this Plan of Merger except to the extent the SCC has approved such obligation.

(H) NCUC Approval. Pursuant to the North Carolina Utilities Commission ("NCUC") Order Approving Merger *In the Matter of Application by Dominion Resources, Inc. for Authorization under G.S. 62-111 to Engage in a Business Combination Transaction*, Docket No. E-22, Sub 380, issued on October 18, 1999, Virginia Electric and Power Company, d/b/a Dominion North Carolina Power:

(i) may not make or incur a change under this Plan of Merger except in accordance with North Carolina law and the rules, regulations and orders of the NCUC promulgated thereunder; and

(ii) may not seek to reflect in rates any cost incurred or revenue level earned under an agreement subject to the 1935 Act to the extent disallowed by the NCUC.

3. Manner and Basis of Converting Shares. The membership interests of Dominion Nuclear North Anna, LLC outstanding prior to the effective date of this Plan of Merger shall be cancelled upon the effective date of the merger in exchange for the consideration approved by the State Corporation Commission in its Order dated July 14, 2008 in Case No. PUE-2008-00024.

4. Certificate of Articles of Merger. Each of the constituent companies shall cause their respective officers or members, as appropriate, to execute and file with the appropriate government body the Articles of Merger reflecting this Plan of Merger.

VIRGINIA ELECTRIC AND POWER COMPANY

Date Signed: 11-18-08

By: Carter M. Reid

Carter M. Reid
Vice President – Governance and Corporate Secretary

DOMINION NUCLEAR NORTH ANNA, LLC

By: Dominion Nuclear Projects, Inc.,
Its Sole Member

Date Signed: 11-18-08

Mark F. McGettrick
Chief Executive Officer

0006317 - 2

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 18, 2004

The State Corporation Commission finds the accompanying articles submitted on behalf of

Virginia Electric and Power Company

to comply with the requirements of law and confirms payment of all required fees. Therefore, it is ORDERED that this

CERTIFICATE OF MERGER

be issued and admitted to record with the articles of merger in the Office of the Clerk of the Commission, effective August 18, 2004. Each of the following:

Mecklenburg Cogenco LLC
UAE MECKLENBERG COGENERATION LP
COGENERATION CAPITAL LLC (A DELAWARE LIMITED
LIABILITY COMPANY NOT REGISTERED IN VIRGINIA)

is merged into Virginia Electric and Power Company, which continues to exist under the laws of VIRGINIA with the name Virginia Electric and Power Company, the separate existence of each non-surviving entity ceases.

STATE CORPORATION COMMISSION

By Mark L. Christie

Commissioner

MERGACPT
CIS0322
04-08-18-3101

ARTICLES OF MERGER
OF
MECKLENBURG COGENCO LLC,
COGENERATION CAPITAL LLC,
UAE MECKLENBURG COGENERATION LP,
AND
VIRGINIA ELECTRIC AND POWER COMPANY

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The undersigned companies, pursuant to Section 13.1-720 of the Virginia Stock Corporation Act, Section 18-209 of the Delaware Limited Liability Company Act, and Section 17-211 of the Delaware Limited Partnership Act, hereby execute the following articles of merger and set forth:

FIRST: That the executed Plan of Merger, dated August 18, 2004, between the parties to the merger, is on file at an office of the Surviving Corporation (as defined below), the address of which is 120 Tredegar Street, Richmond, Virginia.

SECOND: That the Plan of Merger has been approved, adopted, certified, executed and acknowledged by the Board of Directors of Virginia Electric and Power Company pursuant to Sections 13.1-716 and 13.1-718 of the Virginia Stock Corporation Act, and by the Sole Member of each of Mecklenburg Cogenco LLC and Cogeneration Capital LLC pursuant to Section 18-209 of the Delaware Limited Liability Company Act, and by the General Partner of UAE Mecklenburg Cogeneration LP pursuant to Section 17-211 of the Delaware Limited Partnership Act. The approval of the shareholders of Virginia Electric and Power Company is not required pursuant to Section 13.1-718 of the Virginia Stock Corporation Act.

THIRD: That the name and state of formation or organization of each of the constituent companies which are to merge are as follows:

NAME	STATE OF FORMATION OR ORGANIZATION
Mecklenburg Cogenco LLC	Delaware
Cogeneration Capital LLC	Delaware
UAE Mecklenburg Cogeneration LP	Delaware
Virginia Electric and Power Company	Virginia

FOURTH: That the name of the surviving company of the merger is Virginia Electric and Power Company.

FIFTH: That the Certificate of Incorporation of Virginia Electric and Power Company, which will survive the merger, shall be the Certificate of Incorporation of the surviving business entity.

SIXTH: That a copy of the Plan of Merger will be furnished by the surviving business entity, on request and without cost, to any shareholder of Virginia Electric and Power Company,

any member of Mecklenburg Cogenco LLC and Cogeneration Capital LLC and any partner of UAE Mecklenburg Cogeneration LP.

SEVENTH: That the merger is permitted by the State of Delaware, the state where each of the non-surviving companies were formed or organized, and each of the non-surviving companies has complied with the laws of the State of Delaware with respect to mergers.

EIGHTH: That the surviving company may be served process in the State of Delaware by such process being delivered to the Secretary of State of the State of Delaware.

Dated: August 18, 2004.

VIRGINIA ELECTRIC AND POWER COMPANY

By: _____
Name: DAVID A. HANCOCK
Title: VP FOSSIL AND HYDRO

MECKLENBURG COGENCO LLC
By: Virginia Electric and Power Company, Sole Member

By: _____
Name: MARK F. MCGETTRICK
Title: President and CEO-Generation

COGENERATION CAPITAL LLC
By: Virginia Electric and Power Company, Sole Member

By: _____
Name: MARK F. MCGETTRICK
Title: President and CEO-Generation

UAE MECKLENBURG COGENERATION LP

By: Mecklenburg Cogenco LLC, General Partner

By: Virginia Electric and Power Company, Sole Member

By: _____

Name: MARK F. MCGETTRICK

Title: President and CEO-Generation

PLAN OF MERGER
MERGING
MECKLENBURG COGENCO LLC,
(a Delaware limited liability company),
COGENERATION CAPITAL LLC,
(a Delaware limited liability company),
and
UAE MECKLENBURG COGENERATION LP
(a Delaware limited partnership)
into
VIRGINIA ELECTRIC AND POWER COMPANY
(a Virginia public service corporation)

The following agreement and plan of merger (the "Plan of Merger") is hereby established in accordance with Section 13.1-716 of the Virginia Stock Corporation Act, Section 18-209 of the Delaware Limited Liability Company Act, and Section 17-211 of the Delaware Limited Partnership Act.

1. Parties to the Merger. Pursuant to Section 13.1-716 of the Virginia Stock Corporation Act, Mecklenburg Cogenco LLC, a Delaware limited liability company, Cogeneration Capital LLC, a Delaware limited liability company, and UAE Mecklenburg Cogeneration LP, a Delaware limited partnership (together, the "Non-Surviving Entities") shall be merged into Virginia Electric and Power Company, a Virginia public service corporation. Virginia Electric and Power Company shall be the surviving entity (the "Surviving Corporation").

2. Terms and Conditions of the Merger.

(A) Directors. The directors of Virginia Electric and Power Company shall continue to hold office as the directors of the Surviving Corporation until the first annual meeting of the shareholders of the Surviving Corporation when their respective

successor(s) are elected or appointed in the manner provided in the By-laws of the Surviving Corporation.

(B) Board of Directors Meeting. The first regular meeting of the Board of Directors of the Surviving Corporation shall be held as soon as practicable after the effective date of the merger.

(C) Continuation of Officers. Upon the effective date of merger, all persons who are executive or administrative officers of the Non-Surviving Entities shall resign and the officers of Virginia Electric and Power Company shall be the officers of the Surviving Corporation subject to the By-laws of the Surviving Corporation.

(D) Effective Date of Merger.

(1) This Plan of Merger shall be submitted to the respective members, partners and Boards of Directors of the constituent companies as may be required by applicable law and the governing company documents of the constituent companies and shall be adopted upon receipt of such vote as is required by applicable law and governing company documents.

(2) This Plan of Merger shall be deemed effective at such time as the articles of merger executed by each of the constituent companies is filed with the State Corporation Commission of the Commonwealth of Virginia and the Secretary of State of the State of Delaware.

(E) Effect of Merger.

(1) Surviving Corporation. The Surviving Corporation, shall, without other transfer, secede to and possess all of the rights, privileges, powers, immunities and franchises, both public and private, and shall be subject to all the

restrictions, liabilities, obligations, disabilities and duties of the Non-Surviving Entities and all property, both real and personal, and all debts and liabilities due such companies which shall be vested in the Surviving Corporation.

(2) Rights of Creditors. All of the rights of creditors and all liens upon any property of the Non-Surviving Entities shall be preserved, unimpaired, limited to the property affected by such liens at the time of merger, and all debts, liabilities, and duties of such Non-Surviving Entities shall attach to the Surviving Corporation and may be entered against it to the same extent as if said debts, liabilities, and duties had been incurred or contracted by it.

(3) Delivery of Deeds and Instruments. From time to time, as requested by the Surviving Corporation, or by its successors or assigns, the Non-Surviving Entities shall execute and deliver or cause to be executed and delivered all deeds and other instruments, and shall take such other actions as the Surviving Corporation may deem necessary and desirable in order to more fully vest in the Surviving Corporation, title and possession of all of the property, rights, privileges, powers and franchises referred to in this Plan of Merger.

(F) Expenses of Merger. The Surviving Corporation shall pay all expenses associated with this Plan of Merger.

3. Manner and Basis of Converting Shares. The manner in which the membership interests of Mecklenburg Cogenco LLC and Cogeneration Capital LLC and the partnership interests of UAE Mecklenburg Cogeneration LP will be exchanged, classified or cancelled is as follows:

(A) The membership interests of Mecklenburg Cogenco LLC and Cogeneration Capital LLC outstanding prior to the effective date of this Plan of Merger shall be cancelled upon the effective date of the merger.

(B) The partnership interests of UAE Mecklenburg Cogeneration LP outstanding prior to the effective date of this Plan of Merger shall be cancelled upon the effective date of the merger.

4. Certificate or Articles of Merger. Each of the constituent companies shall cause their respective officers, members or general partner, as appropriate, to execute and file with the appropriate government bodies a Certificate or Articles of Merger reflecting this Plan of Merger.

The following acknowledge that the above is a true and correct copy of the Plan of Merger adopted by the Board of Directors of Virginia Electric and Power Company on August 18, 2004, by the sole member of each of Mecklenburg Cogenco LLC and Cogeneration Capital LLC on August 18, 2004, and by the General Partner of UAE Mecklenburg Cogeneration LP on August 18, 2004.

[signature page follows]

VIRGINIA ELECTRIC AND POWER COMPANY

By: _____
Name: DAVID A. HEACOCK
Title: VP FOSSIL AND HYDRO

MECKLENBURG COGENCO LLC
By: Virginia Electric and Power Company, Sole Member

By: _____
Name: MARK F. MCGETTRICK
Title: President and CEO-Generation

COGENERATION CAPITAL LLC
By: Virginia Electric and Power Company, Sole Member

By: _____
Name: MARK F. McGETTRICK
Title: President and CEO-Generation

UAE MECKLENBURG COGENERATION LP
By: Mecklenburg Cogenco LLC, General Partner
By: Virginia Electric and Power Company, Sole Member

By: _____
Name: MARK F. McGETTRICK
Title: President and CEO-Generation

ARTICLES OF RESTATEMENT OF

VIRGINIA ELECTRIC AND POWER COMPANY

The undersigned corporation, as authorized by its board of directors and pursuant to § 13.1-711 of the Code of Virginia, hereby sets forth and executes:

ONE

The name of the corporation is Virginia Electric and Power Company.

TWO

The text of the Restated Articles of Incorporation is attached as Exhibit A.

THREE

The restatement does not contain an amendment to the articles and the board of directors adopted the restatement on October 24, 2003.

The undersigned Assistant Corporate Secretary declares that the facts herein stated are true as of October 27, 2003.

Virginia Electric and Power Company

By: _____

E. J. Marks, III, Assistant Corporate Secretary

VIRGINIA ELECTRIC AND POWER COMPANY

RESTATED ARTICLES OF INCORPORATION

As in effect on October 28, 2003

TABLE OF CONTENTS

		Page
I.	NAME	1
II.	PURPOSES	1
III.	STOCK	1
	Division A---Preferred Stock	1
	1. Issuance in Series	1
	2. Dividends	3
	3. Preference on Liquidation, etc.	3
	4. Redemption and Purchase	4
	5. Restrictions on Certain Corporate Action	5
	6. Voting Rights	9
	7. Series of Preferred Stock	11
	(a) $5 Dividend Preferred Stock	11
	(b) $4.04 Dividend Preferred Stock	11
	(c) $4.20 Dividend Preferred Stock	12
	(d) $4.12 Dividend Preferred Stock	12
	(e) $4.80 Dividend Preferred Stock	13
	Division B---Common Stock	14
	1. Dividends	14
	2. Distribution of Assets	14
	3. Voting Rights	14
	4. Purchase of Junior Stock	15

Division C---General Provisions 15

IV. OFFICE 16

V. DIRECTORS 16

VI. INDEMNIFICATION 16

ARTICLES OF AMENDMENT -- $7.05 Dividend Preferred Stock 18

ARTICLES OF AMENDMENT -- $6.98 Dividend Preferred Stock 20

ARTICLES OF AMENDMENT -- Flexible Money Market Cumulative Preferred Stock (Flex MMP), 2002 Series A 23

I.

NAME.

The name of the Corporation is Virginia Electric and Power Company.

II.

PURPOSES.

The purpose of the Corporation is to engage in the business of a public service company, including the business of a general electric, power and lighting company, with all the rights, powers and privileges conferred by the constitution and laws of the Commonwealth of Virginia as they now are or may hereafter exist;

And in addition thereto, the Corporation shall have and enjoy all of the rights, powers and privileges granted to or conferred upon railway, light and power companies by the laws of the Commonwealth of Virginia; the powers set forth in or conferred by the charter of the Corporation and all the powers set forth in the charter, articles of association or certificates of incorporation, as amended, of each and every other predecessor corporation.

III.

STOCK.

The Corporation shall have authority to issue 10,000,000 shares of Preferred Stock.

The Corporation shall have authority to issue 300,000 shares of Common Stock.

The number of authorized shares of the Corporation of any class may be increased or decreased in the manner and subject to the conditions and limitations prescribed by the laws of the Commonwealth of Virginia, as they now or may hereafter exist, and subject to the provisions hereinafter contained.

The description of said classes of stock, and the designations, preferences and voting powers of such classes of stock, or restrictions or qualifications thereof, and the terms on which such stock is to be issued (together with certain related provisions for the regulation of the business and for the conduct of the affairs of the Corporation) shall be as hereinafter in Divisions A, B, and C set forth.

Division A---Preferred Stock

1. Issuance in Series. The Board of Directors is hereby empowered to cause the Preferred Stock of the Corporation to be issued in series with such of the variations permitted by

clauses (a)-(f), both inclusive, of this Section 1 as shall have been determined by the Board of Directors with respect to any series prior to the issue of any shares of such series, and to reclassify any of the authorized but unissued Preferred Stock of a particular series as shares, or additional shares, of any other series whether then or theretofore created (except any series as to which it shall have been otherwise provided at the time of creating such series), subject, however, to the provisions of Sections 2-6, both inclusive, of this Division A, which shall apply to all series of the Preferred Stock of the Corporation.

The shares of the Preferred Stock of different series may vary as to:

(a) The designation of such series, which may be by distinguishing number, letter or title;

(b) The rate or rates (which may be fixed or variable) at which dividends are payable on the shares of such series, hereinafter referred to as the "dividend rate", and the dividend payment dates of the shares of such series;

(c) The price payable in respect of the shares of such series, if and when redeemable, in case of the redemption thereof, which price in respect of any series may, but need not, vary according to the time or circumstances of such action, said price or prices being hereinafter referred to as the "redemption price";

(d) The amount payable in respect of the shares of such series in case of liquidation, dissolution or winding up of the Corporation, the amount or amounts so fixed being hereinafter referred to as the "liquidation price", and the amount payable, if any, in addition to the liquidation price for such series in case such action be voluntary, the amount or amounts so fixed being hereinafter referred to as the "liquidation premium"; which amounts in respect of any series may, but need not, vary according to the time or circumstances of such action;

(e) The amount of the sinking fund, if any, providing for the purchase or redemption of the shares of such series; and

(f) The right, if any, to convert the shares of such series into shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation, and the rate or basis, time, manner and conditions of conversion or the method by which the same shall be determined.

The shares of all series of Preferred Stock shall be equal in all respects except as, consistently with this Section 1, shall have been otherwise determined by the Board of Directors prior to the issuance thereof. All shares of Preferred Stock of each series shall be equal in all respects.

2. Dividends. The holders of the Preferred Stock of each series shall be entitled to receive, if and when declared payable by the Board of Directors, dividends in lawful money of the United States of America at, but not exceeding, the dividend rate or rates (which may be fixed or variable) for such series, payable on such dates as shall be prescribed for such series. Such dividends shall be cumulative (but dividends in arrears shall not bear interest) and no dividends shall be declared or paid upon or set apart for Junior Stock (which term means, for the purpose of this Article, the Common Stock and stock of any other class hereafter created ranking junior to the Preferred Stock in respect of dividends or assets) unless and until full dividends on the outstanding Preferred Stock at the dividend rate or rates therefor shall have been paid or declared and set apart for payment with respect to all past dividend periods and the current dividend period. Dividends on all shares of the Preferred Stock of each series shall commence
to accrue and be cumulative from the date of the initial issue of any shares of such series; but (a) all dividends declared payable to the holders of record of Preferred Stock of any series as of a date on which shares of Preferred Stock of such series are owned by the Corporation shall be deemed to have been paid in respect of such shares owned by the Corporation on such date, and (b) in the event of the issuance of additional shares of Preferred Stock of any series subsequent to the date of the initial issuance of shares of such series, all dividends declared payable to the holders of record of Preferred Stock of such series as of a date prior to such additional issuance shall be deemed to have been paid in respect of the additional shares so issued. Unless full dividends with respect to all past dividend periods on the outstanding Preferred Stock at the dividend rate or rates therefor shall have been paid or declared and set apart for payment, no dividends shall be declared on the Preferred Stock of any series unless dividends are declared on the Preferred Stock of all series then outstanding in proportion to the aggregate amounts of the deficiencies in payment of such full dividends for the respective series.

The terms "current dividend period" and "past dividend period", for the purposes of this Article, mean, if two or more series of Preferred Stock having different dividend periods are at the time outstanding, the current dividend period or any past dividend period, as the case may be, with respect to each such series.

3. Preference on Liquidation, etc. In the event of any liquidation, dissolution or winding up of the Corporation, the holders of the Preferred Stock of each series shall be entitled to receive, for each share thereof, the liquidation price for such series, plus, in case such liquidation, dissolution or winding up shall have been voluntary, the liquidation premium for such series, if any, together in all cases with a sum equal to all dividends accrued or in arrears thereon, before any distribution of the assets shall be made to holders of Junior Stock; but the holders of the Preferred Stock shall be entitled to no further participation in such distribution. If, upon any such liquidation, dissolution or winding up, the assets distributable among the holders of the Preferred Stock shall be insufficient to permit the payment of the full preferential amounts aforesaid, then such assets shall be distributed among the holders of the Preferred Stock then outstanding, ratably in proportion to the full preferential amounts to which they are respectively entitled. The expression "dividends accrued or in arrears" means, for the purposes of this Section 3 and of Section 4 of this Division A, in respect of each share of the Preferred Stock of any series, that amount which shall be equal to simple interest upon the sum of one hundred dollars at an annual rate equal to the percentage that the dividend rate or rates for such series is of one hundred dollars, from the date from which cumulative dividends

thereon commence to accrue to the date as of which the computation is to be made, less the aggregate amount of all dividends theretofore paid or deemed to have been paid. Nothing in this Section 3 shall be deemed to prevent the purchase, acquisition or other retirement by the Corporation of shares of its Junior Stock consistently with the restrictions of Section 4 of this Division A, and no such purchase, acquisition or other retirement of shares of its Junior Stock shall be deemed to be a liquidation, dissolution or winding up of the Corporation. A merger of the Corporation into any other corporation, or merger of any other corporation into the Corporation, or consolidation of the Corporation with any other corporation or a sale or transfer of the property of the Corporation as or substantially as an entirety shall not be deemed to be a liquidation, dissolution or winding up of the Corporation.

4. Redemption and Purchase. The Corporation may, at its option expressed by resolution of its Board of Directors, at any time or from time to time, redeem the whole or any part of the Preferred Stock or of any series thereof which is at the time redeemable, at the redemption price for such series, together with a sum equal to all dividends accrued or in arrears thereon. Notice of any proposed redemption of the Preferred Stock shall be given by publication at least once in one newspaper printed in the English language and customarily published on each business day and, wherever published, of general circulation in the City of Richmond, Commonwealth of Virginia, and in one newspaper printed in the English language and customarily published on each business day and, wherever published, of general circulation in the Borough of Manhattan, the City of New York, the publication in each such newspaper to be at least thirty (30) days, and not more than ninety (90) days, prior to the date fixed for such redemption. Notice of any proposed redemption of Preferred Stock shall also be given by the Corporation by mailing a copy of such notice, at least thirty (30) days, and not more than ninety (90) days, prior to the date fixed for such redemption, to the holders of record of the Preferred Stock to be redeemed, at their respective addresses then appearing on the books of the Corporation; but neither failure to mail such copy nor any defect therein or in the mailing thereof shall affect the validity of the proceedings for the redemption of any shares of the Preferred Stock so to be redeemed. In case of the redemption of a part only of any series of the Preferred Stock at the time outstanding, the Corporation shall select by lot or pro rata the shares so to be redeemed. The Board of Directors shall have full power and authority, subject to the limitations and provisions herein contained, to prescribe the manner in which, and the terms and conditions upon which, the shares of the Preferred Stock shall be redeemed from time to time.

On or at any time before the redemption date, the Corporation shall deposit in trust, for the account of the holders of the shares to be redeemed, funds necessary for such redemption with a bank or trust company in good standing, organized under the laws of the United States of America or of the State of New York, doing business in the Borough of Manhattan, the City of New York, and having, or being a part of a bank holding company group having, capital, surplus and undivided profits aggregating at least $500,000,000, or organized under the laws of the United States of America or of the Commonwealth of Virginia, doing business in the City of Richmond and having, or being a part of a bank holding company group having, capital,surplus and undivided profits aggregating at least $75,000,000, designated or to be designated in such notice of redemption. Upon completing the publication as hereinabove provided of the notice of such redemption or upon the earlier delivery to said bank or trust company of irrevocable authorization and direction to begin promptly and complete such publication of notice, then all shares with respect to the redemption of

which such deposit shall have been made and such publication completed or authorization therefor given shall, whether or not the certificates therefor shall have been surrendered for cancellation, be deemed no longer to be outstanding for any purpose, and all rights with respect to such shares shall thereupon cease and terminate, except only the right of the holders of the certificates for such shares to receive, out of the funds so deposited in trust, from and after the date of such deposit, the amount payable upon the redemption thereof, without interest. At the expiration of five years after the redemption date any such moneys then remaining on deposit with such bank or trust company shall be paid over to the Corporation, free of trust, and thereafter the holders of the certificates for such shares shall have no claims against such bank or trust company, but only claims as unsecured creditors against the Corporation, or against the Commonwealth of Virginia or as otherwise provided by law in the event of escheat by law, for amounts equal to their pro rata shares of the moneys so paid over without interest.

The Corporation may also from time to time purchase or otherwise acquire for a consideration shares of its Preferred Stock at a price or prices per share not exceeding the price at which the same may be redeemed plus the usual and customary brokerage commissions paid in connection with the purchase thereof.

The Corporation shall not, however, at any time redeem, purchase or otherwise acquire for a consideration less than the whole of its then outstanding Preferred Stock, or redeem, purchase, or otherwise acquire for a consideration any shares of any class of stock ranking on a parity with the Preferred Stock in respect of dividends or assets (such stock being hereinafter referred to as "Parity Stock"), or redeem, purchase, or otherwise acquire for a consideration any shares of Junior Stock, unless full dividends at the dividend rate or rates therefor with respect to all past dividend periods and the current dividend period in which the date fixed for such redemption, purchase or other acquisition shall fall shall have been paid or declared and set apart for payment on all shares of Preferred Stock then outstanding and not then to be redeemed, purchased or so acquired. Shares of Preferred Stock redeemed, or purchased or otherwise acquired by the Corporation and cancelled, shall be retired, but such retirement shall not reduce the maximum authorized amount of the Preferred Stock. If shares of Preferred Stock purchased or otherwise acquired by the Corporation shall be held in its treasury, such shares may from time to time be sold as the Board of Directors may determine consistently with the restrictions of Section 5 of this Division A.

5. Restrictions on Certain Corporation Action. So long as any shares of the Preferred Stock shall remain outstanding, the Corporation shall not, without the affirmative vote of a majority of the shares of the Preferred Stock represented at a meeting at which a quorum exists, called for such purpose but upon such vote, and upon any requisite consent or vote of the holders of the shares of the Common Stock then outstanding, may:

(a) Authorize or issue any stock ranking prior to the Preferred Stock in respect of dividends or assets (such stock being hereinafter referred to as "Senior Stock"), except the issue of Senior Stock upon conversion of obligations or securities convertible into, or upon exercise of warrants, rights or options to purchase or subscribe to, Senior Stock;

(b) Authorize or issue any Parity Stock, except the issue of Parity Stock upon conversion of obligations or securities convertible into, or upon exercise of warrants, rights or options to purchase or subscribe to, Parity Stock;

(c) Increase the number of authorized shares of the Preferred Stock;

(d) Authorize or issue any obligation or security convertible into, or any warrants, rights or options to purchase or subscribe to, shares of Senior Stock, Preferred Stock or Parity Stock;

(e) Amend the provisions of this Article so as to change the designation, rights, preferences or limitations of the Preferred Stock; provided, however, that if any such amendment would change the designation, rights, preferences or limitations of the holders of one or more, but not all, of the series of the Preferred Stock at the time outstanding, such consent of the holders of a majority of the number of shares constituting a quorum of the series affected shall also be required; or

(f) Reduce the amount of capital represented by the outstanding Preferred Stock; or reduce the aggregate amount of capital represented by Junior Stock below the aggregate amount of capital represented by the outstanding Preferred Stock, Senior Stock and Parity Stock, except in a case where any State or Federal regulatory body having jurisdiction shall have required or permitted the Corporation to reduce the book value of any of its assets and, in connection therewith, the amount of capital represented by Junior Stock shall be reduced by an amount or amounts not exceeding in the aggregate the amount of such reduction in book value of assets.

(g) Issue any shares of its then authorized but unissued Preferred Stock, unless:

(i) The amount of capital represented by the outstanding Preferred Stock, Senior Stock and Parity Stock to be outstanding immediately after the issue, sale or other disposition of such shares, shall not exceed the amount of capital represented by the Common Stock, together with the sum of premiums on capital stock and surplus; and

(ii) The following earnings limitation shall be satisfied: (x) the net income of the Corporation, less dividend requirements on Senior Stock, for any twelve consecutive calendar months within the fifteen calendar months immediately preceding the month within which such shares are to be issued, sold or otherwise disposed of, shall have been at least two and one-half times the dividend requirements for a twelve months' period upon all shares of Preferred Stock and Parity Stock to be outstanding immediately after the issue, sale or other disposition of such shares, but excluding from the foregoing computation interest charges on all indebtedness, and dividends on

all shares of Senior Stock, to be retired through the issue, sale or other disposition of such shares; and (y) the sum of the net income of the Corporation and the interest charges deducted in arriving at such net income shall be at least one and one-half times the sum of the interest requirements for a twelve months' period on all debt to be outstanding, and the dividend requirements for a twelve months' period upon all shares of Preferred Stock, Parity Stock and Senior Stock to be outstanding, immediately after the proposed issue, sale or other disposition of such shares. The net income of the Corporation for the purposes of this clause (ii) shall be calculated in accordance with such system of accounts as may be prescribed by governmental authorities having jurisdiction in the premises or in the absence thereof in accordance with recognized accounting practice applicable to companies engaged in a business similar to that of the Corporation, except that if the Corporation shall have acquired, within or after the particular period for which the calculation of net income is made (such period being hereinafter sometimes referred to as the calculation period), any plant or system, including any property used in connection therewith, which was not constructed or erected by or for the Corporation and which prior to the purchase or acquisition thereof by the Corporation had been used or operated by others than the Corporation (such plant or system being hereinafter sometimes referred to as an acquired plant or system), or in case the proceeds of the proposed issue, sale or other disposition are to be used to acquire any plant or system of similar character, then, in computing the net income of the Corporation there shall be included, to the extent that they may not have been otherwise included, the net earnings or net losses (computed as if such plant or system had been owned by the Corporation during the whole of the calculation period, and computed so as to eliminate all inter-company items, if any) of such acquired plant or system, or of the plant or system of similar character to be acquired for the whole of the calculation period, and if such plant or system was acquired in exchange for any properties of the Corporation as a going concern, plant or system, the net earnings or net losses of such latter property shall be excluded pursuant to the requirements of the next sentence hereinbelow. In case during or after the calculation period the Corporation shall have sold any part of its properties as a going concern, plant or system, then, in computing the net income of the Corporation, the net earnings or net losses of such property for the whole of the calculation period, or for the portion thereof up to the time of the sale, as the case may be, shall be excluded to the extent practicable on the basis of actual net earnings or net losses of such property or on the basis of such estimates of the net earnings or net losses of such property as shall be made pursuant to the next sentence hereinbelow. The net earnings or net losses of any operating properties so acquired or to be acquired or so sold as a going concern, plant or system shall, except to the extent that they may, consistently with the above requirements, have been separately kept, be determined, consistently with the above requirements, by an estimate made

and certified to the Corporation by an independent accountant or firm of independent accountants selected and paid by it. Net earnings or net losses of any acquired plant or system, or of any plant or system of similar character to be acquired, or of any part of the properties of the Corporation that shall have been sold as a going concern, plant, or system, shall, for the purposes of this clause (ii), mean the net income or net income deficit, respectively, of such plant or system or properties.

(h) Merge the Corporation into any other corporation, merge any other corporation into the Corporation, consolidate the Corporation with any other corporation or sell or transfer the property of the Corporation as or substantially as an entirety, unless such merger, consolidation, sale or transfer, or the issuance or assumption of all securities to be issued or assumed in connection therewith, shall have been ordered, approved or permitted by the State Corporation Commission of Virginia or any regulatory authority of the United States having jurisdiction in the premises; provided that the provisions of this clause shall not apply to a purchase or other acquisition by the Corporation of the assets or franchises of another corporation, or to any other transaction which does not include such a merger, consolidation, sale or transfer of property.

Notwithstanding anything elsewhere in this Article, if in connection with the accomplishment of any matter whatever provision is to be made for the redemption or retirement of all of the Preferred Stock of any series at the time outstanding, (x) nothing in this Article shall be construed to confer on the holders of the Preferred Stock of such series any power or right to vote in respect of any such matter, and (y) the holders of the Preferred Stock of such series shall not have any power or right to vote in respect of any such matter except where, and to the extent that, a right to vote which can not be waived by the terms hereof is conferred by then existing laws of the Commonwealth of Virginia on holders of non-voting stock.

6. Voting Rights. The holders of the Preferred Stock shall not be entitled to vote except as follows:

(a) As expressly provided in the preceding Section 5; and

(b) In proceedings as to which a right to vote which cannot be waived by the terms hereof is conferred by then existing laws of the Commonwealth of Virginia on holders of non-voting stock; and

(c) If and when dividends on any of the outstanding Preferred Stock shall be in default in an amount equivalent to full dividends for one year or more, there shall accrue to holders of outstanding shares of Preferred Stock the right, as a class, to elect the smallest number of directors necessary to constitute a majority of the full board and such holders shall retain such right until full dividends on the outstanding Preferred Stock at the dividend rate or rates therefor with respect to all past dividend periods and the current dividend period shall have been paid or declared and set apart

for payment, at which time such right shall terminate.

So long as holders of the Preferred Stock shall have the right, voting as a class, to elect a majority of the directors under the terms of clause (c) of the first sentence of this Section 6, the holders of the Common Stock voting as a class shall be entitled to elect the remaining directors.

Whenever the holders of Preferred Stock shall acquire the right to elect a majority of the directors under the terms of clause (c) of the first sentence of this Section 6, a special meeting of the Shareholders shall be called by or on the written request of the holders of not less than ten percent (10%) of the total number of shares of Preferred Stock then outstanding, for the purpose of electing a new Board of Directors, to be held on not less than ten (10) nor more than sixty (60) days' notice, provided, however, that no special meeting shall be called if an annual meeting of the Shareholders is to be held within sixty (60) days after the holders of the Preferred Stock shall have become entitled to exercise such voting right. The terms of office of all persons who may be directors of the Corporation at the time shall terminate upon any election of directors by the holders of Preferred Stock in accordance with these provisions, regardless of whether or not the holders of the Common Stock shall have elected the remaining directors of the Corporation; and unless and until such remaining directors of the Corporation shall be elected by the holders of the Common Stock, the number of directors, for the purpose of determining the existence of a quorum or the validity of any action taken, shall, notwithstanding any other provisions hereof, be deemed to be the number of directors elected by the holders of the Preferred Stock.

Whenever the holders of Preferred Stock shall have ceased to have the right to elect a majority of the directors under the terms of clause (c) of the first sentence of this Section 6, a special meeting of the Shareholders shall be called by or on the written request of the holders of not less than ten percent (10%) of the total number of shares of Common Stock then outstanding, for the purpose of electing a new Board of Directors, to be held on not less than ten (10) nor more than sixty (60) days' notice, provided, however, that no such special meeting shall be called if an annual meeting of the Shareholders is to be held within sixty (60) days after the holders of the Preferred Stock shall have ceased to be entitled to exercise such voting right. The terms of office of all persons who may be directors of the Corporation at the time shall terminate upon any election of directors by the holders of Common Stock in accordance with the provisions of this paragraph.

If, during any interval between meetings of Shareholders for the election of directors while the holders of Preferred Stock shall be entitled to elect any director pursuant to this Section 6, the number of directors in office who have been elected by the holders of the Preferred Stock or Common Stock, as the case may be, shall become less than the total number of directors which the holders of shares of such class are entitled to elect, whether by reason of the resignation, death or removal of any director or directors, or an increase in the total number of directors, the vacancy or vacancies shall be filled by a majority vote of the remaining directors then in office who were elected by the holders of shares of such class or whose predecessors were so elected.

Any director may be removed from office by vote of the holders of a majority of the shares of the class of stock voted for his election or for his predecessor in cases where such director was elected by other directors. A special meeting of holders of shares of any class may be called by a

majority vote of the directors then in office who were elected by the holders of shares of such class or whose predecessors were so elected, for the purpose of removing a director in accordance with the provisions of the preceding sentence, and shall be called by or on the written request of the holders of not less than twenty percent (20%) of the outstanding shares of the class entitled to vote with respect to the removal of any such director, to be held on not less than ten (10) nor more than sixty (60) days' notice.

The holders of Preferred Stock shall not be entitled to receive notice of any meeting of holders of any class of stock at which they are not entitled to vote, except as notice to holders of non-voting stock may be required by the laws of the Commonwealth of Virginia.

At any meeting of Shareholders when the holders of the Preferred Stock shall be entitled to vote for the election of directors, the absence of a quorum of the holders of the Preferred Stock or of the holders of Common Stock shall not prevent an election at any such meeting or adjournment thereof of directors by the other such class if the necessary quorum of the holders of stock of such other class is present in person or by proxy at such meeting. In the absence of a quorum of the holders of stock of either such class, a majority of those holders of the stock of such class who are present in person or by proxy shall have power to adjourn the election of the directors to be elected by such class from time to time without notice other than announcement at the meeting until the holders of the requisite number of shares of such class shall be present in person or by proxy.

Except when some provision of law shall be controlling and except as otherwise provided in clause (e) of Section 5 of this Division A, whenever shares of two or more series of the Preferred Stock are outstanding, no particular series of the Preferred Stock shall be entitled to vote as a separate class on any matter and all shares of the Preferred Stock of all series shall be deemed to constitute but one class for any purpose for which the vote of the shareholders of the Corporation by classes may now or hereafter be required.

7. Series of Preferred Stock.

(a) $5 Dividend Preferred Stock. The first series of Preferred Stock is designated as "$5 Dividend Preferred Stock"; the dividend rate on the shares of such series shall be $5 per share per annum; the dividend payment dates on the shares of such series shall be March 20, June 20, September 20 and December 20 of each year; the redemption price of the shares of such series shall be $112.50 per share on and after March 20, 1953; the liquidation price of the shares of such series shall be $100 per share; and the liquidation premium of the shares of such series shall be $12.50 per share on and after March 20, 1953. 106,677 shares of the Preferred Stock are classified as $5 Dividend Preferred Stock. All such shares shall be deemed to have been issued on May 26, 1944, except that shares issued in conversion of script certificates for Preferred Stock of Virginia Railway and Power Company shall be deemed to have been issued as of the respective dates of the surrender of such script certificates therefor.

(b) $4.04 Dividend Preferred Stock.

(i) The distinctive serial designation of such series shall be "$4.04 Dividend

Preferred Stock".

(ii) The dividend rate on the shares of such series shall be $4.04 per share per annum. The dividend payment dates on the shares of such series shall be March 20, June 20, September 20 and December 20 of each year beginning June 20, 1950. All shares of such series issued prior to the record date for the dividend payable June 20, 1950, shall be deemed to have been issued on March 14, 1950, and dividends shall be cumulative from that date.

(iii) The redemption price of the shares of such series shall be $102.27 per share on and after March 20, 1960.

(iv) The liquidation price of the shares of such series shall be $100 per share; and the liquidation premium of the shares of such series shall be $2.27 per share on and after March 20, 1960.

(v) The shares of such series shall not be entitled to any sinking fund or right of conversion.

(vi) Except as above provided, the shares of such series shall have all the designations, preferences and voting powers, and restrictions or qualifications thereof, expressed in the Articles of Incorporation of the Corporation. The shares of $4.04 Dividend Preferred Stock shall not have any special rights other than those specified herein or elsewhere in the Articles of Incorporation of the Corporation.

(vii) 12,926 shares of the Preferred Stock are classified as $4.04 Dividend Preferred Stock. This number may be increased or, upon retirement of shares, may be decreased, by filing articles of amendment to that effect.

(c) $4.20 Dividend Preferred Stock.

(i) The distinctive serial designation of such series shall be "$4.20 Dividend Preferred Stock".

(ii) The dividend rate on the shares of such series shall be $4.20 per share per annum. The dividend payment dates on the shares of such series shall be March 20, June 20, September 20 and December 20 of each year beginning June 20, 1951. All shares of such series issued prior to the record date for the dividend payable June 20, 1951, shall be deemed to have been issued on March 14, 1951, and dividends shall be cumulative from that date.

(iii) The redemption price of the shares of such series shall be $102.50 per share on and after March 20, 1961.

(iv) The liquidation price of the shares of such series shall be $100 per share; and

the liquidation premium of the shares of such series shall be $2.50 per share on and after March 20, 1961.

(v) The shares of such series shall not be entitled to any sinking fund or right of conversion.

(vi) Except as above provided, the shares of such series shall have all the designations, preferences and voting powers, and restrictions or qualifications thereof, expressed in the Articles of Incorporation of the Corporation. The shares of $4.20 Dividend Preferred Stock shall not have any special rights other than those specified herein or elsewhere in the Articles of Incorporation of the Corporation.

(vii) 14,797 shares of the Preferred Stock are classified as $4.20 Dividend Preferred Stock. This number may be increased or, upon retirement of shares, may be decreased by filing articles of amendment to that effect.

(d) $4.12 Dividend Preferred Stock.

(i) The distinctive serial designation of such series shall be "$4.12 Dividend Preferred Stock, 1955 Series".

(ii) The dividend rate on the shares of such series shall be $4.12 per share per annum. The dividend payment dates on the shares of such series shall be March 20, June 20, September 20 and December 20 of each year beginning March 20, 1956. All shares of such series issued prior to the record date for the dividend payable March 20, 1956, shall be deemed to have been issued on December 15, 1955, and dividends shall be cumulative from that date.

(iii) The redemption price of the shares of such series shall be $103.73 per share on and after January 1, 1966.

(iv) The liquidation price of the shares of such series shall be $100 per share; and the liquidation premium of the shares of such series shall be $3.73 per share on and after January 1, 1966.

(v) The shares of such series shall not be entitled to any sinking fund or right of conversion.

(vi) Except as above provided, the shares of such series shall have all the designations, preferences and voting powers, and restrictions or qualifications thereof, expressed in the Articles of Incorporation of the Corporation. The shares of $4.12 Dividend Preferred Stock, 1955 Series, shall not have any special rights other than those specified herein or elsewhere in the Articles of Incorporation of the Corporation.

(vii) 32,534 shares of the Preferred Stock are classified as $4.12 Dividend Preferred Stock, 1955 Series. This number may be increased, or upon retirement of shares, may be decreased by filing articles of amendment to that effect.

(e) $4.80 Dividend Preferred Stock.

(i) The distinctive serial designation of such series shall be "$4.80 Dividend Preferred Stock".

(ii) The dividend rate on the shares of such series shall be $4.80 per share per annum. The dividend payment dates on the shares of such series shall be March 20, June 20, September 20 and December 20 of each year beginning September 20, 1962. The date of the initial issue of shares of such series shall be August 1, 1962, and dividends shall be cumulative from that date.

(iii) The redemption price of the shares of such series shall be $101.00.

(iv) The liquidation price of the shares of such series shall be $100 per share; and the liquidation premium (payable in addition to the liquidation price in case of voluntary liquidation, dissolution or winding up) of the shares of such series shall be $1.00.

(v) The shares of such series shall not be entitled to any sinking fund or right of conversion.

(vi) Except as above provided, the shares of such series shall have all the designations, preferences and voting powers, and restrictions or qualifications thereof, expressed in the Articles of Incorporation of the Corporation. The shares of $4.80 Dividend Preferred Stock shall not have any special rights other than those specified herein and in the Articles of Incorporation.

(vii) 73,206 shares of the Preferred Stock are classified as $4.80 Dividend Preferred Stock. This number may be increased or, upon retirement of shares, may be decreased by filing articles of amendment to that effect.

Division B---Common Stock

1. Dividends. Out of any assets of the Corporation available for dividends remaining after full dividends on the outstanding Preferred Stock at the dividend rate or rates therefor, together with the full additional amount required by any participation right, with respect to all past dividend periods and the current dividend period shall have been paid or declared and set apart for payment and all mandatory sinking fund payments that shall have become due in respect of any series of the Preferred Stock shall have been made, then, and not otherwise, dividends may be paid upon the Common Stock.

2. Distribution of Assets. In the event of any liquidation, dissolution or winding up of the Corporation, after there shall have been paid to or set aside for the holders of the Preferred Stock the full preferential amounts to which they are respectively entitled under the provisions of Section 3 of Division A hereof, the holders of the Preferred Stock shall have no claim to any of the remaining assets of the Corporation. In the event of any liquidation, dissolution or winding up of the Corporation the Board of Directors may, after satisfaction of the rights of the holders of all shares of Preferred Stock or the deposit in trust of money adequate for such satisfaction, distribute in kind to the holders of the Common Stock all then remaining assets of the Corporation or may sell, transfer or otherwise dispose of all or any of such remaining assets of the Corporation and receive payment therefor wholly or partly in cash and/or in stock and/or in obligations and may sell all or any part of the consideration received therefor and distribute all or the balance thereof in kind to the holders of the Common Stock.

3. Voting Rights. The holders of the Common Stock shall, to the exclusion of the holders of the Preferred Stock have the sole and full power to vote for the election of directors and for all other purposes without limitation except only as otherwise recited or provided in clauses (a), (b) or (c) of Section 6 of Division A hereof.

4. Purchase of Junior Stock. Subject to the provisions of Section 4 of Division A hereof, the Corporation may from time to time purchase or otherwise acquire for a consideration or redeem (if permitted by the terms thereof) shares of Common Stock or shares of any other class of stock hereafter created ranking junior to the Preferred Stock in respect of dividends or assets and any shares so purchased or acquired may be held or disposed of by the Corporation from time to time for its corporate purposes or may be retired as provided by law.

Division C---General Provisions

1. Any and all shares of Preferred Stock and Common Stock of the Corporation, at the time authorized but not issued and outstanding may be issued and disposed of by the Board of Directors of the Corporation in any awful manner, consistently, in the case of shares of Preferred Stock, with the requirements of clause (g) of Section 5 of Division A hereof, at any time and from time to time, for such considerations as may be fixed by the Board of Directors of the Corporation.

2. The Board of Directors shall have authority from time to time to set apart out of any assets of the Corporation otherwise available for dividends a reserve or reserves as working capital or for any other proper purpose or purposes, and to reduce, abolish or add to any such reserve or reserves from time to time as said board may deem to be in the interests of the Corporation; and said board shall likewise have power to determine in its discretion what part of the assets of the Corporation available for dividends in excess of such reserve or reserves shall be declared as dividends and paid to the Shareholders of the Corporation.

3. No Shareholder shall have any pre-emptive right to acquire unissued shares of the Corporation or to acquire any securities convertible into or exchangeable for such shares or to acquire any options, warrants or rights to purchase such shares.

4. Each holder of record of outstanding shares of any class of stock entitled to vote at any meeting of Shareholders, or of holders of any class of stock, shall, as to all matters in respect of which such stock has voting power, be entitled to one vote for each share of such stock held by him, as shown by the stock books of the Corporation, and may cast such vote in person or by proxy. Except as herein expressly provided, or mandatorily provided by the laws of the Commonwealth of Virginia, a quorum of any class of stock entitled to vote as a class at any meeting shall consist of a majority of such class, and a plurality vote of such quorum shall govern.

5. The Board of Directors of the Corporation may, by resolution, determine that only a part of the consideration which it is to receive for any shares of stock which it shall issue shall be capital and that the balance of such consideration (not greater, however, than the excess of such consideration over the par value, if any, of such shares) shall be capital surplus of the Corporation.

IV.

OFFICE.

The principal office of the Corporation in the Commonwealth of Virginia is located in the City of Richmond.

V.

DIRECTORS.

The number of Directors shall be fixed by the Bylaws.

If the office of any Director shall become vacant, the Directors, at the time in office, whether or not a quorum, may, by a majority vote of the Directors then in office, choose a successor or successors who shall hold office for the unexpired term or until the authorized number of Directors is decreased. Vacancies resulting from an increase in the number of Directors shall be filled in the same manner.

VI.

INDEMNIFICATION.

1. To the full extent that the Virginia Stock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of directors or officers, a Director or officer of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages.

2. To the full extent permitted and in the manner prescribed by the Virginia Stock Corporation Act and any other applicable law, the Corporation shall indemnify a Director or officer of the Corporation who is or was party to any proceeding by reason of the fact that he is or was such a Director or officer or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. The Board of Directors is hereby empowered by majority vote of a quorum of disinterested Directors, to contact in advance to indemnify any Director or officer.

3. The Board of Directors is hereby empowered, by majority vote of a quorum of disinterested Directors, to cause the Corporation to indemnify or contact in advance to indemnify any person not specified in Section 2 of this Article who was or is a party to any proceeding, by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in Section 2.

4. The Corporation may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against or incurred by any such person in any such capacity or arising from his status as such, whether or not the Corporation would have power to indemnify him against such liability under the provisions of this Article.

5. In the event there has been a change in the composition of a majority of the Board of Directors after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification and advancement of expenses shall be made by special legal counsel agreed upon by the Board of Directors and the proposed indemnitee. If the Board of Directors and the proposed indemnitee are unable to agree upon such special legal counsel, the Board of Directors and the proposed indemnitee each shall select a nominee, and the nominees shall select such special legal counsel.

6. The provisions of this Article VI shall be applicable to all actions, claims, suits or proceedings, commenced after the adoption hereof, whether arising from any action taken or failure to act before or after such adoption. No amendment, modification or repeal of this Article shall diminish the rights provided hereby or diminish the right to indemnification with respect to any claim, issue or matter in any then pending or subsequent proceeding that is based in any material respect on any alleged action or failure to act prior to such amendment, modification or repeal.

7. Reference herein to Directors, officers, employees or agents shall include former Directors, officers, employees and agents and their respective heirs, executors and administrators.

VIRGINIA ELECTRIC AND POWER COMPANY

ARTICLES OF AMENDMENT

1. The name of the corporation is Virginia Electric and Power Company.

2. The Restated Articles of Incorporation, as amended, of Virginia Electric and Power Company (the Company) hereby are amended to create a new series (the New Series) of the Company's Preferred Stock. In accordance with the provisions of the Restated Articles of Incorporation, as amended, of the Company, the distinctive designation, preferences, limitations and relative rights of said series of Preferred Stock are determined and fixed as follows:

   (a) The distinctive serial designation of the New Series shall be "7.05 Dividend Preferred Stock" (hereinafter sometimes referred to as the $7.05 Series).

   (b) The dividend rate on the shares of the $7.05 Series shall be $7.05 per share per annum. Dividends shall be cumulative from the date of initial issue of the shares of the $7.05 Series. The payment dates for the dividends on the shares of the $7.05 Series shall be March 20, June 20, September 20 and December 20 of each year, beginning September 20, 1993.

   (c) The stated value and fixed liquidation preference of the shares of the $7.05 Series shall be $100 per share. In the event of a voluntary liquidation, dissolution or winding up of the Company, the fixed liquidation premium on the shares of the $7.05 Series, payable in addition to the liquidation preference, will be an amount per share equal to $5.00 prior to August 1, 2003 and, thereafter, to the applicable per share premium, if any, payable in optional redemption.

   (d) The $7.05 Series shall not be to redeemable by the Company (except to the extent otherwise provided for redemption in liquidation) prior to August 1, 2003. The fixed redemption price of the shares of the $7.05 Series for redemption on and after August 1, 2003 shall be $100 per share plus a premium, in the case of redemption prior to August 1, 2013, from time to time applicable to such redemption as follows:

Time Period	Optional Redemption Premium Per Share
August 1, 2003 through July 31, 2004.....	$3.53
August 1, 2004 through July 31, 2005.....	$3.18
August 1, 2005 through July 31, 2006.....	$2.82
August 1, 2006 through July 31, 2007.....	$2.47
August 1, 2007 through July 31, 2008.....	$2.12
August 1, 2008 through July 31, 2009.....	$1.77

August 1, 2009 through July 31, 2010.....	$1.41
August 1, 2010 through July 31, 2011.....	$1.06
August 1, 2011 through July 31, 2012.....	$0.71
August 1, 2012 through July 31, 2013.....	$0.36

and thereafter without any premium.

(e) The shares of the $7.05 Series shall not be entitled to any sinking fund or right of conversion or any preemptive right to acquire any other security.

(f) Except as above provided, the shares of the $7.05 Series shall have all the designations, preferences, limitations and relative rights and voting powers, and restrictions or qualifications thereof, expressed in the Restated Articles of Incorporation, as amended, of the Company. The shares of the $7.05 Series shall not have any special rights other than those specified herein and in the Restated Articles of Incorporation, as amended.

(g) There are hereby classified as the series of $7.05 Dividend Preferred Stock 500,000 shares of the Preferred Stock. No more than 500,000 shares of the $7.05 Series may be issued. Upon retirement of the shares of the $7.05 Series, this number may be decreased by filing articles of amendment to that effect.

(h) No shares of the $7.05 Series purchased or otherwise acquired by the Company shall be reissued, resold or otherwise transferred by the Company as shares of the $7.05 Series.

3. The designation of the $7.05 Series, as herein provided, has been duly approved by the Executive Committee on behalf of the Board of Directors of the Company within and in accordance with limits specifically prescribed by the Board of Directors.

4. These Articles of Amendment were duly adopted on June 30, 1993 by said Executive Committee on behalf of the Board of Directors of Virginia Electric and Power Company and shareholder action was not required in connection with such adoption.

Dated: June 30, 1993

VIRGINIA ELECTRIC AND POWER COMPANY
By B. D. Johnson
Senior Vice President - Finance,
Controller, Treasurer and
Corporate Secretary

VIRGINIA ELECTRIC AND POWER COMPANY

ARTICLES OF AMENDMENT

1. The name of the corporation is Virginia Electric and Power Company.

2. The Restated Articles of Incorporation, as amended, of Virginia Electric and Power Company (the Company) hereby are amended to create a new series (the New Series) of the Company's Preferred Stock. In accordance with the provisions of the Restated Articles of Incorporation, as amended, of the Company, the distinctive designation, preferences, limitations and relative rights of said series of Preferred Stock are determined and fixed as follows:

   (a) The distinctive serial designation of the New Series shall be "$6.98 Dividend Preferred Stock" (hereinafter sometimes referred to as the $6.98 Series).

   (b) The dividend rate on the shares of the $6.98 Series shall be $6.98 per share per annum. Dividends shall be cumulative from the date of initial issue of the shares of the $6.98 Series. The payment dates for the dividends on the shares of the $6.98 Series shall be March 20, June 20, September 20 and December 20 of each year, beginning September 20, 1993.

   (c) The stated value and fixed liquidation preference of the shares of the $6.98 Series shall be $100 per share. In the event of a voluntary liquidation, dissolution or winding up of the Company, the fixed liquidation premium on the shares of the $6.98 Series, payable in addition to the liquidation preference, will be an amount per share equal to $5.00 prior to September 1, 2003 and, thereafter, to the applicable per share premium, if any, payable in optional redemption.

   (d) The $6.98 Series shall not be to redeemable by the Company (except to the extent otherwise provided for redemption in liquidation) prior to September 1, 2003. The fixed redemption price of the shares of the $6.98 Series for redemption on and after September 1, 2003 shall be $100 per share plus a premium, in the case of redemption prior to September 1, 2013, from time to time applicable to such redemption as follows:

Time Period	Optional Redemption Premium Per Share
September 1, 2003 through August 31, 2004.....	$3.49
September 1, 2004 through August 31, 2005.....	$3.15
September 1, 2005 through August 31, 2006.....	$2.80
September 1, 2006 through August 31, 2007.....	$2.45
September 1, 2007 through August 31, 2008.....	$2.10

September 1, 2008 through August 31, 2009.....	$1.75
September 1, 2009 through August 31, 2010.....	$1.40
September 1, 2010 through August 31, 2011.....	$1.05
September 1, 2011 through August 31, 2012.....	$0.70
September 1, 2012 through August 31, 2013.....	$0.35

and thereafter without any premium.

(e) The shares of the $6.98 Series shall not be entitled to any sinking fund or right of conversion or any preemptive right to acquire any other security.

(f) Except as above provided, the shares of the $6.98 Series shall have all the designations, preferences, limitations and relative rights and voting powers, and restrictions or qualifications thereof, expressed in the Restated Articles of Incorporation, as amended, of the Company. The shares of the $6.98 Series shall not have any special rights other than those specified herein and in the Restated Articles of Incorporation, as amended.

(g) There are hereby classified as the series of $6.98 Dividend Preferred Stock 600,000 shares of the Preferred Stock. No more than 600,000 shares of the $6.98 Series may be issued. Upon retirement of the shares of the $6.98 Series, this number may be decreased by filing articles of amendment to that effect.

(h) No shares of the $6.98 Series purchased or otherwise acquired by the Company shall be reissued, resold or otherwise transferred by the Company as shares of the $6.98 Series.

3. The designation of the $6.98 Series, as herein provided, has been duly approved by the Executive Committee on behalf of the Board of Directors of the Company within and in accordance with limits specifically prescribed by the Board of Directors.

4. These Articles of Amendment were duly adopted on August, 1993 by said Executive Committee on behalf of the Board of Directors of Virginia Electric and Power Company and shareholder action was not required in connection with such adoption.

Dated: August 10, 1993

VIRGINIA ELECTRIC AND POWER COMPANY
By: B. D. Johnson
Senior Vice President - Finance,
Controller, Treasurer and
Corporate Secretary

VIRGINIA ELECTRIC AND POWER COMPANY

ARTICLES OF AMENDMENT
ESTABLISHING

FLEXIBLE MONEY MARKET CUMULATIVE PEFERRED STOCK
(Flex MMP®),
2002 SERIES A
OF
VIRGINIA ELECTRIC AND POWER COMPANY

(LIQUIDATION PREFERENCE $100 PER SHARE)

Part I

1. The name of the Company is Virginia Electric and Power Company (the "Company").

2. The Restated Articles of Incorporation, as amended (the Articles) of the Company are hereby amended to create a series of the Company's Preferred Stock which shall be designated the Flexible Money Market Cumulative Preferred Stock (Flex MMP), 2002 Series A (hereinafter sometimes referred to as the Flex MMP). In accordance with the provisions of the Articles, the distinctive designation, preferences, limitations and relative rights of the Flex MMP are determined and fixed as follows:

(a) The distinctive serial designation of the Flex MMP shall be "Flexible Money Market Cumulative Preferred Stock (Flex MMP), 2002 Series A." Shares of the Flex MMP may only be purchased or transferred in whole units of 1,000 shares each (Units) or integral multiples thereof and the shares included in the Units may not be separately purchased or transferred.

(b) The shares of the Flex MMP shall not be entitled to any right of conversion or any preemptive right to acquire any other security.

(c) The shares of the Flex MMP shall not be entitled to a sinking fund.

(d) For the Initial Dividend Period (as defined in Part II), the dividend rate on shares of the Flex MMP shall be the Initial Dividend Rate (as defined in Part II). For each Dividend Period (as defined in Part II) thereafter, the dividend rate shall be determined according to the procedures set forth in Part II. The liquidation preference of shares of the Flex MMP shall be as set forth in Part II, and shares of the Flex MMP may be redeemed on the basis set forth in Part II.

(e) There are hereby classified as the Flexible Money Market Cumulative

Preferred Stock (Flex MMP), 2002 Series A, 1,250,000 shares (the "Shares") of the Preferred Stock, in 1,250 Units, with each Unit consisting of 1,000 shares of the Flex MMP; not more than 1,250,000 shares of the Flex MMP may be issued.

(f) No shares of the Flex MMP redeemed, purchased or otherwise acquired by the Company shall be reissued, resold or otherwise transferred by the Company as shares of the Flex MMP.

3. The shares of the Flex MMP shall have the further relative rights, preferences and limitations set forth in Sections I through 6 of Division A of Article III of the Articles, and the rates, dates, terms and other conditions upon which distributions shall be payable thereon shall be as set forth in these Articles of Amendment.

4. The designation of the Flex MMP, as herein provided, has been duly approved, and these Articles of Amendment have been duly adopted, by the Board of Directors of the Company on December 5, 2002. No shareholder action was taken, or was required to be taken, in connection with the adoption of these Articles of Amendment.

Part II

1. DEFINITIONS.

(A). Unless the context or use indicates another or different meaning or intent, or a term is otherwise defined in Part I, in these Articles of Amendment the following terms have the following meanings, whether used in the singular or plural:

"'AA' Composite Commercial Paper Rate," on any date of determination, means (i) the Interest Equivalent of the rate on commercial paper placed on behalf of issuers whose corporate bonds are rated "AA" by S&P or "Aa" by Moody's or the equivalent of such rating by another nationally recognized statistical rating organization, as such rate is made available on a discount basis or otherwise by the Federal Reserve Bank of New York for the Business Day immediately preceding such date, or (ii) in the event that the Federal Reserve Bank of New York does not make available such a rate, then the arithmetic average of the Interest Equivalent of the rate on commercial paper placed on behalf of such issuers, as quoted on a discount basis or otherwise by the Commercial Paper Dealers, to the Auction Agent for the close of business on the Business Day immediately preceding such date. If the Commercial Paper Dealers do not quote a rate required to determine the "AA" Composite Commercial Paper Rate, the "AA" Composite Commercial Paper Rate will be determined on the basis of the quotation or quotations furnished by any Substitute Commercial Paper Dealers. If the number of Dividend Period Days shall be (i) seven or more but fewer than 49 days, such rate shall be the Interest Equivalent of the 30-day rate on such commercial paper; (ii) 49 or more but fewer than 70 days, such rate shall be the Interest Equivalent of the 60-day rate on such commercial paper; (iii) 70 or more days but fewer than 85 days, such rate shall be the arithmetic average of the Interest Equivalent of the 60-day and 90-day rates on such commercial paper; (iv) 85 or more days but fewer than 99 days, such

rate shall be the Interest Equivalent of the 90-day rate on such commercial paper; or (v) 99 or more days but fewer than 183 days, such rate shall be determined by linear interpolation between the Interest Equivalents of the 90-day rate and the 180-day rate on such commercial paper.

"Affected Dividend Payment Date" has the meaning set forth in paragraph 2(e).

"Affiliate" means any Person known to the Auction Agent to be controlled by, in control of, or under common control with, the Company.

"Applicable Rate" means, with respect to any Shares for any Dividend Period therefor, the rate per annum at which cash dividends are payable on such Shares for such Dividend Period.

"Auction" means a periodic implementation of the Auction Procedures.

"Auction Agent" means a commercial bank, trust company or other financial institution selected by the Company that has entered into an agreement with the Company to follow the Auction Procedures for the purpose of determining the Applicable Rate and to act as dividend disbursing agent and/or redemption agent for the Shares.

"Auction Procedures" means the procedures for conducting Auctions set forth in paragraph 5.

"Beneficial ownership" or "beneficially own" shall have the meanings ascribed to them under Rule 13d-3 under the Securities Exchange Act and "beneficial owner" shall have a corollary meaning.

"Board of Directors" means the Board of Directors of the Company or, to the extent permitted by applicable law, any duly authorized committee thereof or any duly authorized officer of the Company.

"Broker-Dealer" means any broker-dealer, or other entity permitted by law to perform the functions required of a Broker-Dealer in paragraph 5, that has been selected by the Company and has entered into a Broker-Dealer Agreement with the Auction Agent that remains effective.

"Broker-Dealer Agreement" means an agreement between the Auction Agent and one or more Broker-Dealers pursuant to which each such Broker-Dealer agrees to follow the procedures specified in paragraph 5.

"Business Day" means a day on which the New York Stock Exchange, Inc. is open for trading and which is not a Saturday, Sunday or other day on which banks in Richmond, Virginia or New York, New York are authorized or obligated by law to close.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commercial Paper Dealer" or "Commercial Paper Dealers" means such commercial

paper dealer or dealers as the Company may from time to time appoint, or, in lieu of any thereof, their respective affiliates or successors.

"Common Stock" means the common stock, without par value, of the Company.

"Date of Original Issue" means, with respect to the Shares, the date on which the Company originally issues such Shares.

"Dividend Non-Payment Period" has the meaning set forth in paragraph 2(b)(iii)(B).

"Dividend Payment Date," with respect to the Shares, includes each Initial Dividend Payment Date, Subsequent Dividend Payment Date and Period-End Dividend Payment Date.

"Dividend Period," with respect to the Shares, includes the Initial Dividend Period and each Subsequent Dividend Period.

"Dividend Period Days," with respect to any Dividend Period, means the calendar days included in such Dividend Period.

"Dividends Received Percentage" means the percentage of dividends received by corporate taxpayers which may be deducted for federal income tax purposes pursuant to Section 243(a)(1) of the Code (or any successor provision).

"DRD Formula" means the amount derived from the following fraction:

$$\frac{1 - [.35(1-.70)]}{1 - [.35(1-DRP)]}$$

"DRD Gross-Up Provisions" has the meaning set forth in paragraph 2(e).

"DRP," as used in computing the DRD Formula, means the Dividends Received Percentage, measured as a fraction, applicable to the dividend in question; provided, however, that DRP shall in no event be less than .50.

"Existing Holder," with respect to the Shares, means a Person who is listed as such in the Share Books.

"Holder" or "holder," with respect to any Shares, means the record holder thereof.

"IRS" means the Internal Revenue Service.

"Initial Dividend Payment Dates," with respect to the Shares, means each March 20, June 20, September 20 and December 20 of each year during the Initial Dividend Period, commencing March 20, 2003.

"Initial Dividend Period," with respect to the Shares, means the period from and including the Date of Original Issue for the Shares to but excluding the Initial Period-End Dividend Payment Date for the Shares.

"Initial Dividend Rate," with respect to the Shares, means $5.50 per annum for the Initial Dividend Period for the Shares.

"Initial Period-End Dividend Payment Date," with respect to the Shares, means December 20, 2007.

"Interest Equivalent" means a yield on a 360-day basis of a discount basis security which is equal to the yield on an equivalent interest-bearing security.

"Maximum Applicable Rate" has the meaning set forth in paragraph 5(a)(vi).

"Minimum Holding Period" means, at the time of reference thereto, the minimum holding period then required for corporate taxpayers to be entitled to the dividends received deduction set forth in Section 243(a)(1) of the Code.

"Moody's" means Moody's Investors Service, Inc. or its successors.

"Non-Call Period," with respect to the Shares, means a specified portion or the entirety of a Special Dividend Period for the Shares during which the Shares shall not be subject to Optional Redemption, as selected by the Company pursuant to a Notice of Special Dividend Period.

"Non-Payment Period" includes any Dividend Non-Payment Period and Redemption Non-Payment Period.

"Non-Payment Period Rate," with respect to the Shares, means 275% of the Reference Rate applicable to such Shares.

"Notice of Redemption" means a written notice of redemption given pursuant to paragraph 4.

"Notice of Revocation" has the meaning set forth in paragraph 2(c)(iii).

"Notice of Special Dividend Period" has the meaning set forth in paragraph 2(c)(iii).

"Optional Redemption" means an optional redemption of Shares by the Company pursuant to paragraph 4(a)(i) or 4(a)(ii).

"Optional Redemption Date" means the Dividend Payment Date selected by the Company for an Optional Redemption, which is at least 30 days but not more than 90 days after delivery of a Notice of Redemption with respect to such Optional Redemption.

"Outstanding" means, as of any date, (i) with respect to the Shares, the Shares theretofore issued by the Company except, without duplication, (A) any Shares theretofore cancelled, or delivered to the Auction Agent for cancellation, or redeemed by the Company, or as to which a Notice of Redemption shall have been given and the full amount payable upon such redemption shall have been deposited in trust by the Company with irrevocable payment instructions given pursuant to paragraph 4(c), provided that Shares as to which a Notice of Redemption has been given by the Company shall be deemed to be not Outstanding for purposes of any Auction for such Shares held subsequent to the date of such Notice of Redemption and (B) any Shares as to which the Company or any Affiliate shall be an Existing Holder or beneficial owner and (ii) with respect to shares of other Preferred Stock, has the equivalent meaning.

"Parity Preferred" means, with respect to the Shares, each other Outstanding series of Preferred Stock the holders of which, together with the Holders of the Shares, shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up of the Company, as the case may be, in proportion to the full respective preferential amounts to which they are entitled, without preference or priority of one over the other.

"Participant" means a participant of the Securities Depository that will act on behalf of an Existing Holder, a beneficial owner, or a Potential Holder or potential beneficial owner of one or more Shares.

"Period-End Dividend Payment Dates" include the Initial Period-End Dividend Payment Date and each Subsequent Period-End Dividend Payment Date.

"Person" means and includes an individual, a partnership, a Company, a trust, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

"Potential Holder" means any Person who is not an Existing Holder but who may be interested in acquiring Shares, or who is an Existing Holder but who wishes to acquire additional Shares.

"Preferred Stock" means any Preferred Stock of the Company, including the Shares, that the Board of Directors has authority to issue under the Articles.

"Redemption Non-Payment Period" has the meaning set forth in paragraph 2(b)(iv)(C)(1).

"Reference Rate" means, (i) with respect to a Dividend Period of 49 days to 183 days, the applicable "AA" Composite Commercial Paper Rate, (ii) with respect to a Dividend Period of 184 days to 364 days, the applicable U.S. Treasury Bill Rate, (iii) with respect to a Dividend Period of one year to ten years, the applicable U.S. Treasury Note Rate, and (iv) with respect to a Dividend Period in excess of ten years, the applicable U.S. Treasury Bond Rate.

"Regular Dividend Period" means a Subsequent Dividend Period consisting of 49 days as

the same may be adjusted from time to time pursuant to paragraph 2(b)(i) in connection with the requirement of, or a change of law altering the requirements of, the Minimum Holding Period, but in no event exceeding 98 days.

"Retroactive Dividends" has the meaning set forth in Section 2(e).

"S&P" means Standard & Poor's Ratings Services or its successors.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Depository" means The Depository Trust Company or any successor Company or other entity elected by the Company as securities depository for the Shares that agrees to follow the procedures required to be followed by such securities depository in connection with the Shares.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Share Books" means the books maintained by the Auction Agent setting forth at all times a current list, as determined by the Auction Agent, of Existing Holders, based on notices from the Company, from Existing Holders and from any Participant or Broker-Dealer of any Existing Holder.

"Shares" means the shares of Preferred Stock, liquidation preference $100 per share, plus an amount equal to accumulated but unpaid dividends (whether or not earned or declared), designated as the "Flexible Money Market Cumulative Preferred Stock (Flex MMP), 2002 Series A" of the Company.

"Special Dividend Period" means a Subsequent Dividend Period consisting of at least 49 days as selected by the Company pursuant to a Notice of Special Dividend Period, to the extent that such selection by the Company shall be available pursuant hereto and subject to adjustment from time to time pursuant to paragraph 2(b)(i) in connection with the requirements of, or a change of law altering requirements of, the Minimum Holding Period.

"Subsequent Dividend Payment Date" has the meaning set forth in paragraph 2(b)(i).

"Subsequent Dividend Period" has the meaning set forth in paragraph 2(c)(i).

"Subsequent Period-End Dividend Payment Date," with respect to each Subsequent Dividend Period, means the Business Day immediately succeeding the last day of such Subsequent Dividend Period.

"Substitute Commercial Paper Dealer" or "Substitute Commercial Paper Dealers" means such substitute Commercial Paper Dealer or substitute Commercial Paper Dealers as the Company may from time to time appoint or, in lieu of any thereof, their respective affiliates or successors.

"Substitute Rating Agency" and "Substitute Rating Agencies" mean a nationally recognized statistical rating organization and two nationally recognized statistical rating organizations, respectively, each term as defined for purposes of Rule 436(g)(2) under the Securities Act, selected by the Company after consultation with each Broker-Dealer, to act as the substitute rating agency or substitute rating agencies, as the case may be, to determine the credit ratings of the Shares.

"Sufficient Clearing Bids" has the meaning as defined in paragraph 5(a).

"Transfer Agent" means an commercial bank, trust company, other financial institution or other Company selected by the Company that has entered into an agreement with the Company to act as transfer agent and registrar for the Shares.

"U.S. Treasury Bill Rate" on any date means (i) the Interest Equivalent of the rate on the actively traded Treasury Bill with a maturity most nearly comparable to the length of the related Dividend Period, as such rate is made available on a discount basis or otherwise by the Federal Reserve Bank of New York in its Composite 3:30 P.M. Quotations for U.S. Government Securities report for such Business Day, or (ii) if such yield as so calculated is not available, the Alternate Treasury Bill Rate on such date. "Alternate Treasury Bill Rate" on any date means the Interest Equivalent of the yield as calculated by reference to the arithmetic average of the bid price quotations of the actively traded Treasury Bill with a maturity most nearly comparable to the length of the related Dividend Period, as determined by bid price quotations as of any time on the Business Day immediately preceding such date, obtained from at least three recognized primary U.S. Government securities dealers selected by the Auction Agent.

"U.S. Treasury Bond Rate" on any date means (i) the yield as calculated by reference to the bid price quotation of the actively traded, current coupon Treasury Bond with a maturity most nearly comparable to the length of the related Dividend Period, as such bid price quotation is published on the Business Day immediately preceding such date by the Federal Reserve Bank of New York in its Composite 3:30 P.M. Quotations for U.S. Government Securities report for such Business Day, or (ii) if such yield as so calculated is not available, the Alternate Treasury Bond Rate on such date. "Alternate Treasury Bond Rate" on any date means the yield as calculated by reference to the arithmetic average of the bid price quotations of the actively traded, current coupon Treasury Bond with a maturity most nearly comparable to the length of the related Dividend Period, as determined by the bid price quotations as of any time on the Business Day immediately preceding such date, obtained from at least three recognized primary U.S. Government securities dealers selected by the Auction Agent.

"U.S. Treasury Note Rate" on any date means (i) the yield as calculated by reference to the bid price quotation of the actively traded, current coupon Treasury Note with a maturity most nearly comparable to the length of the related Dividend Period, as such bid price quotation is published on the Business Day immediately preceding such date by the Federal Reserve Bank of New York in its Composite 3:30 P.M. Quotations for U.S. Government Securities report for such Business Day, or (ii) if such yield as so calculated is not available, the Alternate Treasury Note

Rate on such date. "Alternate Treasury Note Rate" on any date means the yield as calculated by reference to the arithmetic average of the bid price quotations of the actively traded, current coupon Treasury Note with a maturity most nearly comparable to the length of the related Dividend Period, as determined by the bid price quotations as of any time on the Business Day immediately preceding such date, obtained from at least three recognized primary U.S. Government securities dealers selected by the Auction Agent.

2. DIVIDENDS.

(a) The holders of Shares shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available therefor, cumulative cash dividends at the Applicable Rate determined as set forth in paragraph 2(c), payable on the respective Dividend Payment Dates for the Shares.

(b)

(i) Dividends on Shares shall accumulate (whether or not earned or declared) at the Applicable Rate for such Shares from the Date of Original Issue and shall be payable, when, as and if declared by the Board of Directors, out of funds legally available therefor, on each Initial Dividend Payment Date for the Shares and on the Initial Period-End Dividend Payment Date for the Shares.

Following the Initial Period-End Dividend Payment Date for the Shares, dividends on the Shares will be payable on each Subsequent Period-End Dividend Payment Date, and in addition, (A) with respect to any Subsequent Dividend Period of 100 days to 190 days, on the 91st day, (B) with respect to any Subsequent Dividend Period of 191 days to 281 days, on the 91st and 182nd days, (C) with respect to any Subsequent Dividend Period of 282 days to 364 days, on the 91st, 182nd and 273rd days, and (D) with respect to any Subsequent Dividend Period of one year or longer, on March 20, June 20, September 20 and December 20 of each year (each such date referred to in clause (A) through (D) above being herein referred to as a "Subsequent Dividend Payment Date"). Notwithstanding the foregoing, if any Dividend Payment Date is not a Business Day then such Dividend Payment Date shall be the immediately succeeding Business Day.

Notwithstanding the foregoing, if any date on which dividends on the Shares would be payable as described in the immediately preceding paragraph is a day that would result in the number of Dividend Period Days in the then current Dividend Period for the Shares not being at least equal to the then current Minimum Holding Period, then dividends with respect to such Dividend Period shall be payable on the first Business Day following such date on which dividends would be so payable that results in the number of Dividend Period Days in such Dividend Period being at least equal to the Minimum Holding Period or, if earlier, the 98th day of such Dividend Period. Moreover, notwithstanding the foregoing, in the event of a change in law altering the Minimum Holding Period, the Board of Directors shall adjust, if necessary, the number of Dividend Period Days in each Regular Dividend Period and the minimum number of days of each Special Dividend Period commencing after the date of such change in law to equal or exceed the Minimum

Holding Period, provided that the number of Dividend Period Days in a Regular Dividend Period shall not exceed by more than nine days the length of the Minimum Holding Period and shall be evenly divisible by seven, as adjusted pursuant hereto, and shall in no event exceed 98 days.

Upon any change in the number of Dividend Period Days in any then current Dividend Period or in the number of days in a Regular Dividend Period or the minimum duration of a Special Dividend Period as a result of a change in the Minimum Holding Period, the Company will mail notice of such change to all holders of record of Shares. Although any particular Dividend Payment Date for the Shares may not occur on the day of the week or the date originally scheduled as a Dividend Payment Date for the Shares because of the adjustments set forth above, each succeeding Dividend Payment Date for the Shares shall occur, subject to such adjustments, on the day of the week or the date originally scheduled as a Dividend Payment Date for the Shares as if each preceding Dividend Payment Date had occurred on such day of the week or date.

(ii) On or prior to any Dividend Payment Date for the Shares, the Company shall pay to the Auction Agent sufficient funds for the payment in full of all accumulated dividends with respect to the Shares payable on such Dividend Payment Date. Each dividend shall be paid to the holder or holders of the Shares as they appear on the Stock Books of the Company on the record date fixed by the Company's Board of Directors prior to the applicable Dividend Payment Date.

Dividends in arrears in respect of Shares for any past Dividend Period may be declared and paid at any time, without reference to any regular Dividend Payment Date, to the holder or holders of record of such Shares as they appear on the Stock Books on a record date fixed by the Board of Directors. Any dividend payment made on the Shares shall be applied, without duplication, in the following order of priority:

FIRST, in or toward payment of all accumulated dividends with respect to such earliest Dividend Period for such Shares for which dividends have not been paid; and

SECOND, in or toward payment of all then accumulated dividends with respect to each succeeding Dividend Period for such Shares for which dividends have not been paid.

(iii) If the Company fails to pay to the Auction Agent on or prior to any Period-End Dividend Payment Date for the Shares the full amount of all accumulated and unpaid dividends payable on the Shares on such Period-End Dividend Payment Date, then:

(A) if such failure to pay is cured as provided below, the Applicable Rate for the Shares for the Dividend Period commencing on the period-End Dividend Payment Date on which the Company failed to pay shall be equal to the dividend rate determined on the Auction Date immediately preceding such Period-End Dividend Payment Date; and

(B) if such failure to pay is not cured as provided below, then, for the period (the "Dividend Non-Payment Period") commencing on and including such Period-End Dividend Payment Date and ending on and including the Business Day on which, by 12:00 noon, New York City time, all unpaid cash dividends shall have been deposited with the Auction Agent or otherwise made available for payment to the applicable Holders in same day funds (provided that, at least two Business Days but no more than 30 days prior to such Business Day, the Company shall have given the Auction Agent, the Securities Depository and the applicable Holders written notice of such deposit or availability):

(1) each Subsequent Dividend Period shall be a Regular Dividend Period (regardless of any Special Dividend Period election made by the Company) and Auctions for the Shares shall be suspended and shall not resume, in each case until all accumulated and unpaid dividends on the Shares for all past Dividend Periods shall have been paid to the Auction Agent, not later than the second Business Day immediately preceding an Auction Date for the Shares; and

(2) the Applicable Rate for the Shares during such Dividend Non-Payment Period shall be equal to Non-Payment Period Rate for the Shares.

(iv) If the Company fails to pay to the Auction Agent on or prior to any date set for redemption of less than all of the Shares the full amount payable upon redemption of the Shares called for redemption, then:

(A) Auctions for the Shares shall be suspended and shall not resume until all amounts payable upon the redemption of the Shares called for redemption shall have been paid to the Auction Agent not later than the second Business Day immediately preceding an Auction Date for the Outstanding Shares;

(B) If such failure to pay is cured as provided below, the Applicable Rate for the Shares for the Dividend Period commencing after the redemption date on which the Company failed to pay shall be equal to the Maximum Applicable Rate for the Shares (as determined on the Business Day immediately preceding the first day of such Dividend Period) and such Dividend Period shall be a Regular Dividend Period (regardless of any Special Dividend Period election made by the Company), unless on the Auction Date for such Dividend Period, Auctions for the Shares may be resumed as provided in clause (A) above; and

(C) If such failure to pay is not cured as provided below, then:

(1) Each Subsequent Dividend Period shall be a Regular Dividend Period regardless of any Special Dividend Period election made

by the Company) and the Applicable Rate for the Shares not called for redemption for each Dividend Period, commencing on the date immediately succeeding the redemption date on which the Company failed to pay, to but excluding the Dividend Period, if any, next succeeding the Auction Date on which Auctions for the Shares may be resumed as provided in clause (A) above (the "Redemption Non-Payment Period"), shall be equal to the Non-Payment Period Rate for the Shares (as determined on the Business Day immediately preceding the first day of each such Dividend Period); and

(2) the Applicable Rate for the Shares called for redemption for each Dividend Period for the Shares commencing on the date immediately succeeding the redemption date on which the Company failed to pay shall be equal to the Non-Payment Period Rate for the Shares (as determined on the Business Day immediately preceding the first day of each such Dividend Period).

For purposes of paragraphs 2(b)(iii) and 2(b)(iv), any such failure to pay with respect to the Shares shall be deemed cured if, not later than 12:00 noon, New York City time, on the third Business Day immediately succeeding such failure to pay, there shall have been paid to the Auction Agent (i) all accumulated and unpaid dividends on the Shares including the full amount of any dividends to be paid on the Period-End Dividend Payment Date with respect to which such failure to pay occurred but excluding amounts accumulated after such Period-End Dividend Payment Date, plus additional dividends in an amount computed by multiplying (A) the Non-Payment Period Rate for the Shares (as determined on the Business Day immediately preceding such Dividend Payment Date) by (B) a fraction, the numerator of which shall be the number of days in respect of which such failure to pay is not cured in accordance herewith (including the day such failure to pay occurs and excluding the day such failure to pay is cured) and the denominator of which is 360, and multiplying the rate so obtained by the product of $100 and the number of Shares then Outstanding and (ii) the full amount payable upon redemption of the Shares called for redemption that have not been so redeemed, plus (except to the extent such amount has been paid pursuant to paragraph 2(b)(iv) above) an amount computed by multiplying (X) the Non-Payment Period Rate for the Shares (as determined on the Business Day immediately preceding the first day of the current Dividend Period), by (Y) a fraction, the numerator of which shall be the number of days for which such failure to pay is not cured in accordance herewith (including the day such failure to pay occurs and excluding the day such failure to pay is cured) and the denominator of which is 360, and multiplying the rate so obtained against the product of $100 and the number of Shares called for redemption that have not been so redeemed.

If the Company fails to pay the Auction Agent on or prior to any date for

redemption of all the Shares the full amount payable upon such redemption of the Shares, then the Applicable Rate for the Shares for each Dividend Period or portion thereof commencing on or after the redemption date on which the Company failed to pay shall be equal to the Non-Payment Period Rate for the Shares (as determined on the Business Day immediately preceding the first day of each such Dividend Period).

(c)

(i) During the Initial Dividend Period, the Applicable Rate for the Shares shall be the Initial Dividend Rate. Commencing on the Initial Period-End Dividend Payment Date for the Shares, the Applicable Rate for the Shares for the period commencing on and including the Initial Period-End Dividend Payment Date and ending on and including the calendar day immediately preceding the immediately succeeding Subsequent Period-End Dividend Payment Date and for each period thereafter commencing on and including each Subsequent Period-End Dividend Payment Date and ending on and including the calendar day immediately preceding to the immediately succeeding Subsequent Period-End Dividend Payment Date (each such period being herein referred to as a "Subsequent Dividend Period"), shall be equal to the rate per annum that results from implementation of the Auction Procedures with respect to Shares as the Auction Agent advises the Company following the conclusion of the Auction for such Shares.

Each Subsequent Dividend Period shall be a Regular Dividend Period unless the Company has duly selected a Special Dividend Period with respect thereto pursuant to paragraph 2(c)(iii) and such selection is available hereunder. In the event that Sufficient Clearing Bids have not been made in any Auction under paragraph 5, then the immediately succeeding Subsequent Dividend Period shall automatically be a Regular Dividend Period regardless of whether the Company has elected a Special Dividend Period.

In the event that an Auction for any Subsequent Dividend Period with respect to the Shares is not held for any reason (other than as a result of the existence and continuance of a Non-Payment Period), such Subsequent Dividend Period next succeeding the originally scheduled Auction shall automatically be a Regular Dividend Period and the Applicable Rate for such Subsequent Dividend Period shall be equal to the Maximum Applicable Rate on the business Day immediately preceding the commencement of such Subsequent Dividend Period.

The Applicable Rate for each Dividend Period commencing during a Non-Payment Period shall be equal to the Non-Payment Period Rate, and each Dividend Period, commencing after the first day of, and during, a Non-Payment Period shall be a Regular Dividend Period regardless of any election made by the Company for a Special Dividend Period relating thereto.

(ii) During the Initial Dividend Period and any Special Dividend Period in

excess of 364 days in duration, the amount of dividends accumulated and payable, if declared, on each Share for each period that begins on a Dividend Payment Date and ends on the day immediately preceding the immediately succeeding Dividend Payment Date shall be computed by (A) multiplying the Applicable Rate for such Dividend Period by 25% and (B) multiplying $100 by the rate so obtained.

The amount of dividends accumulated and payable, if declared, on each Share on any Dividend Payment Date with respect to any Regular Dividend Period and any period during the Initial Dividend Period and any Special Dividend Period in excess of 364 days that is not set forth in clause (A) above will be computed by (X) multiplying the Applicable Rate for such Dividend Period by a fraction, the numerator of which is the actual number of days in the portion of such Dividend Period prior to such Dividend Payment Date as to which dividends have not been paid and the denominator of which is 360, and (Y) multiplying $100 by the rate so obtained.

(iii) The Company may, at its option and to the extent permitted by law, by written notice (a "Notice of Special Dividend Period") to the Auction Agent and each Holder of the Shares, request that the next succeeding Dividend Period for the Shares be a number of days, at least as long as the Minimum Holding Period, specified in such notice, provided that such Notice of Special Dividend Period shall be null and void if Sufficient Clearing Bids have not been made in the relevant Auction and the Company may not again give a Notice of Special Dividend Period for the Shares (and any such attempted notice shall be null and void) until Sufficient Clearing Bids have been made in an Auction with respect to the Shares. Such Notice of Special Dividend Period shall be delivered or sent by the Company, by first-class mail, postage prepaid, to each Holder of the Shares, not less than 10 days nor more than 60 days prior to the Auction for the relevant Subsequent Dividend Period. A Notice of Special Dividend Period with respect to the Shares will specify (A) the Company's determination of the length of the Special Dividend Period (which shall be equal to or longer than the Minimum Holding Period), (B) in the case of any Special Dividend Period in excess of 99 days in duration, any Subsequent Dividend Payment Date or Dates other than the Subsequent Period-End Dividend Payment Date for such Special Dividend Period, (C) if the Company has elected that the Shares will be subject to a Non-Call Period during such Special Dividend Period, a statement to that effect, (D) if the Company has specified that all or any portion of the Special Dividend Period will be a Non-Call Period and has elected that the DRD Gross-Up Provisions shall apply during such Special Dividend Period, a statement to that effect, and (E) if the Company has made the election specified in clause (D) and has affirmatively elected to have the right to redeem the Shares during such Special Dividend Period in accordance with paragraph 4(a)(ii), a statement to that effect. If the Company has given a Notice of Special Dividend Period, the Company may withdraw such election by giving telephonic and written notice of its revocation (a "Notice of Revocation") to each Holder of the Shares by no later than 3:00 P.M., New York City time, on the Business Day immediately preceding the date of the Auction with respect to which such Notice of Special Dividend Period and Notice of Revocation were delivered, and in such event such election by the Company of a Special Dividend Period shall be of no force and

effect. The Company shall deliver, or cause to be delivered, physically, by telecopier or by other written electronic communication, copies of each Notice of Special Dividend Period and each Notice of Revocation to the Auction Agent at the same time such notices are transmitted to the Holders of the Shares. In the event that the Company has effectively revoked its election of a Special Dividend Period for the Shares as described above, the next succeeding Dividend Period for the Shares shall be a Regular Dividend Period. No defect in a Notice of Special Dividend Period or in the mailing thereof shall affect the validity of any change in any Dividend Period.

(d)

(i) Except as provided in these Articles of Amendment, Holders shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of full cumulative dividends, as herein provided, on any Shares, and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment on any Shares that may be in arrears.

(ii) So long as any Shares are Outstanding, no dividend (other than a dividend in Common Stock and other than as provided in paragraph 2(d)(iii)) shall be declared or made upon any Parity Preferred, the Common Stock or any other shares of capital stock of the Company ranking junior to the Shares as to dividends or upon liquidation, nor shall any Parity Preferred, Common Stock or any other shares of capital stock of the Company ranking junior to the Shares as to dividends or upon liquidation, be redeemed, purchased or otherwise acquired for any consideration (nor shall any funds be paid to, or made available for, a sinking fund for the redemption of any shares of such stock) by the Company (except by conversion into or exchange for Common Stock or shares of capital stock of the Company ranking junior to the Shares as to dividends or upon liquidation) unless, in each case, the full cumulative dividends on the Outstanding Shares shall have been or contemporaneously are, paid, or declared and a sum sufficient for the payment thereof has been or is set apart for such payment.

(e) If, at any time prior to the date that is 18 months after the Date of Original Issue, any amendment to the Code shall have been enacted that has the effect of changing the Dividends Received Percentage, then the Applicable Rate with respect to such Shares for the Dividend Period in which the effective date of such amendment to the Code occurs will, to the extent that such amendment applies to such Dividend Period, be adjusted on and after such effective date for the remainder of such Dividend Period by multiplying the Applicable Rate (determined before such adjustment) by the DRD Formula and rounding the result to the nearest basis point. No amendment to the Code, other than a change in the percentage of the dividends received deduction set forth in Section 243(a)(1) of the Code or any successor provision which is enacted prior to 18 months after the Date of Original Issue, will give rise to an adjustment. Notwithstanding the foregoing provisions, in the event that, with respect to any such amendment, the Company shall receive either (1) an unqualified opinion of independent recognized tax counsel based upon the legislation amending or establishing the DRP or upon a published pronouncement of the IRS addressing such legislation or (2) a private letter ruling or similar form of assurance from the IRS, in either case to the effect that such an amendment would not

apply to dividends payable on the Shares, then any such amendment shall not result in the adjustment provided for pursuant to the DRD Formula. The Company's calculation of the dividends payable, as so adjusted and as certified accurate as to calculation and reasonable as to method by the independent certified public accountants then regularly engaged by the Company, shall be final and not subject to review. Notwithstanding the foregoing, in no event shall the Applicable Rate for any Dividend Period, if and as adjusted from time to time as set forth above, be more than the Maximum Applicable Rate as of the Date of Original Issue of the Shares or the date of the preceding Auction, as the case may be.

If any such amendment to the Code which reduces the Dividends Received Percentage is enacted and becomes effective after a dividend payable on a Dividend Payment Date has been declared but before such dividend has been paid, the amount of dividends payable on such Dividend Payment Date shall not be increased; but instead, an amount equal to the excess, if any, of (x) the product of the dividends paid by the Company on such Dividend Payment Date and the DRD Formula (where the DRP used in the DRD Formula would be equal to the greater of the reduced Dividends Received Percentage or 50%) less (y) the dividends paid by the Company on such Dividend Payment Date, will be payable (if declared) on the next succeeding Dividend Payment Date to Holders of the Shares for such succeeding Dividend Payment Date, in addition to any other amounts payable on such Dividend Payment Date.

If the Applicable Rate shall have been adjusted pursuant to the provisions of this paragraph 2(e) (the "DRD Gross-Up Provisions"), the Company shall send notice of such adjustment to each Holder of the Shares and the Auction Agent on or prior to the next succeeding Dividend Payment Date for the Shares.

Unless otherwise required by the context, any reference in these Articles of Amendment to dividends shall mean dividends adjusted pursuant to the DRD Gross-Up Provisions. The DRD Gross-Up Provisions shall apply at any time prior to the date ending 18 months after the Date of Original Issue. After such date, the DRD Gross-Up Provisions shall not apply to any Regular Dividend Period and shall only apply to any Special Dividend Period for the Shares if so specified by the Board of Directors in the applicable Notice of Special Dividend Period.

In addition, if any such amendment to the Code is enacted that reduces the Dividends Received Percentage and such reduction retroactively applies to a Dividend Payment Date as to which the Company previously paid dividends on the Shares (each, an "Affected Dividend Payment Date"), the Company will pay (if declared) additional dividends (the "Retroactive Dividends") on the immediately succeeding Dividend Payment Date (or if such amendment is enacted after the dividend payable on such Dividend Payment Date has been declared, on the second immediately succeeding Dividend Payment Date following the date of enactment), to Holders of the Shares for such succeeding Dividend Payment Date, in an amount equal to the excess, if any, of (x) the product of the dividends paid by the Company on each Affected Dividend Payment Date and the DRD Formula (where the DRP used in the DRD Formula would be equal to the greater of the reduced Dividends Received Percentage and 50%, applied to each Affected Dividend Payment Date) over (y) the dividends paid by the Company on each Affected Dividend Payment Date.

Retroactive Dividends will not be paid in respect of the enactment of any amendment to the Code if such amendment would not result in an adjustment due to the Company having received either an opinion of counsel or tax ruling referred to above. The Company will only make one payment of Retroactive Dividends.

No adjustments in the dividends payable by the Company will be made, and no Retroactive Dividends will be payable by the Company, because of any amendment to the Code effective at any time after 18 months following the Date of Original Issue that reduces the Dividends Received Percentage.

In the event that the amount of dividends payable per share of the Shares shall be adjusted pursuant to the DRD Formula and/or Retroactive Dividends are to be paid, the Company will cause notice of each such adjustment and, if applicable, any Retroactive Dividends, to be sent to each Holder of the Shares.

(f) No fractional Share shall be issued.

3. LIQUIDATION PREFERENCE.

The amount payable upon the Shares in the event of voluntary or involuntary dissolution, liquidation or winding up of the Company shall be $100 per share ($100,000 per Unit) plus an amount equivalent to the accrued and unpaid dividends thereon, if any, to the date of such voluntary or involuntary dissolution, liquidation or winding up.

4. REDEMPTION.

(a) The Shares shall be redeemable by the Company as provided below:

(i) Upon giving a Notice of Redemption with respect to an Optional Redemption to the Auction Agent, the Securities Depository and each holder of record of the Shares, the Company at its option may redeem the Shares, in whole or from time to time in part, out of funds legally available therefor, at a redemption price per Share of $100, on an Optional Redemption Date; provided that the Board of Directors shall have declared and shall pay on the redemption date all accumulated and unpaid dividends in respect of such Shares through the redemption date (whether earned or declared); and provided, further, that subject to Section 5(a)(ii) below, no Share may be redeemed at the option of the Company during (A) the Initial Dividend Period for the Shares or (B) a Non-Call Period to which such Shares are subject. Pursuant to such right of Optional Redemption, the Company may elect to redeem all or less than all of the Shares without redeeming the remaining Shares. Notwithstanding the foregoing, the Company may not give a Notice of Redemption relating to, or redeem pursuant to, an Optional Redemption as described in this paragraph 4(a)(i) if any dividend on any Share is in arrears unless all Outstanding Shares are simultaneously redeemed. So long as any dividend on any Share in arrears remains unpaid, the Company shall not purchase or otherwise acquire any

Shares; provided that the foregoing shall not prevent the purchase or acquisition of Shares pursuant to an otherwise lawful purchase or exchange offer made on the same terms to the holders of all Outstanding Shares.

(ii) If at any time prior to the date that is 18 months after the Date of Original Issue, or, during any Special Dividend Period, all or a portion of which the Company has designated as a Non-Call Period and, with respect to which (i) the DRD Gross-Up Provisions apply and (ii) the Company has affirmatively elected to have the right to redeem the shares if it is required to pay additional dividends under the DRD Gross-Up Provisions, if designated by the Company and specified in the applicable Special Dividend Period Notice, one or more amendments to the Code are enacted that reduce the Dividends Received Percentage, and, as a result, the amount of dividends on the Shares payable on any Dividend Payment Date may be adjusted upwards pursuant to paragraph 2(e) hereof, the Company at its option may redeem all, but not less than all, of the Outstanding Shares, provided that, within 60 days of the date on which an amendment to the Code is enacted that reduces the Dividends Received Percentage, the Company sends notice to the holders of the Shares of such redemption. Any redemption of the Shares pursuant to this paragraph 4(a)(ii) will take place on the date specified in the notice, which will be not less than 30 nor more than 90 days from the date such notice is sent to the holders of the Shares. Any such redemption of the Shares will be at a redemption price of $102.50 per Share ($102,500 per Unit), plus all accumulated and unpaid dividends (whether or not declared and including any increase in dividends payable due to changes in the Dividends Received Percentage).

(b) In the event that less than all the Outstanding Shares are to be redeemed and there is more than one Holder, the number of Shares to be redeemed shall be determined by the Board of Directors and communicated to the Auction Agent; and, if the Securities Depository or its nominee is the Holder of all such Shares, the Securities Depository will determine the number of Shares to be redeemed from the account of each Participant. Each Participant will determine the number of Shares to be redeemed from the account of each Holder for which it acts as agent and, if neither the Securities Depository nor its nominee is the Holder of all such Shares, the particular Shares to be redeemed shall be selected by the Company ratably or by lot, provided that adjustments may be made by the Company with respect to the number of Shares to be redeemed from each Holder to avoid redemption of fractional Units.

(c) Whenever Shares are to be redeemed pursuant to an Optional Redemption, the Notice of Redemption shall be delivered or mailed by first-class mail, postage prepaid, not less than 30 nor more than 90 days prior to the date fixed for such Optional Redemption, to each Holder of such Shares to be redeemed and the Auction Agent.

The Notice of Redemption shall set forth (i) the redemption date, (ii) the amount of the redemption price, (iii) the aggregate number of Shares to be redeemed, (iv) the place where Shares are to be surrendered for payment of the redemption price, (v) a statement that dividends on the Shares to be redeemed shall cease to accumulate on such date that the Company pays the full amount payable upon redemption of such Shares, and (vi) the provision of these Articles of

Amendment pursuant to which such redemption is being made. A Notice of Redemption, once given, is irrevocable. No defect in the Notice of Redemption or in the mailing thereof shall affect the validity of the redemption proceedings, except as required by applicable law.

If the Company gives or causes to be given a Notice of Redemption, timely pays to the Auction Agent a sum sufficient to redeem the Shares as to which such Notice of Redemption has been given and gives the Auction Agent irrevocable instructions and authority to pay the full amount payable on redemption of such Shares to the Holders of such Shares, then on the date of such payment, all rights of the Holders of the Shares to be redeemed, as such, will terminate (except the right of the Holders of such Shares to receive the full amount payable upon redemption thereof upon surrender of the certificate or certificates therefor, but without interest) and such Shares will no longer be deemed to be Outstanding for any purpose (including, without limitation, the right of Holders of such Shares to vote on any matter or to participate, with respect to such Shares, in any subsequent Auction for the Units). In addition, any Shares as to which a Notice of Redemption has been given by the Company will be deemed to be not Outstanding for purposes of any Auction for the Shares held subsequent to the date of such Notice of Redemption. The Company will be entitled to receive from time to time from the Auction Agent the income, if any, derived from the investment of monies or other assets paid to it (to the extent that such income is not required to pay the redemption price of the Shares to be redeemed), and the holders of any Shares to be redeemed will not have any claim to such income.

(d) So long as the Shares are held of record by the nominee of the Securities Depository, the amounts payable upon an Optional Redemption shall be paid to such nominee of the Securities Depository on the Optional Redemption Date for the Shares.

5. AUCTION PROCEDURES.

(a) CERTAIN DEFINITIONS.

As used in this paragraph 5, the following terms shall have the following meanings, unless the context otherwise requires:

(i) "Auction Date" means the last Business Day preceding the first day of each Subsequent Dividend Period.

(ii) "Available Units" has the meaning specified in paragraph 5(d)(i) below.

(iii) "Bid" has the meaning specified in paragraph 5(b)(i) below.

(iv) "Bidder" has the meaning specified in paragraph 5(b)(i) below.

(v) "Hold Order" has the meaning specified in paragraph 5(b)(i) below.

(vi) "Maximum Applicable Rate" for any Subsequent Dividend Period will be the Applicable Percentage of the Reference Rate. The "Applicable Percentage" will be determined based on the lower of the credit rating or ratings assigned on such date to the Shares by Moody's and S&P (or if Moody's or S&P, or both, shall not make such a rating available, the equivalent of either or both of such ratings by a Substitute Rating Agency or two Substitute Rating Agencies or, in the event that only one such rating shall be available, such rating) as follows:

Credit Ratings

Moody's	S&P	Applicable Percentage of Reference Rate
"Aa3" or above	AA- or above	150%
"A3" to "A1"	A- to A+	200%
"Baa3 to "Baa1"	BBB- to BBB+	250%
Below "Baa3"	Below BBB-	275%

provided, however, that, if at 9:00 A.M., New York City time, on any Auction Date, (i) the rating of any Shares by Moody's shall be on the "Corporate Credit Watch List" of Moody's with a designation of "downgrade" or "uncertain," (ii) the rating of any Shares by S&P shall be on the "Credit Watch" of S&P with a designation of "negative implications" or "developing" or (iii) if Moody's or S&P, or both, shall not make such a rating available, the rating of any Shares by any Substitute Rating Agency shall be on the substantial equivalent of clause (i) or (ii) above, then the Maximum Applicable Rate for the Shares to which such Auction Date relates will be determined pursuant to an Applicable Percentage based on the credit rating that is one level lower in the above table (for example, from "A3" to "Baa1" for Moody's, or from "BBB+" to "BBB" for S&P).

The Company shall take all reasonable action necessary to enable Moody's and S&P (and, as appropriate, any Substitute Rating Agency or Substitute Rating Agencies) to provide a rating for the Shares. If neither S&P nor Moody's shall make such a rating available, the Company, after consultation with the Broker-Dealers or their affiliates and successors, shall select a nationally recognized statistical rating organization or two nationally recognized statistical rating organizations to act as a Substitute Rating Agency or Substitute Rating Agencies, as the case may be. If a Substitute Rating Agency or Substitute Rating Agencies are not available, the applicable rating shall be the highest rating last published by Moody's, S&P or such Substitute Rating Agency or Substitute Rating Agencies.

(vii) "Order" has the meaning specified in paragraph 5(b)(i) below.

(viii) "Sell Order" has the meaning specified in paragraph 5(b)(i) below.

(ix) "Submission Deadline" means 1:00 P.M., New York City time, on any Auction Date or such other time on the Auction Date as may be specified by the Auction Agent from time to time as the time by which each Broker-Dealer must submit to the Auction Agent in writing all Orders obtained by it for the Auction to be conducted on such Auction Date.

(x) "Submitted Bid" has the meaning specified in paragraph 5(d)(i) below.

(xi) "Submitted Hold Order" has the meaning specified in paragraph 5(d)(i) below.

(xii) "Submitted Order" has the meaning specified in paragraph 5(d)(i) below.

(xiii) "Submitted Sell Order" has the meaning specified in paragraph 5(d)(i) below.

(xiv) "Sufficient Clearing Bids" has the meaning specified in paragraph 5(d)(i) below.

(xv) "Winning Bid Rate" has the meaning specified in paragraph 5(d)(i) below.

(b) ORDERS BY EXISTING HOLDERS AND POTENTIAL HOLDERS.

(i) Beneficial owners and potential beneficial owners may only participate in Auctions through their Broker-Dealers. Broker-Dealers will submit the Orders of their respective customers who are beneficial owners and potential beneficial owners to the Auction Agent, designating themselves (unless otherwise permitted by the Company) as Existing Holders in respect of Units subject to Orders submitted or deemed submitted to them by beneficial owners and as Potential Holders in respect of Units subject to Orders submitted to them by potential beneficial owners. A Broker-Dealer may also hold Units in its own account as a beneficial owner or wish to purchase Units for its own account as a potential beneficial owner. A Broker-Dealer may thus submit Orders to the Auction Agent as a beneficial owner or a potential beneficial owner and therefore participate in an Auction as an Existing Holder or Potential Holder on behalf of both itself and its customers.

Prior to the Submission Deadline on each Auction Date:

(A) each Existing Holder may submit to its Broker-Dealer information by telephone or otherwise as to:

(1) the number of Units, if any, held by such Existing Holder which such Existing Holder desires to continue to hold without regard to the Applicable Rate for the next succeeding Subsequent Dividend Period;

(2) the number of Units, if any, held by such Existing Holder which such Existing Holder desires to continue to hold, provided that the Applicable Rate for the next succeeding Subsequent Dividend Period shall not be less than the rate per annum specified by such Existing Holder; and/or

(3) the number of Units if any, held by such Existing Holder which such Existing Holder offers to sell without regard to the Applicable Rate for the next succeeding Subsequent Dividend Period; and

(B) each Broker-Dealer will contact Potential Holders by telephone or otherwise to determine whether such Potential Holders desire to submit Bids in which such Potential Holders will indicate the number of Units, if any, which each such Potential Holder offers to purchase, provided that the Applicable Rate for the next succeeding Subsequent Dividend Period shall not be less than the rate per annum specified in such Bids.

For the purposes hereof, the communication by an Existing Holder pursuant to clause (A) above or by a Potential Holder pursuant to clause (B) above to a Broker-Dealer, or the communication by a Broker-Dealer acting for its own account to the Auction Agent, of information referred to in clause (A) or (B) of this paragraph 5(b)(i) is hereinafter referred to as an "Order" and each Existing Holder and each Potential Holder placing an Order, including a Broker-Dealer acting in such capacity for its own account, is hereinafter referred to as a "Bidder"; an Order containing the information referred to in clause (A)(1) of this paragraph 5(b)(i) is hereinafter referred to as a "Hold Order"; an Order containing the information referred to in clause (A)(2) or (B) of this paragraph 5(b)(i) is hereinafter referred to as a "Bid"; and an Order containing the information referred to in clause (A)(3) of this paragraph 5(b)(i) is hereinafter referred to as a "Sell Order". Inasmuch as a Broker-Dealer participates in an Auction as an Existing Holder or a Potential Holder only to represent the interests of its customers or itself, the provisions herein relating to the consequences of an Auction for Existing Holders and Potential Holders also apply to the underlying beneficial ownership interests represented thereby.

(ii) (A) A Bid by an Existing Holder shall constitute an irrevocable offer to sell:

(1) the number of Units specified in such Bid if the Applicable Rate determined on such Auction Date shall be less than the rate per annum specified in such Bid; or

(2) such number or a lesser number of Units to be determined as set forth in paragraph 5(e)(i)(D) if the Applicable Rate determined on such Auction Date shall be equal to the rate per annum specified therein; or

(3) a lesser number of Units to be determined as set forth in paragraph 5(e)(ii)(C) if such specified rate per annum shall be higher than the Maximum Applicable Rate and Sufficient Clearing Bids do not exist.

(B) A Sell Order by an Existing Holder shall constitute an irrevocable offer to sell:

(1) the number of Units specified in such Sell Order; or

(2) such number or a lesser number of Units to be determined as set forth in paragraph 5(e)(ii)(C) if Sufficient Clearing Bids do not exist.

(C) A Bid by a Potential Holder shall constitute an irrevocable offer to purchase:

(1) the number of Units specified in such Bid if the Applicable Rate determined on such Auction Date shall be higher than the rate per annum specified in such Bid; or

(2) such number or a lesser number of Units to be determined as set forth in paragraph 5(e)(i)(E) if the Applicable Rate determined on such Auction Date shall be equal to the rate per annum specified therein.

(c) SUBMISSION OF ORDERS BY BROKER-DEALERS TO AUCTION AGENT.

(i) Each Broker-Dealer shall submit in writing or through the Auction Agent's auction processing system to the Auction Agent prior to the Submission Deadline on each Auction Date all Orders obtained by such Broker-Dealer for the Auction to be conducted on such Auction Date, designating itself (unless otherwise permitted by the Company) as an Existing Holder or a Potential Holder in respect of Units subject to such Orders, and specifying with respect to each Order:

(A) the name of the Bidder placing each Order (which shall be the Broker-Dealer unless otherwise permitted by the Company);

(B) the aggregate number of Units that are the subject of such Order;

(C) to the extent that such Bidder is an Existing Holder:

(1) the number of Units, if any, subject to any Hold Order placed by such Existing Holder;

(2) the number of Units, if any, subject to any Bid placed by such Existing Holder and the rate per annum specified in such Bid; and

(3) the number of Units, if any, subject to any Sell Order placed by such Existing Holder; and

(D) to the extent such Bidder is a Potential Holder, the rate per annum specified in such Potential Holder's Bid.

(ii) If any rate per annum specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next highest one-thousandth (.001) of 1%.

(iii) If an Order or Orders covering in the aggregate all of the Units held by an Existing Holder are not submitted to the Auction Agent prior to the Submission Deadline for any reason (including the failure of a Broker-Dealer to contact any Existing Holder or to submit an Order covering such Existing Holder's Order or Orders), the Auction Agent shall deem a Hold Order (in the case of an Auction relating to a Regular Dividend Period) or a Sell Order (in the case of an Auction relating to a Special Dividend Period) to have been submitted on behalf of such Existing Holder covering the number of Units held by such Existing Holder and not subject to Orders submitted to the Auction Agent.

(iv) If one or more Orders on behalf of an Existing Holder covering in the aggregate more than the number of Units held by such Existing Holder are submitted to the Auction Agent, such Order shall be considered valid as follows and in the following order of priority:

(A) any Hold Order submitted on behalf of such Existing Holder shall be considered valid up to and including the number of Units held by such Existing Holder; provided that if more than one Hold Order is submitted on behalf of such Existing Holder and the number of Units subject to such Hold Orders exceeds the number of Units held by such Existing Holder, the number of Units subject to each of such Hold Orders shall be reduced pro rata so that such Hold Orders, in the aggregate, will cover exactly the number of Units held by such Existing Holder;

(B) (I) any Bids submitted on behalf of such Existing Holder shall be considered valid up to and including the excess of the number of Units held by such Existing Holder over the number of Units subject to any Hold Order referred to in paragraph 5(c)(iv)(A) above; (II) if more than one Bid submitted on behalf of such Existing Holder specifies the same rate per annum and together they cover more than the remaining number of Units that can be the subject of valid Bids after application of paragraph 5(c)(iv)(A) above and of subclause (I) of this paragraph 5(c)(iv)(B) to any Bid or Bids specifying a lower rate or rates per annum, the number of Units subject to each of such Bids shall be reduced pro rata so that such Bids, in the aggregate, cover exactly such remaining number of Units; and (III) subject to subclauses (I) and (II) above, if more than one Bid

submitted on behalf of such Existing Holder specifies different rates per annum, such Bids shall be considered valid in the ascending order of their respective rates per annum and in any such event the number of Units, if any, subject to Bids not valid under this paragraph 5(c)(iv)(B) shall be treated as the subject of a Bid by a Potential Holder; and

(C) any Sell Order shall be considered valid up to and including the excess of the number of Units held by such Existing Holder over the number of Units subject to Hold Orders referred to in paragraph 5(c)(iv)(A) and valid Bids referred to in paragraph 5(c)(iv)(B); provided that if more than one Sell Order is submitted on behalf of any Existing Holder and the number of Units subject to such Sell Orders is greater than such excess, the number of Units subject to each of such Sell Orders shall be reduced pro rata so that such Sell Orders, in the aggregate, cover exactly the number of Units equal to such excess.

(v) If more than one Bid is submitted on behalf of any Potential Holder, each Bid submitted shall be a separate Bid with the rate per annum and number of Units specified.

(vi) Any Order submitted by a Existing Holder or a Potential Holder to its Broker-Dealer, and any Order submitted by a Broker-Dealer to the Auction Agent, prior to the Submission Deadline on any Auction Date, shall be irrevocable.

(d) DETERMINATION OF SUFFICIENT CLEARING BIDS, WINNING BID RATE AND APPLICABLE RATE.

(i) Not earlier than the Submission Deadline on each Auction Date, the Auction Agent shall assemble all Orders submitted or deemed submitted by the Broker-Dealers (each such Order as submitted or deemed submitted by a Broker-Dealer being hereinafter referred to individually as a "Submitted Hold Order", a "Submitted Bid" or a "Submitted Sell Order", as the case may be, or as a "Submitted Order") and shall determine:

(A) the excess of the total number of Units over the number of Units that are the subject of Submitted Hold Orders (such excess being hereinafter referred to as the "Available Units");

(B) from the Submitted Orders whether the number of Units that are the subject of Submitted Bids by Potential Holders specifying one or more rates per annum equal to or lower than the Maximum Applicable Rate exceeds or is equal to the sum of:

(1) the number of Units that is the subject of Submitted Bids by Existing Holders specifying one or more rates per annum higher than the Maximum Applicable Rate, and

(2) the number of Units that is subject to Submitted Sell Orders (if such excess or such equality exists (other than because the number of Units in clause (1) above and this clause (2) are each zero because all of the Units are the subject of Submitted Hold Orders), such Submitted Bids by Potential Holders being hereinafter referred to collectively as "Sufficient Clearing Bids"); and

(C) if Sufficient Clearing Bids exist, the lowest rate per annum specified in the Submitted Bids (the "Winning Bid Rate") that, if:

(1) each Submitted Bid from Existing Holders specifying the Winning Bid Rate and all other Submitted Bids from Existing Holders specifying lower rates per annum were rejected, thus entitling such Existing Holders to continue to hold the Units that are the subject of such Submitted Bids, and

(2) each Submitted Bid from Potential Holders specifying the Winning Bid Rate and all other Submitted Bids from Potential Holders specifying lower rates per annum were accepted, thus entitling the Potential Holders to purchase the Units that are the subject of such Submitted Bids,

would result in the number of Units subject to all Submitted Bids specifying the Winning Bid Rate or a lower rate per annum being at least equal to the Available Units.

(ii) Promptly after the Auction Agent has made the determinations pursuant to paragraph 5(d)(i), the Auction Agent shall advise the Company of the Maximum Applicable Rate and, based on such determinations, the Applicable Rate for the next succeeding Dividend Period as follows:

(A) if Sufficient Clearing Bids exist, that the Applicable Rate for the next succeeding Subsequent Dividend Period shall be equal to the Winning Bid Rate;

(B) if Sufficient Clearing Bids do not exist (other than because all of the Units are the subject of Submitted Hold Orders), that the Subsequent Dividend Period next succeeding the Auction shall automatically be a Regular Dividend Period and the Applicable Rate for such next succeeding Subsequent Dividend Period shall be equal to the Maximum Applicable Rate; or

(C) if all of the Units are the subject of Submitted Hold Orders, that the Subsequent Dividend Period next succeeding the Auction shall automatically be a Regular Dividend Period and the Applicable Rate for such next succeeding Subsequent Dividend Period shall be equal to 59% of the Reference Rate in effect on the date of such Auction.

(e) ACCEPTANCE AND REJECTION OF SUBMITTED BIDS AND SUBMITTED

SELL ORDERS AND ALLOCATION OF UNITS.

Based on the determinations made pursuant to paragraph 5(d)(i) the Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Agent shall take such other action as set forth below:

(i) If Sufficient Clearing Bids have been made, subject to the provisions of paragraph 5(e)(iii) and paragraph 5(e)(iv), Submitted Bids and Submitted Sell Orders shall be accepted or rejected in the following order of priority and all other Submitted Bids shall be rejected:

(A) the Submitted Sell Orders of Existing Holders shall be accepted and the Submitted Bid of each of the Existing Holders specifying any rate per annum that is higher than the Winning Bid Rate shall be accepted, thus requiring each such Existing Holder to sell the Units that are the subject of such Submitted Sell Order or Submitted Bid;

(B) the Submitted Bid of each of the Existing Holders specifying any rate per annum that is lower than the Winning Bid Rate shall be rejected, thus entitling each such Existing Holder to continue to hold the Units that are the subject of such Submitted Bid;

(C) the Submitted Bid of each of the Potential Holders specifying any rate per annum that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Holder to purchase the Units subject to such Submitted Bid;

(D) the Submitted Bid of each of the Existing Holders specifying a rate per annum that is equal to the Winning Bid Rate shall be rejected, thus entitling each such Existing Holder to continue to hold the Units that are the subject of such Submitted Bid, unless the number of Units subject to all such Submitted Bids shall be greater than the excess (the "Remaining Excess") of the Available Units over the number of Units subject to Submitted Bids described in paragraph 5(e)(i)(B) and paragraph 5(e)(i)(C), in which event the Submitted Bids of each such Existing Holder shall be accepted, and each such Existing Holder shall be required to sell Units, but only in an amount equal to the difference between (1) the number of Units then held by such Existing Holder subject to such Submitted Bid and (2) the number of Units obtained by multiplying (x) the number of Remaining Excess of the Available Units by (y) a fraction the numerator of which shall be the number of Units held by such Existing Holder subject to such Submitted Bid and the denominator of which shall be the sum of the number of Units subject to such Submitted Bids made by all such Existing Holders that specified a rate per annum equal to the Winning Bid Rate; and

(E) the Submitted Bid of each of the Potential Holders specifying a rate per annum that is equal to the Winning Bid Rate shall be accepted but only in an amount equal to the number of Units obtained by multiplying (x) the difference between the Available Units and the number of Units subject to Submitted Bids described in

paragraph 5(e)(i)(B), paragraph 5(e)(i)(C) and paragraph 5(e)(i)(D) by (y) a fraction the numerator of which shall be the number of Units subject to such Submitted Bid and the denominator of which shall be the sum of the number of Units subject to such Submitted Bids made by all such Potential Holders that specified rates per annum equal to the Winning Bid Rate.

(ii) If Sufficient Clearing Bids have not been made (other than because all of the Units are subject to Submitted Hold Orders), subject to the provisions of paragraph 5(e)(iii), Submitted Orders shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) the Submitted Bid of each Existing Holder specifying any rate per annum that is equal to or lower than the Maximum Applicable Rate shall be rejected, thus entitling such Existing Holder to continue to hold the Units that are the subject of such Submitted Bid;

(B) the Submitted Bid of each Potential Holder specifying any rate per annum that is equal to or lower than the Maximum Applicable Rate shall be accepted, thus requiring such Potential Holder to purchase the Units that are the subject of such Submitted Bid; and

(C) the Submitted Bids of each Existing Holder specifying any rate per annum that is higher than the Maximum Applicable Rate shall be accepted and the Submitted Sell Orders of each Existing Holder shall be accepted, in both cases only in an amount equal to the difference between (1) the number of Units then held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and (2) the number of Units obtained by multiplying (x) the difference between the Available Units and the aggregate number of Units subject to Submitted Bids described in paragraph 5(e)(ii)(A) and paragraph 5(e)(ii)(B) by (y) a fraction the numerator of which shall be the number of Units held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and the denominator of which shall be the number of Units subject to all such Submitted Bids and Submitted Sell Orders.

(iii) If, as a result of the procedures described in paragraph 5(e)(i) or paragraph 5(e)(ii), any Existing Holder would be entitled or required to sell, or any Potential Holder would be entitled or required to purchase, a fraction of a Unit on any Auction Date, the Auction Agent shall, in such manner as it shall determine in its sole discretion, round up or down the number of Units to be purchased or sold by any Existing Holder or Potential Holder on such Auction Date so that each Unit purchased or sold by each Existing Holder or Potential Holder on such Auction Date shall be a whole Unit.

(iv) If, as a result of the procedures described in paragraph 5(e)(i), any Potential Holder would be entitled or required to purchase less than a whole Unit on any Auction Date, the Auction Agent shall, in such manner as in its sole discretion it shall determine, allocate Units for purchase among Potential Holders so that only whole Units

are purchased on such Auction Date by any Potential Holder, even if such allocation results in one or more of such Potential Holders not purchasing any Units on such Auction Date.

(v) Based on the results of each Auction, the Auction Agent shall determine, with respect to each Broker-Dealer that submitted Bids or Sell Orders on behalf of Existing Holders or Potential Holders, the aggregate number of Units to be purchased and the aggregate number of the Units to be sold by such Potential Holders and Existing Holders and, to the extent that such aggregate number of Units to be purchased and such aggregate number of Units to be sold differ, the Auction Agent shall determine to which other Broker-Dealer or Broker-Dealers acting for one or more purchasers such Broker-Dealer shall deliver, or from which other Broker-Dealer or Broker-Dealers acting for one or more sellers such Broker-Dealer shall receive, as the case may be, Units.

(f) SUSPENSION OF AUCTION DURING NON-PAYMENT PERIOD.

Upon occurrence and during the continuance of a Non-Payment Period with respect to the Shares that has not been duly cured by the Company pursuant to paragraph 2(b), Auctions of the Units shall be suspended and shall not resume in each case until (A) in the case of a Dividend Non-Payment Period, all accumulated and unpaid dividends on such Shares for all past Dividend Periods shall have been paid to the Auction Agent, or (B) in the case of a Redemption Non-Payment Period in connection with an Optional Redemption of less than all of the Shares, all amounts payable upon such Optional Redemption of such Shares shall have been paid to the Auction Agent, in each case by 12:00 noon, New York City time, on the relevant Auction Date with respect to the Units, provided that, at least two Business Days but no more than 30 days prior to such Auction Date, the Company shall have given the Auction Agent, the Securities Depository and the applicable holders of record written notice of such deposit or availability.

(g) MISCELLANEOUS.

The Company may interpret the provisions of this paragraph 5 to resolve any inconsistency or ambiguity, remedy any formal defect or make any other change or modification that does not substantially adversely affect the rights of Existing Holders of Shares. An Existing Holder (A) may sell, transfer or otherwise dispose of Shares only pursuant to a Bid or Sell Order in accordance with the procedures described in this paragraph 5 through a Broker-Dealer, except that transfers of Shares may also be effected through means other than pursuant to Auctions provided that each such transfer shall be in a minimum quantity of one Unit or in multiples thereof and shall be valid and accepted by the Auction Agent only if such Existing Holder or its Broker-Dealer or Participant, as applicable, shall have advised the Auction Agent in writing of such transfer by 3:00 P.M. on the Business Day next preceding the Auction Date with respect to the Units, and (B) except as otherwise required by law, shall have the ownership of the Shares held by it maintained in book-entry form by the Securities Depository in the account of its Participant, which in turn will maintain records of such Existing Holder's beneficial

ownership. Neither the Company nor any Affiliate shall submit an Order in any Auction. Any Existing Holder that is an Affiliate shall not sell, transfer or otherwise dispose of Shares to any Person other than the Company. All of the Outstanding Shares shall be represented by one or more certificates registered in the name of the nominee of the Securities Depository unless otherwise required by law or unless there is no Securities Depository. If there is no Securities Depository, at the Company's option and upon its receipt of such documents as it deems appropriate, such Shares may be registered in the stock register in the name of the Existing Holder thereof and such Existing Holder thereupon will be entitled to receive certificates therefor and required to deliver certificates therefor upon transfer or exchange thereof.

6. MISCELLANEOUS.

The Board of Directors may interpret the provisions hereof to resolve any inconsistency or ambiguity which may arise or be revealed and if such inconsistency or ambiguity reflects an inaccurate provision hereof, the Board of Directors may, in appropriate circumstances, authorize the filing of an instrument to correct or resolve such inaccurate provision.

7. NOTICES.

All notices or communications to the Company, unless otherwise specified in the Bylaws of the Company or these Articles of Amendment, shall be sufficiently given if in writing and delivered or mailed by first-class mail, postage prepaid, to Dominion Virginia Power, 120 Tredegar Street, Pump House, 2nd Floor, Richmond, Virginia 23219, attention: Treasury Department. Notice to the Company shall be deemed given on the earlier of the date received or the date seven days after such notice is mailed.

8. SECURITIES DEPOSITORY; STOCK CERTIFICATES.

(a) If there is a Securities Depository, one or more certificates for all of the Shares shall be issued to the Securities Depository and registered in the name of the Securities Depository or its nominee. Additional certificates may be issued as necessary to represent Shares. All such certificates shall bear a legend to the effect that such certificates are issued subject to the provisions restricting the transfer of Shares contained in these Articles of Amendment. Except as provided in paragraph (b) below, the Securities Depository or its nominee will be the holder, and no Existing Holder shall receive certificates representing its ownership interest in such Shares.

(b) If the Applicable Rate applicable to the Shares shall be the Non-Payment Period Rate or there is no Securities Depository, the Company may at its option issue one or more new certificates with respect to such Shares (without the legend referred to in paragraph (a) above) registered in the names of the Existing Holders or their nominees.

Dated: December 6, 2002

VIRGINIA ELECTRIC AND POWER COMPANY

By:

/S/G. Scott Hetzer
Senior Vice President and Treasurer