FITCH AFFIRMS DOMINION RATINGS FOLLOWING QUESTAR ACQUISITION

Fitch Ratings-New York-01 February 2016: Fitch Ratings has affirmed the 'BBB+' Issuer Default Rating (IDR) of Dominion Resources, Inc. (DRI) following the announcement of its proposed acquisition of Questar Corp. for $4.4 billion in cash. The Rating Outlook is Stable. The ratings of Virginia Electric and Power Co. and Dominion Gas Holdings, LLC are also affirmed with a Stable Rating Outlook. A full list of the ratings is provided at the end of this release.

The rating affirmation reflects the moderate impact on consolidated credit metrics and the strong financial position and low risk nature of Questar Corp.'s natural gas businesses. The acquisition premium and EBITDA multiple are below those of other recent transactions. The purchase price equates to a premium of approximately 30% above Questar's average closing price over the past 20 trading days. Including the assumption of approximately $1.6 billion of Questar consolidated debt the enterprise value of this transaction is $6 billion and the EBITDA multiple about 9.8x.

KEY RATING DRIVERS
Moderate Impact on Credit Metrics: Based on the expected financing plan and Questar Corp.'s strong financial position, Fitch expects consolidated financial metrics to be moderately weaker than previously expected, but to remain supportive of existing ratings. Fitch still expects DRI's financial profile to begin to strengthen over the next several years as the company realizes anticipated earnings contributions from projects currently under construction, including the Cove Point export facility. Fitch expects DRI's ratio of lease adjusted debt/funds from operations (FFO) to remain below the 5.0x ratings sensitivity previously identified for a downgrade.

Financing Plan: The financing plan includes $1.5 billion of DRI corporate debt and $500 million of common equity. The remainder of the initial funding will consist of a combination of mandatory convertible debt, a term loan and equity from the drop down of Questar's pipeline business into Dominion Midstream Partners, L.P. (DM), a master limited partnership created by DRI in 2014. Fitch expects the equity from the planned drop downs will be realized within a year of closing the transaction and used to retire acquisition debt. Fitch considers execution of the drop down and associated debt retirement to be important to maintaining ratings. Any material deviation could adversely affect current ratings. It should be noted that Fitch does not attribute equity credit to mandatory convertible debt in the form of equity units which have previously been issued by DRI and is prevalent in the sector.

Cash Flow Subordination: The subordination of cash flows through drop downs into DM is a credit concern that grows over time. The concern is mitigated by DRI's ownership of the general partnership and significant portion of the limited partnership units. In addition, the planned drop down of Questar pipeline assets will delay the previously planned drop down of the Blue Racer joint venture assets to 2020 from 2017. The subordination concern would heighten if DRI were to significantly reduce its ownership in DM without reducing DRI debt or raise significant debt at DM (DM is currently debt free).

Low Risk Assets: Questar's assets are considered low risk by Fitch and consistent with DRI's existing risk profile. The largely regulated businesses provide further business and geographic diversity and growth opportunities particularly related to the Clean Power plan.

Cove Point: The expected commercial operation of the Cove Point LNG facility in late 2017 should enhance earnings and cash flow and lower capex. Capacity is fully subscribed to investment grade counterparties under twenty year agreements and DRI takes no commodity or volumetric risks during the contract term.

Financial Profile: Consolidated leverage is high for the rating level, but should gradually improve over the next several years as DRI realizes anticipated earnings contributions from projects currently under construction, including the Cove Point export facility, and approximately $2.1 billion of proceeds from the conversion and subsequent remarketing of mandatory convertible debt in 2016 and 2017. Even with the acquisition financing, Fitch expects debt/EBITDAR to fall below 4.5x in 2018 and FFO leverage to remain below 5.0x.

KEY ASSUMPTIONS

--DRI completes the drop down of Questar's pipeline business in a timely fashion and uses proceeds to pay down acquisition debt;
--DRI raises $2.1 billion of equity from mandatory convertible notes in 2016 and 2017;
--Organic growth capex will remain elevated through 2017 coinciding with the completion of Cove Point;
--VEPCo's base rates remain frozen through 2019;
--Timely execution of capex plan.

RATING SENSITIVITIES

Positive Rating Action: Positive rating action is not expected at this time given the large capital investment plan and high consolidated leverage. However, ratings could be upgraded if adjusted debt to EBITDAR falls below 3.5x and FFO lease-adjusted leverage below 4.25x on a sustainable basis.

Negative Rating Action: Ratings could be downgraded if there are substantial cost overruns or delays in completing the Cove Point LNG export project. Weaker earnings, lower dividends from VEPCo, or FFO-adjusted leverage above 5.0x on a sustained basis could also lead to negative rating action. The inability to reduce acquisition debt with equity proceeds from asset drop downs could also adversely affect ratings.

LIQUIDITY

Liquidity is considered sufficient supported by operating cash flow and two separate revolving credit facilities aggregating $5.5 billion. The credit facility supports commercial paper borrowings and up to $1.5 billion of letters of credit. The credit facilities expire in April 2019.

Fitch affirms the following ratings with a Stable Outlook:

Dominion Resources, Inc.
--Long-term IDR at 'BBB+';
--Senior unsecured debt at 'BBB+';
--Preferred and junior subordinated debt at 'BBB-';
--Short-term IDR at 'F2';
--Commercial paper at 'F2'.

Virginia Electric and Power Co.
--Long-term IDR at 'A-';
--Senior secured debt and revenue bonds at 'A+/F2';
--Senior unsecured debt and revenue bonds at 'A/F2';
--Short-term IDR at 'F2';
--Commercial paper at 'F2'.

Dominion Gas Holdings, LLC
--Long-term IDR at 'A-';
--Senior unsecured debt at 'A-';
--Short-term IDR at 'F2';
--Commercial paper at 'F2'.

Consolidated Natural Gas Co. (debt assumed by Dominion Resources)
--Long-term IDR at 'BBB+';
--Senior unsecured debt at 'BBB+'.

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Applicable Criteria
Corporate Rating Methodology - Including Short-Term Ratings and Parent and Subsidiary Linkage (pub. 17 Aug 2015)
https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=869362

ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's Affirms Dominion Resources' ratings on Questar Acquisition Announcement

Global Credit Research - 01 Feb 2016

New York, February 01, 2016 -- Moody's Investors Service, ("Moody's") said today that it affirmed the Baa2 senior unsecured rating at Dominion Resources Inc (Dominion) following its announcement on February 1, 2016 that it would acquire Questar Corp (Questar) in an all-cash deal for $4.4 billion plus the assumption of about $1.8 billion of debt.

RATINGS RATIONALE

"Dominion's size and capital structure can withstand the additional debt that comes with a Questar, including acquisition debt", said Swami Venkataraman, Moody's Vice-President -- Senior Credit Officer. "We also expect Dominion to finance the acquisition in a balanced manner with a 50/50 debt/equity mix which would only modestly dilute Dominion's key credit metrics until 2018, when Cove Point begins to materially contribute to cash flow."

On a consolidated basis, Dominion's ratio of cash from operations pre-working capital (CFO pre-WC) and retained cash flow (RCF) to debt should be in the range of 15-18% and 9-12%, respectively, over the next three years. As a simplifying assumption, we assume an incremental $2.2 billion of acquisition debt, which is used to finance the $4.4 billion cash purchase price for Questar. We expect that the remaining $2.2 billion in equity will come from a variety of sources, including common or hybrid equity issued at Dominion and at Dominion Mid-stream Partners L.P (DM, unrated).

Dominion has currently arranged for a committed term loan of $1.2 billion, a bridge facility for $2.7 billion and could tap into its existing credit facility to the tune of $500 million. The permanent financing will be put in place by the close of the transaction. We note the existence of some uncertainty and execution risk associated with any MLP equity issuance under current market conditions. "However, a heavily debt funded transaction in the potential absence of MLP equity would not be consistent with our expectations for Dominion's financial policy to manage its balance sheet during 2016-17, a period of heavy capital expenditures that is stressing its balance sheet before stronger cash flows kick-in with the commissioning of the Cove Point LNG terminal" Venkataraman added.

The MLP equity risk is partly mitigated by the fact that while DM's share price has declined 40% from its peak in summer 2015, they still trade about 20% higher than their IPO price and at a relatively attractive dividend yield of about 3%. Also Questar's primarily regulated operations have a strong credit profile, which further strengthens Dominion's business profile and also provides assets that can be dropped down into Dominion's MLP.

When the acquisition closes, Questar is expected to become a subsidiary of Dominion and it is possible that debt at Questar will be refinanced at Dominion over time. Dominion has indicated that Questar Pipeline Co. (A3 stable) would be converted into a partnership and dropped into the MLP. No other operational or financial changes are expected at any of Questar's three subsidiaries -- Questar Gas Co (A2 stable), Questar Pipeline and Wexpro (unrated). The current operational management at Questar is expected to remain in place. In effect, we expect little to no cost synergies from this transaction.

Questar Gas Co is a gas LDC with about a million customers in Utah, Wyoming and Idaho. The company enjoys a strong credit profile with decoupling, weather normalization and infrastructure trackers. Questar gas and Questar pipeline account for about 30% each of Questar's consolidated cash flow. The remaining 40% comes from Wexpro, a quasi-regulated exploration and production (E&P) subsidiary. Wexpro's operations are designed to serve Questar Gas under a cost-of-service basis, with rates having been approved by the Utah Public Service Commission (UPSC) and Wyoming Public Service Commission since 1981. Wexpro's relationship with its utility affiliate is governed by the Wexpro Agreement and Wexpro II Agreement. The agreements reduce the business risk associated with Wexpro's more risky E&P operations, while still allowing Wexpro to earn nearly 20% return on equity.

The long track record of Wexpro's regulatory treatment gives us the comfort of seeing this more as a regulated operation rather than as a purely unregulated E&P company. Wexpro's integrated operations with Questar affiliates and regulated cost-of-service sales help to insulate its credit profile from the weak market conditions currently buffeting the E&P sector. In addition, we expect that Dominion will not invest in this business other than what is required to maintain wells that are currently in rate base.

Liquidity Analysis

Dominion's liquidity profile is adequate. Although the company's large capital expenditure program and dividend payout implies a reliance on external funding, the company's robust access to capital markets mitigates concerns on this front. Dominion currently has two shared credit facilities (with subsidiaries VEPCO and DomGas as co-borrowers) totaling $5.5 billion, maturing in April 2019. Dominion's sub-limit under these credit facilities is $2.75 billion. VEPCO has a sub-limit of $1.75 billion while DomGas has $1 billion. We expect the Questar subsidiaries to eventually be added as co-borrowers to these facilities as well. Questar currently has a $750 million facility that expires in April of 2018.

For LTM 9/30/15, Dominion generated roughly $4.5 billion in cash from operations, incurred roughly $5.7 billion in capital expenditures (net of asset sales) and made dividend payments of approximately $1.5 billion, resulting in substantial negative free cash flow of about $2.7 billion. Given the size of the company's capital expenditure program, we expect Dominion will continue to have negative free cash flow over the next several years. On a consolidated basis, Dominion has approximately $1.3 billion of debt maturities in the next twelve months.

Rating Outlook

Dominion's stable outlook reflects Moody's expectation for strong and stable financial performance at its regulated utilities and a continued focus on new investments with regulated/contracted cash flows. We also expect Dominion to manage its balance sheet and liquidity resources appropriately throughout this period of heavy capital expenditures.

Factors that Could Lead to an Upgrade

Given the size of Dominion's investment program and the expected financial profile, an upgrade of its rating is unlikely at this time. A positive outlook could be considered when a significant improvement in the financial profile can be forecast within our 12-18 month outlook horizon. This includes cash from operations pre-working capital (CFO Pre-WC) and retained cash flow coverage of debt in the range of 20-22% and 15-17%, respectively, for a sustained period

Factors that Could Lead to a Downgrade

A negative rating action is possible if Dominion fails to finance its capex program with an appropriate mix of debt and equity, if there is a material delay or cost overrun at the Cove Point LNG export terminal, a material increase in structural subordination at Dominion or an unexpectedly more contentious regulatory environment at VEPCO. A negative rating action could also follow if CFO Pre-WC and retained cash flow coverage of debt falls to the low teens percentage and 8-10%, respectively, for an extended period.

The methodologies used in these ratings were Regulated Electric and Gas Utilities published in December 2013, and Natural Gas Pipelines published in November 2012. Please see the Ratings Methodologies page on www.moodys.com for a copy of these methodologies.

Outlook Actions:

..Issuer: Dominion Gas Holdings, LLC

....Outlook, Remains Stable

..Issuer: Dominion Resources Inc.

....Outlook, Remains Stable

..Issuer: Virginia Electric and Power Company

....Outlook, Remains Stable

Affirmations:

..Issuer: Chesapeake (City of) VA, Eco. Dev. Auth.

....Senior Unsecured Revenue Bonds, Affirmed A2

..Issuer: Chesterfield Co. Economic Devel. Auth., VA

....Senior Unsecured Revenue Bonds, Affirmed A2

....Senior Unsecured Revenue Bonds, Affirmed A2

..Issuer: Chesterfield County Industrial Dev. Auth., VA

....Senior Unsecured Revenue Bonds, Affirmed A2

....Senior Unsecured Revenue Bonds, Affirmed A2

..Issuer: Dominion Gas Holdings, LLC

....Junior Subordinated Shelf, Affirmed (P)A3

....Senior Unsecured Shelf, Affirmed (P)A2

....Senior Unsecured Commercial Paper, Affirmed P-1

....Senior Unsecured Regular Bond/Debenture, Affirmed A2

..Issuer: Dominion Resources Inc.

.... Commercial Paper (Local Currency), Affirmed P-2

....Junior Subordinated Conv./Exch. Bond/Debenture, Affirmed Baa3

....Junior Subordinated Regular Bond/Debenture, Affirmed Baa3

....Preferred Shelf, Affirmed (P)Ba1

....Senior Unsecured Shelf, Affirmed (P)Baa2

....Junior Subordinated Shelf, Affirmed (P)Baa3

....Senior Unsecured Regular Bond/Debenture, Affirmed P-2

....Senior Unsecured Regular Bond/Debenture, Affirmed Baa2

..Issuer: Grant (County of) WV, County Commission

....Revenue Bonds (Local Currency) Aug 1, 2016, Affirmed A2/VMIG 1

....Senior Unsecured Revenue Bonds, Affirmed A2/VMIG 1

..Issuer: Halifax County Industrial Dev Auth, VA

....Revenue Bonds, Affirmed A2/VMIG 1

....Senior Unsecured Revenue Bonds, Affirmed A2

..Issuer: Louisa (Town of) VA, I.D.A.

....Senior Unsecured Revenue Bonds (Local Currency) Sep 1, 2030, Affirmed A2/MIG 1

....Senior Unsecured Revenue Bonds (Local Currency) Mar 1, 2031, Affirmed A2/VMIG 1

..Issuer: Massachusetts Development Finance Agency

....Senior Unsecured Revenue Bonds, Affirmed Baa2

..Issuer: Peninsula Ports Authority of Virginia

....Senior Unsecured Revenue Bonds, Affirmed Baa2

..Issuer: Prince William County I.D.A., VA

....Revenue Bonds, Affirmed A2/VMIG 1

..Issuer: Virginia Electric and Power Company

.... Commercial Paper, Affirmed P-1

.... Issuer Rating, Affirmed A2

....Senior Unsecured Shelf, Affirmed (P)A2

....Pref. Stock Preferred Stock, Affirmed Baa1

....Senior Unsecured Medium-Term Note Program, Affirmed (P)A2

....Senior Unsecured Regular Bond/Debenture, Affirmed A2

..Issuer: Wise (County of) VA, Industrial Dev. Auth.

....Senior Unsecured Revenue Bonds, Affirmed A2

..Issuer: York Co. Economic Development Auth., VA

....Senior Unsecured Revenue Bonds, Affirmed A2

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Research Update:

Dominion Resources Inc. And Subsidiaries Downgraded To 'BBB+' On Acquisition Of Questar Corp.; Outlook Stable

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Research Update:

Dominion Resources Inc. And Subsidiaries Downgraded To 'BBB+' On Acquisition Of Questar Corp.; Outlook Stable

Overview

- Dominion Resources Inc. announced the acquisition of Questar Corp. for about $6 billion, which includes about $1.6 billion of assumed debt. The transaction is expected to close in about 12 months.
- We are revising our assessment of the company's financial policy modifier to negative from neutral. This reflects our expectations that Dominion will continue to pursue growth related acquisitions at a faster pace than peers.
- We are lowering our issuer credit rating on Dominion Resources and its subsidiaries Virginia Electric & Power Co. and Dominion Gas Holdings LLC to 'BBB+' from 'A-'. We are lowering the senior unsecured debt and junior subordinated debt at Dominion Resources one notch to 'BBB' and 'BBB-'. At the same time, we are lowering the senior unsecured debt at both Virginia Electric & Power and Dominion Gas Holdings one notch to 'BBB+'. We are affirming the 'A-2' short-term rating on DRI.
- The stable outlook reflects our expectations that Dominion will continue to consist of mostly lower-risk regulated utilities and that the financial measures will consistently be in the middle of the range for the significant financial risk profile category, reflecting funds from operations to debt of 16%-18%.

Rating Action

On Feb. 1, 2016, Standard & Poor's Ratings Services lowered its issuer credit rating on Dominion Resources Inc. (DRI) and its subsidiaries Virginia Electric & Power Co. and Dominion Gas Holdings LLC to 'BBB+' from 'A-'. We also lowered our rating on DRI's senior unsecured debt and junior subordinated debt by one notch to 'BBB' and 'BBB-', respectively. At the same time, we lowered the senior unsecured debt at both Virginia Electric & Power and Dominion Gas Holdings one notch to 'BBB+'. We are affirming the 'A-2' short-term rating on Dominion Resources. The rating outlook is stable.

Rationale

The downgrade of DRI and its subsidiaries reflects our expectations that the company will continue to grow through acquisitions at a faster pace than peers. This is based on our assessment of the company's master limited partnership, Dominion Midstream Partners L.P., which adds a degree of complexity to the company's organizational structure, provides incremental opportunities and incentive for the company to complete acquisitions. The unpredictable size and timing of mergers and acquisitions are not incorporated into our base case scenario but are reflected through the negative financial policy modifier.

We base the issuer credit rating on DRI on its excellent business risk profile and its significant financial risk profile. We also expect that the company's business and financial risk profiles will be maintained following the company's acquisition of Questar Corp.

The excellent business risk profile reflects the high proportion of the company's lower-risk regulated assets. The company's regulated assets consist of electric transmission, distribution, and generation assets that are mainly in Virginia, gas distribution assets in Ohio and West Virginia, and gas pipeline assets that are regulated by the Federal Energy Regulatory Commission. In addition, we believe the company has, for the most part, effectively managed regulatory risk, which has reduced regulatory lag and generally results in credit-supportive outcomes.

Based on our forward-looking view of the company's revenue, cash flow, and assets, we view DRI as consisting of about 80% regulated businesses and 20% nonregulated businesses. The higher-risk nonregulated businesses consist of merchant power generation, gathering and processing, farm-outs, retail gas, and investments in the Cove Point terminal and Blue Racer Midstream LLC. The nonregulated businesses, particularly merchant generation, pressure the company's business risk profile and exposes the company to increased volumetric, weather, commodity, and operational risks.

The company's organizational structure is more complex than most peers because the company has a master limited partnership, Dominion Midstream Partners L.P., which will gradually purchase many of DRI's nonregulated businesses. The enhanced complexity and sophistication requires increased management oversight, time, and expertise to effectively manage. Overall, because of the company's higher-risk, nonregulated businesses and the company's more complex organizational structure, we view DRI's business risk profile as trending toward the lower end of the excellent business risk profile category.

We assess DRI's financial measures as consistent with the significant financial risk profile category using our medial volatility financial ratio table. Our use of that table reflects the company's generally lower-risk, rate-regulated utility businesses, offset by its higher-risk competitive businesses. Under our base case scenario of rising capital spending in 2016 to about $6 billion, we expect that the company's financial measures will weaken toward the lower half of the significant financial risk profile category. Specifically, we expect funds from operations (FFO) to debt of 15% to 17% for 2016.

All modifiers are neutral expect for the financial policy modifier that we assess as negative and lowers the issuer credit rating by one notch. The negative financial policy modifier reflects our expectation that the company will also continue to grow through acquisitions but at a faster pace than peers. This reflects the company's master limited partnership, Dominion Midstream Partners L.P., that adds a degree sophistication and complexity to the company's organizational structure, and also provides incremental opportunities and incentive for the company to complete acquisitions.

We view DRI as the parent of a group that includes Virginia Electric & Power Co. and Dominion Gas Holdings LLC. DRI's group credit profile is 'bbb+', leading to an issuer credit rating of 'BBB+'.

Liquidity

We consider DRI's liquidity as adequate and believe it can more than cover its needs for the next 12 months, even if EBITDA declines by 10%. We expect the company's liquidity sources over the next 12 months to exceed uses by more than 1.1x. Under our stress scenario, we do not expect that DRI would require access to capital markets during that period to meet liquidity needs.

Principal liquidity sources include:
- Cash and short-term investments of about $200 million
- Credit facility availability of about $3 billion
- FFO of more than $4 billion

Principal liquidity uses include:
- Maintenance and committed capital spending of less than $3 billion
- Dividends of about $1.5 billion
- Long-term debt maturities of about $1.3 billion in 2016

Outlook

The stable outlook reflects our expectation that Dominion will continue to consist mostly of lower-risk regulated utilities and that the financial measures will consistently be in the middle of the range for the significant financial risk profile category, reflecting FFO to debt of 16% to 18%.

Downside scenario

We could lower the rating on Dominion if the company's business risk profile weakens through an acquisition of a company with a weaker business risk profile or the company's effective management of regulatory risk weakens. We could also lower the rating if the financial measures consistently weakened to the lower-end of the significant financial risk profile category, reflecting FFO to debt consistently below 15%.

Upside scenario

We could upgrade the ratings if the financial measures consistently improved to the higher-end of the significant financial risk profile category, reflecting FFO to debt that is consistently greater than 20%.

Ratings Score Snapshot

Corporate Credit Rating: BBB+/Stable/A-2

Business risk: Excellent

- Country risk: Very low
- Industry risk: Very low
- Competitive position: Strong

Financial risk: Significant

- Cash flow/leverage: Significant

Anchor: a-

Modifiers

- Diversification/portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Negative (-1 notch)
- Liquidity: Adequate (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Neutral (no impact)

Stand-alone credit profile: bbb+

- Group credit profile: bbb+

Recovery Analysis/ Notching Analysis

We rate the senior unsecured debt at DRI one notch lower than the issuer credit rating because of structural subordination. This results from priority obligations exceeding 20% of total assets.

Related Criteria And Research

Related Criteria

- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria - Corporates - Utilities: Notching Of U.S. Investment-Grade Investor-Owned Utility Unsecured Debt Now Better Reflects Anticipated Absolute Recovery, Nov. 10, 2008
- General Criteria: Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers, May 7, 2013
- Criteria - Corporates - General: 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Ratings List

Long-Term Ratings Lowered; Outlook Action; Short-Term Ratings Affirmed

	To	From
Dominion Resources Inc.		
Virginia Electric & Power Co.		
Dominion Gas Holdings LLC		
Corporate Credit Rating	BBB+/Stable/A-2	A-/Negative/A-2

Issue-Level Ratings Lowered

	To	From
Dominion Resources Inc.		
Senior Unsecured	BBB	BBB+
Junior Subordinated	BBB-	BBB
Dominion Gas Holdings LLC		
Senior Unsecured	BBB+	A-
Virginia Electric & Power Co.		
Senior Unsecured	BBB+	A-
Preferred Stock	BBB-	BBB

Short-Term Ratings Affirmed

Dominion Resources Inc.		
Virginia Electric & Power Co.		
Dominion Gas Holdings LLC		
Commercial Paper	A-2	

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.