

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q/A

Quarterly report pursuant to sections 13 or 15(d) [amend]

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FILER

**DOMINION RESOURCES INC /VA/**

CIK: **715957** | IRS No.: **541229715** | State of Incorpor.: **VA** | Fiscal Year End: **1231**  
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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q/A

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1995

OR

/  TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-8489

DOMINION RESOURCES, INC.

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction of  
incorporation or organization)  
No.)

54-1229715

(I.R.S. Employer  
Identification

901 East Byrd Street, Richmond, Virginia  
(Address of principal executive offices)

23219  
(Zip Code)

Registrant's telephone number

(804) 775-5700

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

At April 30, 1995 the latest practicable date for determination, 172,782,542 shares of common stock, without par value, of the registrant were outstanding.

DOMINION RESOURCES, INC.

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DOMINION RESOURCES, INC.  
PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME  
(UNAUDITED)

	Three Months Ended March 31,	
	1995	1994
Millions, except per share amounts		
Operating revenues and income:		
Electric	\$1,076.3	\$1,102.1
Nonutility	53.0	64.9
	1,129.3	1,167.0
Operating expenses:		
Fuel, net	254.0	262.3
Purchased power capacity, net	178.7	177.3
Other operation	168.4	153.1
Maintenance	66.9	70.5
Depreciation and amortization	135.2	135.4
Other taxes	69.6	73.2
	872.8	871.8
Operating income	256.5	295.2
Other income	2.3	3.3
Income before fixed charges and Federal income taxes		
	258.8	298.5
Fixed charges:		
Interest charges, net	95.2	91.0
Preferred dividends of Virginia Power	11.7	10.0
	106.9	101.0
Income before provision for Federal income taxes		
	151.9	197.5
Provision for Federal income taxes		
	43.4	56.1
Net income	\$108.5	\$141.4
Average common stock		
	172.3	168.5
Earnings per common share	\$ 0.63	\$ 0.84
Dividends paid per common share	\$ 0.645	\$ 0.635

The accompanying notes are an integral part of the Consolidated Financial Statements.

DOMINION RESOURCES, INC.  
CONSOLIDATED BALANCE SHEETS

ASSETS  
(UNAUDITED)

	March 31, 1995	December 31, 1994*
	(Millions)	
Current assets:		
Cash and cash equivalents	\$ 122.8	\$ 146.7
Trading securities	62.1	110.8
Customer accounts receivable, net	245.4	202.7
Other accounts receivable	113.2	83.2
Accrued unbilled revenues	98.2	97.4
Accrued taxes	41.1	0.0
Materials and supplies:		
Plant and general	187.4	186.6
Fossil fuel	82.1	122.9
Other	96.7	136.2
	1,049.0	1,086.5
Investments	1,276.5	1,160.1
Property, plant and equipment:	15,533.9	15,415.4
Less accumulated depreciation and amortization	5,292.0	5,170.0
	10,241.9	10,245.4
Deferred charges and other assets:		
Regulatory assets	859.1	871.0
Other	190.4	199.2
	1,049.5	1,070.2
Total assets	\$13,616.9	\$13,562.2

The accompanying notes are an integral part of the Consolidated Financial Statements.

\* The Balance Sheet at December 31, 1994 has been taken from the unaudited Consolidated Financial Statements at that date.

DOMINION RESOURCES, INC.  
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY  
(UNAUDITED)

	March 31, 1995	December 31, 1994*
(Millions)		
Current liabilities:		
Securities due within one year	\$ 205.1	\$ 399.1
Short-term debt	76.8	146.0
Accounts payable, trade	293.7	343.5
Accrued interest	108.0	106.3
Accrued taxes	111.3	0.0
Accrued payrolls	48.6	59.5
Customer deposits	55.2	55.0
Provision for rate refunds	14.3	12.2
Other	94.4	115.8
	1,007.4	1,237.4
Long-term debt:		
Utility	4,073.7	3,910.4
Nonrecourse - nonutility	657.1	640.2
Other	200.0	160.0
	4,930.8	4,710.6
Deferred credits and other liabilities:		
Deferred income taxes	1,633.0	1,613.6
Investment tax credits	284.9	289.2
Deferred fuel expenses	50.7	51.5
Other	276.5	257.7
	2,245.1	2,212.0
Total liabilities	8,183.3	8,160.0
Commitments and Contingencies		
Preferred stock:		
Virginia Power stock subject to mandatory redemption	221.7	222.1
Virginia Power stock not subject to mandatory redemption	594.0	594.0
Common shareholders' equity:		
Common stock - no par	3,180.7	3,157.6
Retained earnings	1,449.5	1,455.2
Allowance on available-for-sale securities	(33.4)	(47.8)
Other	21.1	21.1
	4,617.9	4,586.1

Total liabilities & shareholders' equity	\$13,616.9	\$13,562.2
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The accompanying notes are an integral part of the Consolidated Financial Statements.

\* The Balance Sheet at December 31, 1994 has been taken from the audited Consolidated Financial Statements at that date.

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DOMINION RESOURCES, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)

	Three Months Ended March 31,	
	1995	1994
	(Millions)	
Cash flows from operating activities:		
Net income	\$ 108.5	\$ 141.4
Adjustments to reconcile net income to net cash:		
Depreciation and amortization	151.3	152.8
Deferred income taxes	16.5	47.1
Investment tax credits, net	(4.2)	(4.2)
Allowance for other funds used during construction	(1.8)	(1.2)
Deferred fuel expenses	(0.8)	(16.9)
Deferred capacity expenses	(0.8)	30.0
Non-cash return on terminated construction projects costs (pre-tax)	(2.3)	(2.7)
Changes in assets and liabilities:		
Accounts receivable	(65.0)	121.0
Accrued unbilled revenues	29.6	35.9
Materials and supplies	40.1	33.7
Accounts payable, trade	(27.6)	(65.0)
Accrued interest and taxes	95.2	42.4
Provision for rate refunds	2.1	(98.9)
Other changes	29.8	(72.4)
Net cash flows from operating activities	370.6	343.0
Cash flows from (to) financing activities:		
Issuance of common stock	35.0	52.7
Issuance of long-term debt:		
Utility	200.0	164.0

Nonrecourse-nonutility	55.2	5.3
Issuance (repayment) of short-term debt	(69.1)	(35.9)
Repayment of long-term debt and preferred stock	(239.9)	(153.1)
Common dividend payments	(111.0)	(106.9)
Other	(4.3)	8.9
Net cash flows (to) financing activities	(134.1)	(65.0)

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DOMINION RESOURCES, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)  
(CONTINUED)

	Three Months Ended	
	March 31,	
	1995	1994
	(Millions)	
Cash flows from (used in) investing activities:		
Capital expenditures-(excluding AFC-equity funds)	(141.1)	(132.8)
Investments in Marketable Securities	29.1	(72.5)
Sale of Accounts Receivable	(60.0)	(50.0)
Other	(88.4)	(21.1)
Net cash flows (used in) investing activities	(260.4)	(276.4)
Increase in cash and cash equivalents	(23.9)	1.6
Cash and cash equivalents at beginning of period	146.7	102.0
Cash and cash equivalents at end of period	\$122.8	\$103.6

Supplementary cash flows information:

Cash paid during the period for:



Interest (net of interest capitalized)	\$ 133.1	\$ 95.3
Income taxes	3.4	5.6

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The accompanying notes are an integral part of the Consolidated Financial Statements.

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DOMINION RESOURCES, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(a) In the opinion of Dominion Resources' management, the accompanying unaudited Consolidated Financial Statements contain all adjustments, consisting only of normal recurring accruals, necessary to present fairly the financial position as of March 31, 1995, the results of operations for the three-month periods ended March 31, 1995 and 1994, and cash flows for the three-month periods ended March 31, 1995 and 1994.

These Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto included in the Dominion Resources Annual Report on Form 10-K for the year ended December 31, 1994.

Certain amounts in the 1994 Consolidated Financial Statements have been reclassified to conform to the 1995 presentation.

The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year.

(b) Common Stock

At March 31, 1995 there were 300,000,000 shares of common stock authorized of which 172,706,628 were issued and outstanding.

Common shareholders' equity at March 31, 1995 also includes

\$12.3 million for amounts received under the Stock Purchase Plan for Customers of Virginia Power and the Automatic Dividend Reinvestment and Stock Purchase Plan for which shares have not yet been issued. Common shares issued during the referenced periods were as follows:

	Three Months Ended March 31,	
	1995	1994
Automatic Dividend Reinvestment and Stock Purchase Plan	645,998	722,439
Customer Stock Purchase Plan	0	0
Employee Savings Plan	0	232,311
Stock repurchase and retirement	(377,000)	0
Other	32,581	36,774
Total Shares	301,579	991,524

(c) Long-term Incentive Plan

On February 24, 1995, the Organization and Compensation Committee of the Board of Directors of Dominion Resources awarded participants 25,320 shares of restricted common stock at the award price of \$37.625 per share. The stock has a one to three-year vesting period.

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DOMINION RESOURCES, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

For the three-month period ended March 31, 1995, no common shares were issued associated with exercised stock options from previous awards. As of March 31, 1995, options from 11,076 shares were exercisable from previous awards.

(d) Preferred Stock - Virginia Power

As of March 31, 1995, there were 2,217,319 and 5,940,140 issued and outstanding shares of preferred stock subject to mandatory redemption and preferred stock not subject to mandatory redemption, respectively. There are a total of 10,000,000 authorized shares of Virginia Power's preferred stock.

(e) Provision for Federal Income Taxes

Total Federal income tax expense differs from the amount computed by applying the statutory Federal income tax rate to pre-tax income for the following reasons:

Three Months Ended  
March 31,

	1995	1994
		(Millions)
Computation of Provision for Federal Income Tax:		
Pre-tax income	\$151.9	\$197.5
Tax at statutory federal income tax rate of 35% applied to pre-tax income	\$ 53.2	\$ 69.1
Changes in federal income taxes resulting from:		
Preferred dividends		
of Virginia Power	4.1	3.5
Nonconventional Fuel credit	(7.3)	(9.0)
Ratable amortization of investment tax credits	(4.2)	(4.2)
Other, net	(2.4)	(3.3)
Total Provisions for Federal Income Tax Expense	\$43.4	\$56.1
Effective Tax Rate	28.6%	28.4%

(f) Contingencies

Litigation

For matters relating to corporate governance issues between Dominion Resources and Virginia Power, see Part II. Other Information Item 1. - Legal Proceedings and Note O to CONSOLIDATED FINANCIAL STATEMENTS included in the Company's Annual Report on Form 10-K for the year ended December 31, 1994.

DOMINION RESOURCES, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

Virginia Power

Nuclear Insurance

The Price-Anderson Act limits the public liability of an owner of a nuclear power plant to \$8.9 billion for a single nuclear incident. Virginia Power is a member of certain insurance programs that provide coverage for property damage to members' nuclear generating plants, replacement power and liability in the event of a nuclear incident. Virginia Power may be subject to retrospective premiums in the event of major incidents at nuclear units owned by covered utilities (including Virginia Power). For additional information, see Note O to CONSOLIDATED FINANCIAL STATEMENTS included in the Company's

Nonutility Subsidiaries:

Dominion Energy

Dominion Cogen, Inc., is a wholly owned subsidiary of Dominion Energy with an investment interest in the Clear Lake cogeneration plant near Houston, Texas. Under terms of the investment agreement, Dominion Resources must provide contingent equity support to Dominion Energy. While management believes that the possibility of such support is remote, Dominion Resources could be required to insure that Dominion Energy has sufficient funds to meet its guarantee of \$58.8 million.

Dominion Energy has general partnership interests in certain of its energy ventures. Accordingly, Dominion Energy may be called upon to fund future operation of these investments to the extent operating cash flow is insufficient.

(g) Lines of Credit

Dominion Resources and its subsidiaries have lines of credit and revolving credit agreements that provide for maximum borrowings of \$705.8 million. At March 31, 1995, \$97.1 million had been borrowed under such agreements. In addition, these credit agreements supported \$203.1 million of Dominion Resources' commercial paper and \$104.4 million of nonrecourse commercial paper issued by Dominion Resources' subsidiaries which was outstanding at March 31, 1995. A total of \$290.0 million of the commercial paper is classified as long-term debt since it is supported by revolving credit agreements that have expiration dates extending beyond one year.

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DOMINION RESOURCES, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

(h) Investments

Investments at March 31, 1995 and December 31, 1994 are as follows:

	March 31,
December 31,	
1994	1995

(Millions)

Investments in affiliates	\$ 264.2	\$ 282.8
Available-for-sale securities	316.2	286.5
Nuclear decommissioning trust funds	282.3	260.9
Investments in real estate	132.2	107.5
Other	281.6	222.4
	\$1,276.5	\$1,160.1

DOMINION RESOURCES, INC.  
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

First Source Financial

On December 27, 1994, Dominion Capital (DCI), through its owned subsidiary Virginia Financial Ventures, Inc., contributed \$5 million to an escrow account for a 50% interest in First Source Financial LLP, a joint venture with HCFS Corporate Finance Venture, Inc. (HCFS). A Venture Agreement was concurrently

signed whereby DCI's contribution, with that of HCFS, was held pending final closing of the joint venture which occurred on March 24, 1995. On March 27, 1995, DCI funded their portion of the joint venture with an additional \$45 million contribution.

#### Natural Gas Joint Venture

On February 23, 1995, Dominion Energy, through a wholly-owned subsidiary, entered into a joint venture with Enron Exploration Australia Pty. Ltd. to explore certain coal fields of Queensland, Australia for natural gas reserves. The companies will assess the natural gas potential of more than 9 million acres in the eastern Galilee Basin of the Queensland "Outback". Dominion Energy has committed to a minimum investment of \$4 million.

#### Dominion Resources - Consolidated Financial Condition

##### Earnings Per Share

	Three Months Ended	
	March 31,	
	1995	1994
Virginia Power	\$0.60	\$0.73
Nonutility	.03	.11
Consolidated	\$0.63	\$0.84

Virginia Power's earnings were down 13 cents in the first quarter of 1995 when compared to the same time period for 1994. Retail sales to residential customers were down 10.4 percent for the first quarter of 1995 when compared with the first quarter of 1994. This is mainly attributable to the abnormally mild weather during the first quarter of 1995 as compared to the same time period in 1994.

Dominion Resources' nonutility subsidiaries earned 3 cents per share in the first quarter of 1995, down 8 cents from the same period last year. Dominion Capital was negatively affected by lower income from the Vidalia hydroelectric facility in Louisiana. Dominion Energy reported lower income from its oil and gas operations because of lower gas prices in the first quarter of this year and last year's sale of a 65 percent interest in the Black Warrior Trust.

#### Dividends

On April 21, 1995, the Board of Directors of Dominion Resources declared a quarterly common stock dividend of \$0.645 per share, payable June 20, 1995 to holders of record at the close of business June 1, 1995.

## Financing Activities

### Common Stock Issuance

Dominion Resources issued 301,579 net shares of common stock primarily through its Automatic Dividend Reinvestment and Stock Purchase Plan and Customer Stock Purchase Plan including the repurchase of 377,000 shares on the open market (see Note (c) to the Notes to the Consolidated Financial Statements) during the three-month period ended March 31, 1995.

The proceeds from issuance of common stock are invested on a short-term basis by Dominion Resources and ultimately utilized to provide equity capital to its subsidiaries generally within the same calendar year as the issuance of the common stock.

## Virginia Power

## Liquidity and Capital Resources

### Cash Flows From Operations

As detailed in the Statements of Cash Flows, cash flow from operating activities for the three month period ended March 31, 1995 increased \$31.2 million as compared to the three month period ended March 31, 1994 primarily as a result of normal operations.

### Cash Flows To Financing Activities

Cash from (to) financing activities was as follows:

	Three Months Ended March 31,	
	1995	1994
	(Millions)	
Mortgage bonds	\$ 200.0	\$ 164.0
Repayment of long-term debt and preferred stock	(185.0)	(148.0)
Dividends	(111.8)	(107.7)
Other	9.1	(36.6)
Total	\$ (87.7)	\$ (128.3)

DOMINION RESOURCES, INC.  
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

Financing activities for the first three months of 1995 resulted in a net cash outflow of \$87.7 million. In the first quarter of 1995, Virginia Power sold \$200 million of First and Refunding Mortgage Bonds (Bonds). A portion of the proceeds from this sale was used to retire \$180 million of Bonds. In addition, during the first three months of 1995, Virginia Power retired \$5.0 million of securities through sinking fund requirements.

During the first quarter of 1995, net borrowings under the commercial paper program increased \$13.4 million.

Cash Flows (Used in) Investing Activities

Cash from (used in) investing activities was as follows:

	Three Months Ended March 31,	
	1995	1994
		(Millions)
Utility plant expenditures	\$ (130.6)	\$ (109.4)
Nuclear fuel	(4.5)	(8.5)
Nuclear decommissioning contributions	(6.2)	(6.1)
Pollution control project funds	(0.2)	2.4
Sale of accounts receivable	(60.0)	(50.0)
Other	(4.8)	(2.4)
Total	\$ (206.3)	\$ (174.0)

Investing activities for the first three months of 1995 resulted in a net cash outflow of \$206.3 million primarily due to \$130.6 million of construction expenditures and \$4.5 million of nuclear fuel expenditures. Of the construction expenditures, approximately \$7.0 million was spent on new generating facilities, \$40.9 million on power production projects, and \$75.3 million on transmission and distributions projects.

Results of Operations

Balance available for Common stock decreased by \$20.1 million for the three-month period ended March 31, 1995, as compared to the same period in 1994, primarily as a result of the milder weather experienced in the first quarter of 1995.



DOMINION RESOURCES, INC.  
 ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS  
 (CONTINUED)

Operating Revenues

Operating revenues changed primarily due to the following:  
 Three Months Ended March 31,  
 1995 vs. 1994

	(Millions)
Kwh sales	\$ (53.6)
Change in base revenues	26.5
Fuel cost recovery	2.7
Other, net	(1.4)
Total	\$ (25.8)

Customer kilowatt-hour sales changed as follows:

Three Months Ended March 31,  
 1995 vs. 1994

Residential	(10.4) %
Commercial	(0.2)
Industrial	5.0
Public authorities	0.7
Total retail sales	(3.8)
Resale	(2.2)
Total sales	(3.6)

The decrease in kilowatt-hour retail sales for the three-month period ended March 31, 1995 reflects the milder weather experienced in the first quarter of 1995 compared to 1994.

Base revenues were higher for the three-month period ended March 31, 1995, as compared to the same period in 1994, primarily as a result of the establishment of additional revenue reserves for the 1992 rate case in the first quarter of 1994 and lower sales in the first quarter of 1995.

DOMINION RESOURCES, INC.  
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

Operation - Other

Operation - other increased for the three-month period ended March 31, 1995, as compared to the same period in 1994, primarily as a result of higher administrative and general expenses in 1995 and the recognition of insurance refunds in 1994, partially offset by a decrease in payroll costs due to a reduction in staffing levels.

Dominion Resources and its Nonutility Subsidiaries

Liquidity and Capital Resources

During the first three months of 1995, Dominion Resources' nonutility subsidiaries expended \$18.6 million on capital requirements. Estimated capital requirements for 1995 are \$104.7 million.

Results of Operations

Nonutility revenues and income decreased for the three-month period ended March 31, 1995, as compared to the same periods in 1994, primarily as a result of lower revenues from the Vidalia hydroelectric project and lower income from oil and gas operations as well as last year's sale of a 65 percent interest in the Black Warrior Trust.

Commitments and Contingencies

For additional information on commitment and contingencies, see Note (g) to CONSOLIDATED FINANCIAL STATEMENTS.

DOMINION RESOURCES, INC.  
PART II. - OTHER INFORMATION

Item 1. Legal Proceedings

In reference to the proceeding before the Virginia State Corporation Commission (the Virginia Commission) into the holding company structure and the relationship between Dominion Resources and Virginia Power, on April 12, 1995 the Staff of the Virginia Commission and its consultants filed their Final Report in which they recognized that conditions had improved since their Interim Report was prepared in the fall of 1994, but suggested that the corporate relationship between Virginia Power and Dominion Resources warrants continued monitoring by the Virginia Commission. The Final Report contains numerous recommendations by the consultant pertaining to corporate governance issues, operating relationships, affiliate service arrangements, financial issues involving the two companies, and possible regulatory tools for the Virginia Commission, many of which are the same as were recommended in the Interim Report. Additional recommendations were made relating to the role of the Joint Committee created under the Settlement Agreement, Commission monitoring of corporate governance issues, controls and accountability for affiliate transactions, allocation of certain holding company overhead expense to Virginia Power, enhancement of Virginia Power's control over certain of its financial functions and compensation to Virginia Power for credit support perceived by the consultants to flow to Dominion Resources and its other subsidiaries from Virginia Power. The Final Report is included in Dominion Resources' Current Report on Form 8-K, dated April 17, 1995.

In reference to the Report issued by the Staff in the proceeding on its investigation of a coal transportation contract between Virginia Power and CSX Transportation, on March 24, 1995, the Staff filed its Reply to the Joint Response and Motion of Virginia Power and Dominion Resources in which it supported the

recommendations made by the companies.

## Virginia Power

In reference to the arbitration between Virginia Power and Smith Cogeneration of Virginia, Inc., Virginia Power filed its Comments on the Report of the Arbitrator on March 31, 1995, and Smith Cogeneration filed its response on May 1, 1995. Virginia Power has until May 15, 1995 to respond.

In reference to the lawsuit filed against Virginia Power by Doswell Limited Partnership, on March 6, 1995 the Circuit Court of the City of Richmond entered its Opinion in favor of Virginia Power, and on April 4, 1995 Doswell filed its Notice of Appeal to the Virginia Supreme Court.

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DOMINION RESOURCES, INC.  
PART II. - OTHER INFORMATION  
(CONTINUED)

### Item 4. Submission of Matters to a Vote of Security Holders

Dominion Resources Annual Shareholders Meeting was held on April 21, 1995.

- a) The following Directors were elected to the Board of Directors for terms expiring in the years indicated:

#### Elected for Term Expiring in 1998

Director	Votes	
	For	Withheld
John B. Adams, Jr.	147,895,114	3,870,620
Benjamin J. Lambert, III	147,626,710	4,139,024
Richard L. Leatherwood	147,745,352	4,020,382
Frank S. Royal	147,528,806	4,236,928

#### Elected for Term Expiring in 1997

	Votes	
	For	Withheld
Robert H. Spilman	147,751,756	4,013,978

#### Elected for Term Expiring in 1996

	Votes	
	For	Withheld
Tyndall L. Baucom	147,897,482	3,868,252
Harvey L. Lindsey, Jr.	147,748,452	4,017,082
William T. Roos	147,833,651	3,932,083
Richard L. Sharp	147,803,792	3,961,942

b) The following incumbent Directors will continue on the Board of Directors with terms expiring in the years indicated:

Director	Term Expiring
Kenneth A. Randall	1996
Judith B. Sack	1996
John B. Bernhardt	1997
Thos. E. Capps	1997
S. Dallas Simmons	1997

The shareholders also voted in favor of the designation of Deloitte & Touche LLP as Dominion Resources' independent certified public accountants to audit the consolidated financial statements for the year 1995. The vote was as follows:

	Votes
For	149,181,186
Against	976,883
Abstain	1,607,665

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DOMINION RESOURCES, INC.  
PART II. - OTHER INFORMATION  
(CONTINUED)

Item 5. Other Information

Virginia Power

Union Employees

On April 1, 1995, Virginia Power and the International Brotherhood of Electrical Workers (IBEW) reached an agreement on a new three-year contract to cover approximately 3,800 hourly workers. The new contract, which was ratified on May 2, 1995, will expire on March 31, 1998. Rates

Virginia

In reference to the Motions of Intent to Seek Rehearing filed by Virginia Power and other appellants in the appeal of Virginia Power's 1992 Virginia rate case to the Virginia Supreme Court, on March 3, 1995, the Court denied the Motions.

In reference to the proceeding before the Virginia Commission requesting approval of Schedule DEF-Dispersed Energy Facility, on April 20, 1995, the Virginia Commission declined to approve that schedule, stating that the scope of the proposal was

not an appropriate experiment under Virginia law, and that without a specific construction proposal before it, the Virginia Commission could not approve the concept. The Virginia Commission noted, however, that upon a proper record it would consider the public interest of allowing a DEF-type facility to be constructed.

In reference to the proceeding before the Virginia Commission seeking approval to implement real time pricing for certain industrial customers, on April 20, 1995, the Virginia Commission approved the implementation of the proposed rate schedule for a five-year period.

#### North Carolina

In reference to Virginia Power's Motion for Rehearing in the appeal of its 1992 North Carolina rate case to the North Carolina Supreme Court, on February 13, 1995, the Court denied the Motion. The Company has 90 days to seek review of this decision.

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DOMINION RESOURCES, INC.  
PART II. - OTHER INFORMATION  
(CONTINUED)

#### Competition

In reference to the plans of the City of Falls Church, Virginia, to pursue the establishment of a municipal electric system, on March 13, 1995, Virginia Power responded to the City's request for transmission services and stated that it would not provide such service voluntarily, that the City was not an appropriate entity to request that the Federal Energy Regulatory Commission (FERC) compel the provision of such service and that its request was deficient under the provisions of the appropriate FERC regulations. On that same date, Virginia Power filed a Petition for Declaratory Judgment with the Virginia Commission asking it to find that the request of the City would, without the Virginia Commission's approval, be illegal under Virginia law. The Virginia Commission, on March 21, 1995, ordered the City to respond to the Petition. On April 17, 1995, the Mayor of the City wrote to the Chairman of the Commission and stated that the City would not respond to the Petition and asserted that the Virginia Commission has no jurisdiction over the City. Virginia Power, consistent with state and federal law, will still attempt to negotiate a new long-term franchise, and it submitted a

proposed franchise to the City on March 20, 1995.

## Environmental

Virginia Power recently completed its compliance plan for Phase II of the Clean Air Act. The plan will involve switching to lower sulfur coal, purchase of sulfur dioxide emission allowances and additional nitrogen oxide and sulfur dioxide controls. Maximum flexibility and least-cost compliance will be maintained through annual studies. During the next 10 years capital investment is not expected to exceed the previously estimated \$481 million (1992 dollars) for Title IV compliance.

## Future Sources of Power

Virginia Power has obtained all approvals and is proceeding with construction of a 75 mile, 500 kv transmission line from the Clover Power Station to the Carson Substation in Dinwiddie County, Virginia. The line is expected to be completed by April 1996. The testing of Clover Power Station, Unit 1 is underway and commercial operation is now expected in the Summer of 1995.

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DOMINION RESOURCES, INC.  
PART II. - OTHER INFORMATION  
(CONTINUED)

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

- 10(i)\* - Employment Agreement dated April 12, 1995 between Dominion Resources and Thos. E. Capps (filed herewith).
- 10(ii)\* - Amendment dated April 12, 1995 to Employment Agreement dated February 6, 1995 between Dominion Resources and Tyndall L. Baucom (filed herewith).
- 10(iii)\* - Employment Agreement dated April 21, 1995 between Virginia Power and James T. Rhodes (filed herewith).

11 - Statement re: computation of per share earnings  
(included in this Form 10-Q on page 3).

27 - Financial Data Schedule (filed herewith)

\* Indicates management contract or compensatory plan or  
arrangement.

(b) Report on Form 8-K.

Dominion Resources filed a report on Form 8-K, dated  
February 21, 1995, reporting the entry of a Consent Order by the  
Virginia Commission on the joint motion of Dominion Resources,  
Virginia Power and the Staff and the withdrawal by Delegate  
Clinton Miller of certain legislation introduced by Delegate  
Miller in the 1995 Virginia General Assembly at the request of  
the Commission.

Dominion Resources filed a report on Form 8-K, dated April  
17, 1995, relating to the final order received by the Staff of  
the Virginia Commission as prepared by two consultants retained  
by the Commission in its investigation of the corporate  
governance issues between Dominion Resources and its wholly-owned  
subsidiary, Virginia Power.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act  
of 1934, the registrant has duly caused this report to be signed  
on its behalf by the undersigned thereunto duly authorized.

DOMINION RESOURCES, INC.  
Registrant

BY JAMES L. TRUEHEART

James L. Trueheart  
Vice President and Controller  
(Principal Accounting Officer)



May 5, 1995

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is made as of April 12, 1995, between DOMINION RESOURCES, INC. (the "Company") and THOS. E. CAPPS (the "Executive").

RECITALS:

The Board of Directors of the Company (the "Board of Directors") recognizes that outstanding management of the Company is essential to advancing the best interests of the Company, its shareholders and its subsidiaries. The Board of Directors has and continues to believe that it is particularly important to have stable, excellent management. The Board of Directors has and continues to believe that this objective may be achieved by giving key management employees assurances of financial security for a period of time, so that they will not be distracted by personal risks and will continue to devote their full time and best efforts to the performance of their duties. To accomplish this purpose, the Company and the Executive entered into an agreement as of August 12, 1994 (the "1994 Employment Agreement").

The Board of Directors wishes to foster an atmosphere of cooperation among the key management employees of the Company and its subsidiaries, and provide an incentive for such employees to continue to contribute to the future growth and success of the Company and its subsidiaries. To accomplish this objective, the Organization and Compensation Committee of the Board of Directors (the "Committee") has recommended, and the Board of Directors has approved, entering into a new employment agreement with the Executive, which shall replace the Executive's 1994 Employment Agreement. The Company acknowledges that the Executive's contributions to the past and future growth and success of the Company have been and will continue to be substantial. The Company and the Executive are entering into this Agreement to induce the Executive to remain an employee of the Company and to continue to devote his full energy to the Company's affairs. The Executive has agreed to continue to be employed by the Company under the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the mutual undertakings contained in this Agreement, the parties agree as follows:

1. Employment. The Company will employ the Executive, and the Executive will continue in the employ of the Company, as Chief Executive Officer of the Company for the period beginning on the date of this Agreement and ending July 31, 1996 (the "Term of this Agreement"), according to the terms of this Agreement.

2. Duties. The Company and the Executive agree that, during the Term of this Agreement, the Executive will be Chief Executive Officer of the Company and will report directly to the Board of Directors. During the Term of this Agreement, the Executive will continue to exercise such authority and perform such executive duties as are commensurate with his position as Chief Executive Officer. The Executive (i) will devote his knowledge, skill and best efforts on a full-time basis to performing his duties and obligations to the Company (with the exception of absences on account of illness or vacation in accordance with the Company's policies and civic and charitable commitments not involving a conflict with the Company's business), and (ii) will comply with the directions and orders of the Board of Directors of the Company with respect to the performance of his duties.

3. Effect on Other Agreements. This Agreement sets forth the entire understanding of the parties with respect to the terms of the Executive's employment with the Company and its subsidiaries. This Agreement supersedes and replaces the Executive's 1994 Employment Agreement, which will terminate as of the date on which this Agreement is executed. This Agreement supersedes and replaces all agreements that were superseded and replaced by the 1994 Employment Agreement, including the Executive's Employment Continuity Agreement, the letter dated April 21, 1994 to the Executive from James F. Betts, and any other employment agreements between the Executive and the Company or a subsidiary (collectively, the "Prior Agreements"). The term "employment agreement" as used in the preceding sentence does not include any retirement, incentive or benefit plan or program in which the Executive participates or the credited service agreement described in Section 5(c). The Executive and the Company agree that the Executive's Prior Agreements are null and void.

4. Compensation and Benefits.

(a) During the Term of this Agreement, while the Executive is employed by the Company, the Company will pay to the Executive the following salary and incentive awards for services rendered to the Company:

(i) The Company will pay to the Executive an annual salary in an amount not less than the base salary in effect for the Executive as of the date on which this Agreement is executed. The Board of Directors will evaluate the Executive's performance at least annually and will consider annual increases in the Executive's salary based on the Executive's performance.

(ii) The Executive will be entitled to receive incentive awards based on the Executive's job

performance, if and to the extent that the Board of Directors determines that the Executive's performance merits payment of an award. The Board of Directors will make its determination consistent with the methodology used by the Board of Directors for compensating its senior management employees.

(b) During the Term of this Agreement, while the Executive is employed by the Company, the Executive will be eligible to participate in a similar manner as other senior executives of the Company in retirement plans, cash and stock incentive plans, fringe benefit plans and other employee benefit plans and programs provided by the Company for its senior management employees from time to time.

5. Benefits Upon Completion of the Term of this Agreement.

(a) If the Executive continues in the employment of the Company through the Term of this Agreement, and terminates his employment at the end of the Term of this Agreement, the Executive will be entitled to receive the following additional benefits upon his termination of employment with the Company:

(i) The Executive's retirement benefits under the Company's Retirement Plan and Benefit Restoration Plan will be computed based on the greater of (A) the Executive's annual salary during his final year of employment or (B) the Executive's final five-year average compensation, as described in the Company's Retirement Plan. Any supplemental benefit to be provided under this subsection (i) will be provided as a supplemental benefit under this Agreement and will not be provided directly from the Retirement Plan.

(ii) The Executive's "Final Compensation" under the Company's Executive Supplemental Retirement Plan (the "SRP") will be determined by computing the "Incentive Compensation Amount" as if the Executive's short-term incentive compensation target award was the unreduced percentage (which will be at least 45%) of his salary midpoint as approved by the Committee for the year (for example, for 1993 and 1994, the unreduced percentage was 45% of his salary midpoint, as compared to the reduced target that was used for 1993 and 1994 in order to make long-term compensation a larger part of the Executive's incentive compensation for those years).

(iii) The benefit under the SRP will continue to be computed as an equal periodic payment for 120 months, according to the SRP document. However, this periodic payment will be payable for the Executive's life (or for 120 payments, if longer).

(iv) The restricted stock held by the Executive as of July 31, 1996, including the restricted stock awarded to the Executive under the Restricted Stock

Award Agreement dated as of February 20, 1995, will become fully vested (that is, transferable and nonforfeitable) as of July 31, 1996.

(v) The Company will pay to the Executive a single lump sum payment equal to nine hundred fifty thousand dollars (\$950,000) on August 1, 1996.

(b) In addition to the foregoing, if the Executive continues in the employment of the Company through the Term of this Agreement, and terminates at the end of the Term of this Agreement, the Executive will receive upon his termination of employment with the Company a single lump sum cash payment equal to the present value of the annual base salary and annual cash incentive awards (computed as described below) that the Executive would have received had he remained employed until August 12, 1997 (i.e., the end of the term of the 1994 Employment Agreement). The lump sum will be computed as follows:

(i) For purposes of this calculation, the annual base salary that the Executive would have received had he remained employed until August 12, 1997 will be calculated at the highest annual base salary rate in effect for the Executive during the three-year period preceding his termination of employment. For purposes of this calculation, the annual cash incentive awards that the Executive would have received had he remained employed until August 12, 1997 will be calculated at a rate equal to the highest annual cash incentive award paid to the Executive during the three-year period preceding his termination of employment. Salary and bonus that the Executive elected to defer will be taken into account for purposes of this Agreement without regard to the deferral.

(ii) The salary and incentive award for any partial year in the Term of this Agreement will be a pro-rated portion of the annual amount.

(iii) If the Executive has not yet received an annual cash incentive award for the year in which his employment terminates, the lump sum payment will be increased to include a pro-rated award for the portion of the year preceding the Executive's termination of employment. If the Executive has not yet received payment of his annual cash incentive award for the year preceding his termination of employment, the lump sum payment will be increased to include an award for the year preceding the Executive's termination of employment. The incentive award for the year or portion of the year preceding the Executive's termination of employment will be determined according to clause (i) above, unless the Board of Directors made a good faith final determination of the amount of the applicable incentive award pursuant to Section 4(a)(ii) before the Executive's termination of employment. If

the Board of Directors made such a determination, the applicable incentive award will be computed according to the Board of Directors' determination.

(iv) Present value will be computed by the Company as of the date of the Executive's termination of employment, based on a discount rate equal to the applicable Federal short-term rate, as determined under Section 1274(d) of the Internal Revenue Code of 1986, as amended (the "Code"), compounded monthly, in effect on the date on which the present value is determined.

(v) The lump sum payment will be paid within 30 days after the Executive's termination of employment.

(c) As set forth in the existing credited service agreement between the Executive and the Company, if the Executive continues in the employment of the Company until he attains age 60, the Executive will be credited with a total of 30 years of service upon attainment of age 60 for purposes of the Company's retirement plans.

## 6. Termination of Employment.

(a) If the Company terminates the Executive's employment, other than for Cause, during the Term of this Agreement, the Executive will be entitled to receive the following additional benefits determined as of the date of his termination of employment:

(i) The Executive will receive the retirement benefits described in Section 5(a)(i), (ii), and (iii) above as of the date of his termination of employment. In addition, the Executive will receive a single lump sum cash payment equal to the present value of the annual base salary and annual cash incentive awards that the Executive would have received had he remained employed until August 12, 1997, computed in the manner described in Section 5(b).

(ii) The Executive will be credited with a total of 30 years of service and will be considered to have attained age 60 (if he has not already done so) for purposes of the Company's retirement plans.

(iii) The restricted stock held by the Executive at the time of his termination of employment, including the restricted stock awarded to the Executive under the Restricted Stock Award Agreement dated as of February 20, 1995, will become fully vested (that is, transferable and nonforfeitable) as of the date of the Executive's termination of employment.

(iv) The Executive will be credited with age and service credit through the end of the Term of this Agreement for purposes of computing benefits under the Company's medical and other welfare benefit plans, and the Company will continue the Executive's coverage under the Company's welfare benefit plans as if the

Executive remained employed through the end of the Term of this Agreement. Notwithstanding the foregoing, if the Company determines that giving such age and service credit or continued coverage could adversely affect the tax qualification or tax treatment of a benefit plan, or otherwise have adverse legal ramifications, the Company may pay the Executive a lump sum cash amount that reasonably approximates the after-tax value to the Executive of such age and service credit and continued coverage through the end of the Term of this Agreement, in lieu of giving such credit and continued coverage.

(v) The Company will pay to the Executive a single lump sum payment equal to nine hundred fifty thousand dollars (\$950,000) on the day following the Executive's termination of employment.

(b) If the Executive voluntarily terminates employment during the Term of this Agreement under circumstances described in this subsection (b), the Executive will be entitled to receive the benefits described in subsection (a) above as if the Company had terminated the Executive's employment other than for Cause. Subject to the provisions of this subsection (b), these benefits will be provided if the Executive voluntarily terminates employment after (i) the Executive's base salary is reduced, (ii) the Executive is not in good faith considered for incentive awards as described in Section 4(a)(ii), (iii) the Company fails to provide benefits as required by Section 4(b), (iv) the Executive's place of employment is relocated to a location further than 30 miles from Richmond, Virginia, or (v) the Executive's working conditions or management responsibilities are substantially diminished (other than on account of the Executive's disability, as defined in Section 7 below). In order for this subsection (b) to be effective:

(1) the Executive must give written notice to the Company indicating that the Executive intends to terminate employment under this subsection (b), (2) the Executive's voluntary termination under this subsection must occur within 60 days after an event described in clause (i), (ii), (iii), (iv) or (v) of the preceding sentence, or within 60 days after the last in a series of such events, and (3) the Company must have failed to remedy the event described in clause (i), (ii), (iii), (iv) or (v), as the case may be, within 30 days after receiving the Executive's written notice. If the Company remedies the event described in clause (i), (ii), (iii), (iv) or (v), as the case may be, within 30 days after receiving the Executive's written notice, the Executive may not terminate employment under this subsection (b) on account of the event specified in the Executive's notice.

(c) The amounts under this Agreement will be paid in

lieu of severance benefits under any severance plan or program maintained by the Company. The amounts payable under this Agreement will not be reduced by any amounts earned by the Executive from a subsequent employer or otherwise. If the Executive's employment is terminated by the Company for Cause or if the Executive voluntarily terminates employment prior to the end of the Term of this Agreement for a reason not described in subsection (b) above or Section 7 below, this Agreement will immediately terminate.

7. Disability or Death. If the Executive becomes disabled (as defined below) during the Term of this Agreement while he is employed by the Company, the Executive shall be entitled to receive the benefits described in Sections 5(a)(i), 5(a)(ii), 5(a)(iii), 6(a)(ii), 6(a)(iii), and 6(a)(v) of this Agreement as of the date on which he is determined by the Company to be disabled. If the Executive dies during the Term of this Agreement while he is employed by the Company, the benefits described in Sections 5(a)(i), 5(a)(ii), 5(a)(iii), 6(a)(ii), 6(a)(iii), and 6(a)(v) will be provided to the Executive's beneficiary designated under the terms of the applicable benefit plan. The foregoing benefits will be provided in addition to any death, disability and other benefits provided under Company benefit plans in which the Executive participates. Except to the extent provided in this Section 7, the provisions of Sections 1, 2, 4, 5 and 6 of this Agreement will terminate upon the Executive's death or disability. The term "disability" means a condition, resulting from bodily injury or disease, that renders, and for a six consecutive month period has rendered, the Executive unable to perform any and every duty pertaining to his employment with the Company. A return to work of less than 14 consecutive days will not be considered an interruption in the Executive's six consecutive months of disability. Disability will be determined by the Company on the basis of medical evidence satisfactory to the Company.

8. Cause. For purposes of this Agreement, the term "Cause" means (i) fraud or material misappropriation with respect to the business or assets of the Company, (ii) persistent refusal or wilful failure of the Executive materially to perform his duties and responsibilities to the Company, which continues after the Executive receives notice of such refusal or failure, (iii) conduct that constitutes disloyalty to the Company, and that materially harms or has the potential to cause material harm to the Company, (iv) conviction of a felony or crime involving moral turpitude, or (v) the use of drugs or alcohol that interferes materially with the Executive's performance of his duties.

9. Parachute Tax. If the Company determines that any amounts payable under this Agreement would be subject to the excise tax imposed under Code Section 4999 on "excess parachute



payments", the Company will compute the after-tax amount that would be payable to the Executive if the total amounts that are payable to the Executive by the Company, an affiliate, or a plan of the Company or an affiliate and are considered "parachute payments" for purposes of Code Section 280G ("Parachute Payments") were limited to the maximum amount that may be paid to the Executive under Code Sections 280G and 4999 without imposition of the excise tax (this after-tax amount is referred to as the "Capped Amount"). The Company will also compute the after-tax amount that would be payable to the Executive if the total Parachute Payments were payable without regard to the Code Sections 280G and 4999 limit (this after-tax amount is referred to as the "Uncapped Amount"). Notwithstanding anything in this Agreement to the contrary, if the Capped Amount is greater than or equal to 97% of the Uncapped Amount, then the total benefits and other amounts that are considered Parachute Payments and are payable to the Executive under this Agreement will be reduced to the largest amount that will result in no portion of any such payment being subject to the excise tax imposed by Code Section 4999. Tax counsel selected by mutual consent of the Company and the Executive will determine the amount of any such reduction in good faith. The determination will be made before the payments are due and payable to the Executive, to the extent possible. The Executive will determine which payments will be reduced, subject to approval by the Company (which approval may not be unreasonably withheld). The Executive will have no right to receive Parachute Payments under this Agreement in excess of the reduced amount. The calculations under this Section will be made in a manner consistent with the requirements of Code Sections 280G and 4999, as in effect at the time the calculations are made.

10. Indemnification. The Company will pay all reasonable fees and expenses, if any, (including, without limitation, legal fees and expenses) that are incurred by the Executive to enforce this Agreement and that result from a breach of this Agreement by the Company.

11. Form of Payment. All amounts payable under this Agreement (other than restricted stock, which will be paid according to the terms of the Company's Long-Term Incentive Plan) will be paid in cash, subject to required income and payroll tax withholdings.

12. Administration. The Committee will be responsible for the administration and interpretation of this Agreement on behalf of the Company. If for any reason a benefit under this Agreement is not paid when due, the Executive may file a written claim with the Committee. If the claim is denied or no response is received within 90 days after the filing (in which case the claim is deemed to be denied), the Executive may appeal the denial to the

Board of Directors within 60 days of the denial. The Executive may request that the Board of Directors review the denial, the Executive may review pertinent documents, and the Executive may submit issues and comments in writing. A decision on appeal will be made within 60 days after the appeal is made, unless special circumstances require that the Board of Directors extend the period for another 60 days. If the Company defaults in an obligation under this Agreement, the Executive makes a written claim pursuant to the claims procedure described above, and the Company fails to remedy the default within the claims procedure period, then all amounts payable to the Executive under this Agreement will become due and owing.

13. Assignment. The rights and obligations of the Company under this Agreement will inure to the benefit of and will be binding upon the successors and assigns of the Company. If the Company is consolidated or merged with or into another corporation, or if another entity purchases all or substantially all of the Company's assets, the surviving or acquiring corporation will succeed to the Company's rights and obligations under this Agreement. The Executive's rights under this Agreement may not be assigned or transferred in whole or in part, except that the personal representative of the Executive's estate (or other beneficiary designated under the terms of the applicable benefit plan) will receive any amounts payable under this Agreement after the death of the Executive.

14. Rights Under the Agreement. The right to receive benefits under the Agreement will not give the Executive any proprietary interest in the Company or any of its assets. Benefits under the Agreement will be payable from the general assets of the Company, and there will be no required funding of amounts that may become payable under the Agreement. The Executive will for all purposes be a general creditor of the Company. The interest of the Executive under the Agreement cannot be assigned, anticipated, sold, encumbered or pledged and will not be subject to the claims of the Executive's creditors.

15. Notice. For purposes of this Agreement, notices and all other communications must be in writing and are effective when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the Executive or his personal representative at his last known address. All notices to the Company must be directed to the attention of the Chairman of the Committee. Such other addresses may be used as either party may have furnished to the other in writing. Notices of change of address are effective only upon receipt.

16. Miscellaneous. This instrument contains the entire agreement of the parties. To the extent not governed by federal law, this Agreement will be construed in accordance with the laws

of the Commonwealth of Virginia, without reference to its conflict of laws rules. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and the writing is signed by the Executive and the Company. A waiver of any breach of or compliance with any provision or condition of this Agreement is not a waiver of similar or dissimilar provisions or conditions. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect. This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement.

WITNESS the following signatures.

DOMINION RESOURCES, INC.

By: K. A. RANDALL

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A. Kenneth Randall,  
Chairman, Organization  
and Compensation Committee

Dated: April 12, 1995

THOS. E. CAPPS

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Thos. E. Capps

Dated: April 12, 1995

AMENDMENT

TO

EMPLOYMENT AGREEMENT

This AMENDMENT to the Employment Agreement dated as of February 6, 1995 (the "February, 1995 Employment Agreement") between DOMINION RESOURCES, INC. (the "Company") and TYNDALL L. BAUCOM (the "Executive") is made as of April 12, 1995.

RECITALS:

On March 2, 1995, the Executive notified the Company in writing of his intent to voluntarily terminate employment pursuant to the terms of Section 7(c)(vi) of the February, 1995 Employment Agreement. The Board of Directors of the Company wishes to induce the Executive to waive his right to give a notice of intent to terminate employment, and to remain an employee of the Company. The Board of Directors believes that the continued services of the Executive are essential to preserve consistent management of the Company at the present time. To accomplish this, the Organization and Compensation Committee of the Board of Directors of the Company has recommended, and the Board of Directors has approved, certain amendments to the February, 1995 Employment Agreement. All terms in this Amendment that are defined in the February, 1995 Employment Agreement have the meaning provided therein, unless otherwise specified in this Amendment.

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. Paragraph 1 of the February, 1995 Employment Agreement is replaced with the following:

"1. Employment. The Company will employ the Executive, and the Executive will continue in the employment of the Company, as an executive of the Company for the period beginning August 12, 1994 and ending March 1, 1997 or such earlier date as is mutually agreed between the Executive and Thos. E. Capps, President and Chief Executive Officer of the Company (the "Term of this Agreement"), according to the terms of this Agreement."

2. The benefits payable under Section 6 of the February, 1995 Employment Agreement shall be payable if the Executive continues in the employment of the Company for the Term of this Agreement, even if the Term of this Agreement ends before

March 1, 1997.

3. The Executive waives his right to terminate employment for the reason stated in Section 7(c)(vi) of the February, 1995 Employment Agreement. In exchange for this waiver, the Company agrees to pay the Executive, at his termination of employment for any reason, the amounts that would be payable under Section 7(c) of the February, 1995 Employment Agreement as if his termination entitled him to the benefits under Section 7(c) and calculated as if the end of the Term of this Agreement is March 1, 1997. In addition, the Company agrees, in exchange for the Executive's waiver of his right to terminate under the February, 1995 Employment Agreement, that the restricted stock awarded to the Executive under the Restricted Stock Award Agreement dated as of February 20, 1995 will become fully vested (that is, transferable and nonforfeitable) as of the date of the Executive's termination of employment. Any payment under Sections 6, 7, or 8 of the February, 1995 Employment Agreement that is payable due to termination of employment shall not be paid to the extent that it would be duplicative of a payment under this Section 3.

4. If the Executive continues in the Employment of the Company through the Term of this Agreement, or if the Company terminates the Executive's employment other than for Cause during the Term of this Agreement, the benefit payable to the Executive under the Company's Executive Supplemental Retirement Plan (the "SRP") will continue to be computed as an equal periodic payment for 120 months, according to the SRP document. However, this periodic payment will be payable for the Executive's life (or for 120 payments, if longer).

5. The Company will pay to the Executive a single lump sum payment equal to three hundred thousand dollars (\$300,000.00) on the date of signing of this Agreement.

WITNESS the following signatures.

DOMINION RESOURCES, INC.

By: THOS. E. CAPPS

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Thos. E. Capps,  
Chief Executive Officer

Dated: April 12, 1995

TYNDALL L. BAUCOM

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Tyndall L. Baucom

Dated: April 12, 1995

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is made as of April 21, 1995, between VIRGINIA ELECTRIC AND POWER COMPANY (the "Company") and JAMES T. RHODES (the "Executive").

RECITALS:

The Board of Directors of the Company (the "Board of Directors") recognizes that outstanding management of the Company is essential to advancing the best interests of the Company, its shareholders and its related companies. The Board of Directors has and continues to believe that it is particularly important to have stable, excellent management. The Board of Directors has and continues to believe that this objective may be achieved by giving key management employees assurances of financial security for a period of time, so that they will not be distracted by personal risks and will continue to devote their full time and best efforts to the performance of their duties. To accomplish this purpose, the Company and the Executive entered into an agreement as of June 30, 1994 (the "1994 Employment Agreement").

The Board of Directors wishes to foster an atmosphere of cooperation among the key management employees of the Company and its related companies, and provide an incentive for such employees to continue to contribute to the future growth and success of the Company and its related companies. To accomplish this objective, the Organization and Compensation Committee (the "Committee") of the Board of Directors of the Company has recommended, and the Board of Directors has approved, entering into a new employment agreement with the Executive, which shall replace the Executive's 1994 Employment Agreement.

The Company acknowledges that the Executive's contributions to the past and future growth and success of the Company have been and will continue to be substantial. The Company and the Executive are entering into this Agreement to induce the Executive to remain an employee of the Company and to continue to devote his full energy to the Company's affairs. The Executive has agreed to continue to be employed by the Company under the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the mutual undertakings contained in this Agreement, the parties agree as follows:

1. Employment.

The Company will employ the Executive, and the Executive

will continue in the employ of the Company, as Chief Executive Officer of the Company for the period beginning on the date of this Agreement and ending July 31, 1996 (the "Term of this Agreement"), according to the terms of this Agreement.

## 2. Duties.

The Company and the Executive agree that, during the Term of this Agreement, the Executive will be Chief Executive Officer of the Company and will report directly to the Board of Directors of the Company, as well as to the Chief Executive Officer of Dominion Resources, Inc. During the Term of this Agreement, the Executive will continue to exercise such authority and perform such executive duties as are commensurate with his position as Chief Executive Officer. The Executive (i) will devote his knowledge, skill and best efforts on a full-time basis to performing his duties and obligations to the Company (with the exception of absences on account of illness or vacation in accordance with the Company's policies and civic and charitable commitments not involving a conflict with the Company's business), and (ii) will comply with the directions and orders of the Board of Directors of the Company with respect to the performance of his duties.

## 3. Effect on Other Agreements.

This Agreement sets forth the entire understanding of the parties with respect to the terms of the Executive's employment with the Company and its related companies. This Agreement supersedes and replaces the Executive's 1994 Employment Agreement, which will terminate as of the date on which this Agreement is executed. This Agreement supersedes and replaces all agreements that were superseded and replaced by the 1994 Employment Agreement, including the letter dated April 21, 1994 to the Executive from James F. Betts, and any other employment agreements between the Executive and the Company or an affiliated Company (collectively, the "Prior Agreements"). The term "employment agreement" as used in the preceding sentence does not include the Employment Continuity Agreement between the Company and the Executive dated February 12, 1987 (amended June 4, 1987), or any retirement, incentive or benefit plan or program in which the Executive participates. The Executive and the Company agree that the Executive's Prior Agreements are null and void.

## 4. Compensation and Benefits

(a) During the term of this Agreement, while the Executive is employed by the Company, the Company will pay to the Executive the following salary and incentive awards for services rendered to the Company:

(i) The Company will pay to the Executive an annual salary in an amount not less than the base salary in effect for the Executive as of the date on which this Agreement is executed. The Board of Directors will evaluate the Executive's performance at least annually and will consider annual increases in the Executive's salary based on the



Executive's performance.

(ii) The Executive will be entitled to receive incentive awards based on the Executive's job performance, if and to the extent that the Board of Directors determines that the Executive's performance merits payment of an award. The Board of Directors will make its determination consistent with the methodology used by the Board of Directors for compensating its senior management executives.

(b) During the Term of this Agreement, while the Executive is employed by the Company, the Executive will be eligible to participate in a similar manner as other senior executives of the Company in retirement plans, cash and stock incentive plans, fringe benefit plans and other employee benefit plans and programs provided by the Company for its senior management employees from time to time.

#### 5. Benefits Upon Completion of the Term of this Agreement.

(a) If the Executive continues in the employment of the Company through the Term of this Agreement, and terminates his employment at the end of the Term of this Agreement, the Executive will be entitled to receive the following additional benefits upon his termination of employment with the Company:

(i) The Executive's retirement benefits under the Company's Retirement Plan and Benefit Restoration Plan will be computed based on the greater of (A) the Executive's annual salary during his final year of employment or (B) the Executive's final five-year average compensation, as described in the Company's Retirement Plan. Retirement benefits for the Executive will be calculated as if he had attained the age of 60 and completed at least 30 years of service. Any supplemental benefit to be provided under this Section (i) will be provided as a supplemental benefit under this Agreement and will not be provided directly from the Retirement Plan.

(ii) The Executive's "Final Compensation" under the Company's Executive Supplemental Retirement Plan (the "SRP") will be determined by computing the "Incentive Compensation Amount" as 92% of the Executive's short-term incentive compensation target award which target award will be at least 55% of his salary midpoint as approved by the Committee for the year.

(iii) The benefit under the SRP will continue to be computed as an equal periodic payment for 120 months, according to the SRP document. However, this periodic payment will be payable for the Executive's life (or for 120 payments, if longer).

(iv) The restricted stock, if any, held by the

Executive as of July 31, 1996, will become fully vested (that is, transferable and nonforfeitable) as of July 31, 1996.

(v) The Company will pay to the Executive a single lump sum payment equal to five hundred thousand dollars (\$500,000) on August 1, 1996.

(vi) The total number of hypothetical shares (at 100% goal accomplishment) of Dominion Resources, Inc. stock granted in all cycles of the Performance Achievement Plan (the "Performance Achievement Plan") which were active on the date of termination will be multiplied by the closing price of the stock on the date of termination. The Company shall pay this amount in dollars. The payment of such amount will cancel any rights to any additional payments in cash or stock from these active cycles.

(b) In addition to the foregoing, if the Executive continues in the employment of the Company through the Term of this Agreement, and terminates at the end of the Term of this Agreement, the Executive will receive upon his termination of employment with the Company a single lump sum cash payment equal to the present value of the annual base salary and annual cash incentive awards (computed as described below) that the Executive would have received had he remained employed until April 21, 1997 (i.e., the end of the term of the 1994 Employment Agreement). The lump sum will be computed as follows:

(i) For purposes of this calculation, the annual base salary that the Executive would have received had he remained employed until April 21, 1997 will be calculated at the highest annual base salary rate in effect for the Executive during the three-year period preceding his termination of employment. For purposes of this calculation, the annual cash incentive awards that the Executive would have received had he remained employed until April 21, 1997 will be calculated at a rate equal to the highest annual cash incentive award paid to the

Executive during the three-year period preceding his termination of employment.

Salary and bonus that the Executive elected to defer will be taken into account for purposes of this Agreement without regard to the deferral.

(ii) The salary and incentive award for any partial year in the Term of this Agreement will be a pro-rated portion of the annual amount.

(iii) If the Executive has not yet received an annual cash incentive award for the year in which his employment terminates, the lump sum payment will be increased to include a pro-rata award for the portion of the year preceding the Executive's termination of employment. If the Executive has not yet received payment of his annual cash incentive award for the year preceding his termination of employment, the lump sum payment will be increased to include an award for the year preceding the Executive's termination of employment. The incentive award for the year or portion of the year preceding the Executive's termination of employment will be determined according to clause (i) above, unless the Board of Directors made a good faith final determination of the amount of the applicable incentive award pursuant to Section 4(a)(ii) before the Executive's termination of employment. If the Board of Directors made such a determination, the applicable incentive award will be computed according to the Board of Directors' determination.

(iv) Present value will be computed by the Company as of the date of the Executive's termination of employment, based on a discount rate equal to the applicable Federal short-term rate, as determined under Section 1274(d) of the

Internal Revenue Code of 1986, as amended (the "Code"), compounded monthly, in effect on the date on which the present value is determined.

(v) The lump sum payment will be paid within 30 days after the Executive's termination of employment.

## 6. Termination of Employment.

(a) If the Company terminates the Executive's employment, other than for Cause, during the Term of this Agreement, the Executive will be entitled to receive the following additional benefits determined as of the date of his termination of employment:

(i) The Executive will receive the retirement benefits described in Sections 5(a)(i), 5(a)(ii), 5(a)(iii) and 5(a)(vi) above as of the date of his termination of employment. In addition, the Executive will receive a single lump sum cash payment equal to the present value of the annual base salary and annual cash incentive awards that the Executive would have received had he remained employed until April 21, 1997, computed in the manner described in Section 5(b).

(ii) The Executive will be credited with a total of 30 years of service and will be considered to have attained age 60 for purposes of the Company's retirement plans.

(iii) The restricted stock, if any, held by the Executive at the time of his termination of employment will become fully vested (that is, transferable and nonforfeitable) as of the date of the Executive's termination of employment.

(iv) The Executive will be credited with age and service credit through the end of the Term of this Agreement for purposes of computing benefits under the Company's medical and other welfare benefit plans, and the Company will continue the Executive's coverage under the Company's welfare benefit plans as if the Executive remained employed through the end of the Term of this Agreement. Notwithstanding the foregoing, if the Company determines that giving such age and service credit or continued coverage could adversely affect the tax qualification or tax treatment of a benefit plan, or otherwise have adverse legal ramifications, the Company may pay the Executive a lump sum cash amount that reasonably approximates the after-tax value to the Executive of such age and service credit and continued coverage through the end of the Term of this Agreement, in lieu of giving such credit and continued coverage.

(v) The Company will pay to the Executive a single lump sum payment equal to five hundred thousand dollars (\$500,000) on the day following the Executive's termination of employment.

(b) If the Executive voluntarily terminates employment during the Term of this Agreement under circumstances described in this subsection (b), the Executive will be entitled to receive the benefits described in subsection (a) above as if the Company had terminated the Executive's employment other than for Cause.

Subject to the provisions of this subsection (b), these benefits will be provided if the Executive voluntarily terminates employment after (i) the Executive's base salary is reduced, (ii) the Executive is not in good faith considered for incentive awards as described in Section 4(a)(ii), (iii) the Company fails to provide benefits as required by Section 4(b), (iv) the Executive's place of employment is relocated to a location further than 30 miles from Richmond, Virginia, or (v) the Executive's working conditions or management responsibilities are substantially diminished (other than on account of the Executive's disability, as defined in Section 7 below).

In order for this subsection (b) to be effective: (1) the Executive must give written notice to the Company indicating that the Executive intends to terminate employment under this subsection (b), (2) the Executive's voluntary termination under this subsection must occur within 60 days after an event described in clause (i), (ii), (iii), (iv) or (v) of the preceding sentence, or within 60 days after the last in a series of such events, and (3) the Company must have failed to remedy the event described in clause (i), (ii), (iii), (iv) or (v), as the case may be, within 30 days after receiving the Executive's written notice. If the Company remedies the event described in clause (i), (ii), (iii), (iv) or (v), as the case may be, within 30 days after receiving the Executive's written notice, the Executive may not terminate employment under this subsection (b) on account of the event specified in the Executive's notice.

(c) The amounts under this Agreement will be paid in lieu of severance benefits under any severance plan or program maintained by the

Company. The amounts payable under this Agreement will not be reduced by any amounts earned by the Executive from a subsequent employer or otherwise. If the Executive's employment is terminated by the Company for Cause or if the Executive voluntarily terminates employment prior to the end of the Term of this Agreement for a reason not described in subsection (b) above or Section 7 or Section 12 below, this Agreement will immediately terminate.

7. Disability or Death.

If the Executive becomes disabled (as defined below) during the Term of this Agreement while he is employed by the Company, the Executive shall be entitled to receive the benefits described in Sections 5(a)(i), 5(a)(ii), 5(a)(iii), 5(a)(vi), 6(a)(ii), 6(a)(iii) and 6(a)(v) of this Agreement as of the date on which he is determined by the Company to be disabled. If the Executive dies during the Term of this Agreement while he is employed by the Company, the benefits described in Sections 5(a)(i), 5(a)(ii), 5(a)(iii), 5(a)(vi), 6(a)(ii), 6(a)(iii) and 6(a)(v) will be provided to the Executive's beneficiary designated under the terms of the applicable benefit plan. The foregoing benefits will be provided in addition to any death, disability and other benefits provided under Company benefit plans in which the Executive participates. The term "disability" means a condition, resulting from bodily injury or disease, that renders, and for a six consecutive month period has rendered, the Executive unable to perform any and every duty pertaining to his employment with the Company. A return to work of less than 14 consecutive days will not be considered as an interruption in the Executive's six consecutive months of disability. Disability will be determined by the Company on the basis of medical evidence satisfactory to the Company.

8. Cause.

For purposes of this Agreement, the term "Cause" means (i) fraud or material misappropriation with respect to the business or assets of the Company, (ii) persistent refusal or willful failure of the Executive materially to perform his duties and responsibilities to the Company, which continues after the Executive receives notice of such refusal or failure, (iii) conduct that constitutes disloyalty to the Company, and that materially harms or has the potential to cause material harm to the Company, (iv) conviction of a felony or crime involving moral turpitude, or (v) the use of drugs or alcohol that interferes materially with the Executive's performance of his duties.

#### 9. Parachute Tax.

If the Company determines that any amounts payable under this Agreement would be subject to the excise tax imposed under Code Section 4999 on "excess parachute payments", the Company will compute the after-tax amount that would be payable to the Executive if the total amounts that are payable to the Executive by the Company, an affiliate, or a plan of the Company or an affiliate and are considered "parachute payments" for purposes of Code Section 280G ("Parachute Payments") were limited to the maximum amount that may be paid to the Executive under Code Sections 280G and 4999 without imposition of the excise tax (this after-tax amount is referred to as the "Capped Amount"). The Company will also compute the after-tax amount that would be payable to the Executive if the total Parachute Payments were payable without regard to the Code Sections 280G and 4999 limit (this after-tax amount is referred to as the "Uncapped Amount"). Notwithstanding anything in this Agreement to the contrary, if the Capped Amount is greater than or equal to 97% of the Uncapped Amount, then the total benefits and other amounts that are considered Parachute Payments and are payable to the Executive under this Agreement will be reduced to

the largest amount that will result in no portion of any such payment being subject to the excise tax imposed by Code Section 4999. Tax counsel selected by mutual consent of the Company and the Executive will determine the amount of any such reduction in good faith. The determination will be made before the payments are due and payable to the Executive, to the extent possible. The Executive will determine which payments will be reduced, subject to approval by the Company (which approval may not be unreasonably withheld). The Executive will have no right to receive Parachute Payments under this Agreement in excess of the reduced amount. The calculations under this Section will be made in a manner consistent with the requirements of Code Sections 280G and 4999, as in effect at the time the calculations are made.

#### 10. Indemnification.

The Company will pay all reasonable fees and expenses, if any, (including, without limitation, legal fees and expenses) that are incurred by the Executive to enforce this Agreement and that result from a breach of this Agreement by the Company.

#### 11. Form of Payment.

All amounts payable under this Agreement (other than restricted stock, if any, which will be paid according to the terms of the Company's Performance Achievement Plan) will be paid in cash, subject to required income and payroll tax withholdings.

#### 12. Option to Elect Early Retirement Benefits.

As provided in Paragraph 2(c) of the Dominion Resources, Inc. / Virginia Electric and Power Company Settlement Agreement of August 15, 1994, the Executive shall have the option for the three- year period beginning on the effective date of



that Settlement Agreement to elect the early retirement benefit package in the form offered to the Company's executives for acceptance on or before April 29, 1994.

### 13. Administration.

The Committee will be responsible for the administration and interpretation of this Agreement on behalf of the Company. If for any reason a benefit under this Agreement is not paid when due, the Executive may file a written claim with the Committee. If the claim is denied or no response is received within 90 days after the filing (in which case the claim is deemed to be denied), the Executive may appeal the denial to the Board of Directors within 60 days of the denial. The Executive may request that the Board of Directors review the denial, the Executive may review pertinent documents, and the Executive may submit issues and comments in writing. A decision on appeal will be made within 60 days after the appeal is made, unless special circumstances require that the Board of Directors extend the period for another 60 days. If the Company defaults in an obligation under this Agreement, the Executive makes a written claim pursuant to the claims procedure described above, and the Company fails to remedy the default within the claims procedure period, then all amounts payable to the Executive under this Agreement will become due and owing.

### 14. Assignment.

The rights and obligations of the Company under this Agreement will inure to the benefit of and will be binding upon the successors and assigns of the Company. If the Company is consolidated or merged with or into another corporation, or if another entity purchases all or substantially all of the Company's assets, the surviving or acquiring corporation will succeed to the Company's rights and obligations under this Agreement. The Executive's rights under this Agreement may not be assigned or transferred in whole or in part, except that the personal representative of the Executive's estate (or other beneficiary designated under the terms of the applicable benefit plan) will receive any amounts payable under this Agreement after the death of the Executive.

### 15. Rights Under the Agreement.

The right to receive benefits under the Agreement will not give the Executive any proprietary interest in the Company or any of its assets. Benefits under the Agreement will be payable from the general assets of the Company, and there will be no required funding of amounts that may become payable under the Agreement.

The Executive will for all purposes be a general creditor of the Company. The

interest of the Executive under the Agreement cannot be assigned, anticipated, sold, encumbered or pledged and will not be subject to the claims of the Executive's creditors.

16. Notice.

For purposes of this Agreement, notices and all other communications must be in writing and are effective when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the Executive or his personal representative at his last known address. All notices to the Company must be directed to the attention of the Chairman of the Committee. Such other addresses may be used as either party may have furnished to the other in writing. Notices of change of address are effective only upon receipt.

17. Miscellaneous.

This instrument contains the entire agreement of the parties. To the extent not governed by federal law, this Agreement will be construed in accordance with the laws of the Commonwealth of Virginia, without reference to its conflict of laws rules. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and the writing is signed by the Executive and the Company. A waiver of any breach of or compliance with any provision or condition of this Agreement is not a waiver of similar or dissimilar provisions or conditions. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect. This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement.

WITNESS the following signatures.

VIRGINIA ELECTRIC AND POWER

COMPANY

By: WILLIAM G. THOMAS

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William G. Thomas  
Chairman, Organization  
and Compensation Committee

Dated: April 21, 1995

J. T. RHODES

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James T. Rhodes

Dated: April 21, 1995

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