

DOMINION RESOURCES INC /VA/
Form U-9C-3
May 29, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM U-9C-3

QUARTERLY REPORT PURSUANT TO RULE 58 OF
THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

For the Calendar Quarter Ended March 31, 2003

Dominion Resources, Inc.
Consolidated Natural Gas Company

(Name of registered holding companies)

120 Tredegar Street
Richmond, Virginia 23219

(Address of principal executive offices)

Table of Contents

| | <u>Page</u> |
|---|-------------|
| Item 1. <u>Organization Chart</u> | 2 |
| Item 2. <u>Issuances and Renewals of Securities and Capital Contributions</u> | 5 |
| Item 3. <u>Associate Transactions</u> | 7 |
| Item 4. <u>Summary of Aggregate Investment</u> | 9 |

| | | |
|---------|--|----|
| Item 5. | <u>Other Investments</u> | 10 |
| Item 6. | <u>Financial Statements and Exhibits</u> | 10 |

Page 2

ITEM 1 - ORGANIZATION CHART

| <u>Name of Reporting Company</u> | <u>Energy or Gas Related Company</u> | <u>Date of Organization</u> | <u>State of Incorporation</u> | <u>% of Voting Securities Held</u> | <u>Nature of Business</u> |
|---|--|---------------------------------|-----------------------------------|--|---|
| Dominion Resources, Inc. ("DRI")(a) | | | | | |
| Dominion Alliance Holding, Inc. ("DAH") | Energy Related | 11/2000 | Delaware | 100% | Held an investment in Bridgeco for the purpose of developing the infrastructure necessary to operate the Alliance regional transmission organization. |
| Dominion Energy Technologies, Inc. ("DETI") | Energy Related | 4/2001 | Virginia | 100% | Holds venture investments in energy technology companies. |
| Dominion Metering Services, Inc. ("DMS") | Energy Related | 12/2000 | Virginia | 100% | Provided contract meter reading services. |
| Dominion Ohio ES, Inc. ("DOES") | Energy Related | 5/2001 | Ohio | 100% | Provides engineering, construction and other services. |
| Dominion Technical | Energy Related | 8/2002 | Virginia | 100% | Provides engineering, |

Solutions, Inc.
("DTECH")

construction and
other services.

Page 3

ITEM 1 - ORGANIZATION CHART (CONTINUED)

| <u>Name of Reporting Company</u> | <u>Energy or Gas Related Company</u> | <u>Date of Organization</u> | <u>State of Incorporation</u> | <u>% of Voting Securities Held</u> | <u>Nature of Business</u> |
|--|--|---------------------------------|-----------------------------------|--|--|
| Dominion Resources, Inc. ("DRI") (a) | | | | | |
| Dominion Energy, Inc. ("DEI") (a) | | | | | |
| Dominion Energy Direct Sales, Inc. ("DEDS") | Energy Related | 2/2000 | Virginia | 100% | Primarily engages in retail sales of electricity and gas to commercial and industrial users. |
| Dominion Energy Exchange, Inc. ("DEE") | Energy Related | 9/2000 | Virginia | 100% | Owns an interest in EIP Holdings, LLC ("EIP") which owns 66.34% of TradeSpark, LP, an electronic and telephonic marketplace for transactions in natural gas, electricity and other fuels.(b) |
| Dominion Cleveland Thermal, Inc. ("DCT") | Energy Related | 10/2000 | Ohio | 100% | Produces steam and chilled water for retail customers in the |

| | | | | | |
|--|----------------|--------|----------------|------|---|
| | | | | | Cleveland, Ohio area. |
| Dominion Energy Marketing, Inc. ("DEMI") | Energy Related | 9/2000 | Delaware | 100% | Engages in the sale of energy on a portfolio basis. |
| Dominion Wagram, Inc. ("Wagram") | Energy Related | 4/2002 | North Carolina | 100% | Holds contracts pertaining to a steam plant facility in Wagram, NC that serves Westpoint Stevens. |

Page 4

ITEM 1 - ORGANIZATION CHART (CONTINUED)

| <u>Name of Reporting Company</u> | <u>Energy or Gas Related Company</u> | <u>Date of Organization</u> | <u>State of Incorporation</u> | <u>% of Voting Securities Held</u> | <u>Nature of Business</u> |
|--|--------------------------------------|-----------------------------|-------------------------------|------------------------------------|---|
| Dominion Resources, Inc. ("DRI")(a) | | | | | |
| Consolidated Natural Gas Company ("CNG")(a) | | | | | |
| Dominion Field Services, Inc. ("Field Services") | Gas Related | 3/1977 | Delaware | 100% | Engages in activities involving Appalachian natural gas supply, including gathering and |

| | | | | | | |
|---|-------------|---------|----------------------|--------|--|--|
| | | | | | | administration of supply contracts. |
| Dominion Iroquois, Inc(a) | | | | | | |
| Iroquois Gas Transmission System, L.P. ("Iroquois") | Gas Related | 12/1989 | Delaware Partnership | 24.72% | | Owns and operates an interstate natural gas pipeline that transports Canadian gas to utilities and power generators in New York and New England. |
| Dominion Greenbrier, Inc. ("Greenbrier") | Gas Related | 11/2000 | Virginia | 100% | | Owns 67% of Greenbrier Pipeline Company, LLC. (c) |
| Dominion Oklahoma Texas Exploration & Production, Inc. ("DOTEPI") | Gas Related | 9/2001 | Delaware | 100% | | Engages in natural gas and oil exploration and production. |
| Dominion Natural Gas Storage, Inc. ("DNKS") | Gas Related | 11/2001 | Delaware | 100% | | Owns gas storage facilities, a brine pipeline and a gas interconnect pipeline |
| Dominion Cove Point, Inc. ("Cove Point") | Gas Related | 8/2002 | Virginia | 100% | | Owns a liquefied natural gas import facility. |
| Dominion Transmission, Inc. ("DTI") (a) | | | | | | |
| | Gas Related | 6/2002 | Delaware | 100% | | |

Tioga
Properties,
LLC
("Tioga")

Owns a
developmental
underground
natural gas
storage system.

(a) Directly or indirectly holds interests in energy-related or gas-related companies.

(b) DEE's voting rights in EIP cannot exceed 9.9% unless (i) its economic interest is less than 10% or (ii) it elects to increase its voting rights to equal its economic interest.

(c) Greenbrier Pipeline Company, LLC plans to develop, construct and own a pipeline to meet increased demand for natural gas in the Appalachian and Piedmont regions.

Page 5

ITEM 2 - ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS (d) (e) (f)

| <u>Company issuing security (Borrower)</u> | <u>Type of security issued</u> | <u>Principal amount of security</u> | <u>Issue or renewal</u> | <u>Cost of capital</u> | <u>Person to whom issued (Lender)</u> | <u>Collateral given with security</u> | <u>Consideration received for each security</u> |
|--|--|---|-----------------------------|----------------------------|---|---|---|
| DEE | Short Term Advances | \$ 2,399,000 | - | - | DEI | - | - |
| DCT | Short Term Advances | \$ 65,710 | - | - | DEI | - | - |
| DTECH | Short Term Note | \$ 209,000 | - | - | DRI | - | - |
| Cove Point | Short Term Note | \$27,803,000 | - | - | CNG/DRI | - | - |
| Tioga | Short Term Note | \$311,000 | - | - | CNG/DRI | - | - |

Company
Contributing

| <u>Capital</u> | <u>Company Receiving Capital</u> | <u>Type and Amount of Capital Infusion</u> |
|----------------|--|--|
| None. | | |

(d) The chart reflects net advances made by Lenders to Borrowers during the first quarter of 2003. Advances are evidenced by book entries and were made pursuant to Rule 52. See also the DRI Form U-6B-2 filed for the first quarter of 2003.

(e) By order dated July 18, 1997 (HCAR No. 26742), Field Services and Dominion Iroquois, were authorized to participate in the CNG Money Pool. During the period January to February 2003, the following activity occurred in the CNG Money Pool.

| Company | CNG Money Pool (In Thousands) | | | |
|-------------------|----------------------------------|--------------------|----------------------|---------------------------|
| | <u>Beginning Balance</u> | <u>Withdrawals</u> | <u>Contributions</u> | <u>Ending Balance</u> |
| Field Services | \$7,813 | 91,511 | 81,626 | \$(2,072) |
| Dominion Iroquois | 4,709 | 14 | 14 | 4,709 |

Page 6

ITEM 2 - ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS (continued)

(f) By order dated January 3, 2003 (HCAR No. 27634), the SEC authorized the formation of a consolidated DRI Money Pool and called for the termination of the existing CNG Money Pool. As a result, outstanding balances under the CNG Money Pool were invested in the DRI Money Pool on March 1, 2003. In addition, certain advances from Dominion to energy-related companies and certain advances from CNG to gas-related companies were converted to DRI Money Pool borrowings (see beginning balances). All of the following activity occurred during March 2003.

| Company | DRI Money Pool (In Thousands) | | | |
|---------|----------------------------------|--------------------|----------------------|---------------------------|
| | <u>Beginning Balance</u> | <u>Withdrawals</u> | <u>Contributions</u> | <u>Ending Balance</u> |

| | | | | |
|-------------------|-----------|----------|----------|-----------|
| Field Services | \$(2,072) | \$45,489 | \$56,766 | \$9,205 |
| Dominion Iroquois | 4,709 | 396 | 6 | 4,319 |
| Greenbrier | (16,535) | 937 | 0 | (17,448) |
| DOTEPI | (258,986) | 42,014 | 35,159 | (265,841) |
| DNGS | (17,156) | 292 | 0 | (17,448) |
| DAH | (9,034) | 10 | 0 | (9,044) |
| DMS | (198) | 0 | 0 | (198) |

Additionally, as of March 31, 2003 there remained outstanding the following guarantees:

| Guarantees (In Thousands) | | |
|------------------------------|-----------|---------------|
| Company | Guarantor | <u>Amount</u> |
| Field Services | CNG | \$160,600 |
| DOTEPI | CNG | 305,700 |
| DEMI | DRI | 301,000 |
| Greenbrier | DRI | 9,865 |
| DNGS | DRI | 265 |
| Cove Point | DRI | 589 |

ITEM 3 - ASSOCIATE TRANSACTIONS

Part I - Transactions Performed by Reporting Companies on Behalf of Associate Companies (g)

| <u>Reporting Company Rendering Service</u> | <u>Associate Company Receiving Service</u> | <u>Types of Services Rendered</u> | <u>Direct Costs Charged</u> | <u>Indirect Costs Charged</u> | <u>Cost of Capital</u> | <u>Total Amount Billed</u> |
|--|---|---|-------------------------------------|---------------------------------------|----------------------------|------------------------------------|
| DOES | Dominion Equipment, Inc. (h) | Engineering Services | \$11,340 | 0 | 0 | \$11,340 |
| DTECH | Dresden Energy, LLC (i) | Engineering Services | \$30,062 | 0 | 0 | \$30,062 |
| DTECH | Fairless Energy, LLC (i) | Engineering Services | \$155,225 | 0 | 0 | \$155,225 |
| Field Services | Dominion Transmission, Inc. (j) | Sales of Extracted Products, & Rental fees | \$4,491,732 | 0 | 0 | \$4,491,732 |
| Field Services | Dominion Exploration & Production, Inc. (k) | Fuel Management Services | \$62,119 | 0 | 0 | \$62,119 |
| Field Services | Dominion Appalachian Development Properties, L.L.C.(l) | Fuel Management Services | \$15,159 | 0 | 0 | \$15,159 |

(g) As per Rules 80 and 81, natural gas supply, storage or transportation capacity transactions are not reported hereunder. Services provided by or to Dominion Resources Services, Inc. ("DRS") are billed pursuant to standard at-cost service agreements between DRS and Dominion Resources, Inc. subsidiaries. Information with respect to transactions under such agreements is not provided in this report, but is provided by Form U-13-60.

(h) Services provided by DOES to Dominion Equipment, Inc. are provided pursuant to service agreements dated June 1, 2001 in the form of Exhibit B to the DRI Form U-9C-3 filed for the fourth quarter of 2001.

(i) Services provided by DTECH to Dresden Energy, LLC and Dominion Equipment III, Inc. as agent for Fairless Energy, LLC are provided pursuant to service agreements dated August 1, 2002 in the form of Exhibits D and E respectively, to the DRI Form U-9C-3 filed for the third quarter of 2002.

(j) Services provided by Field Services to DTI are provided pursuant to a service agreement dated April 23, 2001 in the form of Exhibit A(e) to the CNG Form U-9C-3 filed for the second calendar quarter of 2002.

(k) Services provided at cost.

(l) Services provided by Field Services to Dominion Appalachian Development, Inc. are provided pursuant to a service agreement dated May 1, 2002 in the form of Exhibit A(g) to the CNG Form U-9C-3 filed for the second calendar quarter of 2002.

Page 8

ITEM 3 - ASSOCIATE TRANSACTIONS (continued)

Part II - Transactions Performed by Associate Companies on Behalf of Reporting Companies (g)

| <u>Associate Company Rendering Service</u> | <u>Reporting Company Receiving Service</u> | <u>Types of Services Rendered</u> | <u>Direct Costs Charged</u> | <u>Indirect Costs Charged</u> | <u>Cost of Capital</u> | <u>Total Amount Billed</u> |
|--|--|---|-------------------------------------|---------------------------------------|----------------------------|------------------------------------|
| Dominion Retail, Inc. | DEDS (m) | Administrative & Management Services | \$ 729 | 0 | 0 | \$ 729 |
| DTI | Greenbrier (n) | Administration, Engineering, Operations & Maintenance Services | \$ 428,619 | \$16,479 | 0 | \$445,098 |
| DTI | Field Services (o) | Operations & Maintenance Services | \$198,736 | \$53,521 | 0 | \$252,257 |
| DTI | DNGS (p) | Administration, Engineering, Operations & Maintenance Services | \$19,853 | \$2,343 | 0 | \$22,197 |
| DTI | Tioga (q) | Administration, Engineering, Operations, Accounting, Marketing & Storage Services | \$90,827 | \$4,533 | 0 | \$95,360 |

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form U-9C-3

| | | | | | | |
|---|--|--|--------------|-----------|---|--------------|
| DTI | Cove Point LNG Limited Partnership (r) | Engineering, Operations & Maintenance Services | \$569,300 | \$152,800 | 0 | \$722,100 |
| Dominion Exploration & Production, Inc. | DOTEPI (s) | Operations & Maintenance of Gas Properties | \$11,085,775 | 0 | 0 | \$11,085,775 |

(m) Services provided by Dominion Retail, Inc. to DEDS are provided pursuant to service agreements dated June 1, 2002 in the form of Exhibit F to the DRI Form U-9C-3 filed for the third quarter of 2002.

(n) Amount represents 100% of the services provided by DTI to Greenbrier Pipeline Company, LLC which is owned 33% by a non-affiliated entity. Services provided by DTI to Greenbrier are provided pursuant to a service agreement dated January 1, 2001, in the form of Exhibit B to the CNG Form U-9C-3 filed for the first calendar quarter of 2001.

(o) Services provided by DTI to Field Services are provided pursuant to agreements in the form of Exhibit A(i) to the CNG Form U-9C-3 filed for the second calendar quarter of 2002.

(p) Services provided by DTI to DNGS are provided pursuant to a service agreement dated December 1, 2001 in the form of Exhibit A(l) to the CNG Form U-9C-3 filed for the third calendar quarter of 2002.

(q) A copy of the Service Agreement between DTI and Tioga Properties, LLC dated July 1, 2002 in the form of Exhibit A(o) to the CNG Form U-9C-3 filed for the fourth calendar quarter of 2002.

Page 9

(r) Services provided by DTI to Cove Point LNG Limited Partnership are provided pursuant to a service agreement dated August 30, 2002 in the form of Exhibit A(m) to the CNG Form U-9C-3 filed for the third calendar quarter of 2002.

(s) Services provided by Dominion Exploration & Production, Inc. to DOTEPI are provided pursuant to a Market Services Agreement dated November 1, 2001 in the form of Exhibit A(k) to the CNG Form U-9C-3 filed for the second calendar quarter of 2002.

ITEM 4 - SUMMARY OF AGGREGATE INVESTMENT

Investments in energy-related companies (in thousands):

| | | |
|--|------------------|--------|
| Total consolidated capitalization of DRI as of March 31, 2003 | \$27,850,460(t) | Line 1 |
| Total capitalization multiplied by 15% (Line 1 multiplied by 0.15) | <u>4,177,569</u> | Line 2 |
| Greater of \$50 million or line 2 | \$4,177,569 | Line 3 |

Total current aggregate investment:
(categorized by major line of
energy-related business)

Energy-related business by category

| | |
|------------|---------------|
| Category 2 | 10 |
| Category 5 | 301,537 |
| Category 6 | 13,703 |
| Category 7 | <u>10,513</u> |

Total current aggregate investment (u) 325,763 Line 4

Difference between the greater of \$50 million or 15% of capitalization and the total aggregate investment of the registered holding system (line 3 less line 4) 3,851,806 Line 5

Investments in gas-related companies (in thousands):

Total current aggregate investment:
(categorized by major line of gas-related
business) (v)

| | |
|--------------------------------|---------------------|
| Gas exploration and production | 2,554,986 |
| Gas sales and storage services | 471,370 |
| Gas transportation | <u>51,586</u> _____ |
| | <u>\$3,077,942</u> |

(t) Includes short-term debt of \$2,111.

(u) Includes guarantees of \$301,000.

(v) Includes guarantees of \$477,019.

Page 10

ITEM 5 - OTHER INVESTMENTS

| Major Line of Energy- <u>Related Business</u> | Other Investment in <u>Last U-9C-3 Report</u> | Other Investment in this <u>U-9C-3 Report</u> | Reason for Difference in <u>Other</u> <u>Investment</u> |
|--|--|--|---|
| None. | | | |

ITEM 6 - FINANCIAL STATEMENTS AND EXHIBITS

A. Financial Statements

Balance sheets as of March 31, 2003 and income statements for the quarter ended March 31, 2003 for the following companies are filed under confidential treatment pursuant to Rule 104(b):

DEDS

DEE

DAH

DETI

DMS

DCT

DOES

Wagram

DTECH

DEMI

Field Services

Greenbrier

DOTEPI

DNGS

Cove Point

Tioga

B. Exhibits

The certificate as to filing with interested state commissions is attached hereto as Exhibit A.

SIGNATURE

The undersigned registered holding companies have duly caused this quarterly report to be signed on their behalf by the undersigned attorney thereunto duly authorized pursuant to the requirements of the Public Utility Holding Company Act of 1935.

DOMINION RESOURCES, INC.

/s/ James F. Stutts

By: James F. Stutts
Its Attorney

CONSOLIDATED NATURAL GAS COMPANY

/s/ James F. Stutts

By: James F. Stutts
Its Attorney

May 29, 2003

Exhibit A

CERTIFICATE

The undersigned certifies that she is the duly designated and acting attorney of Dominion Resources, Inc., a Virginia corporation ("DRI") and Consolidated Natural Gas Company, a Delaware corporation ("CNG") and that:

The Combined Quarterly Report for DRI and CNG on Form U-9C-3 filed pursuant to Rule 58 for the quarter ended March 31, 2003 was filed with each state commission having jurisdiction over the retail rates of the public utility companies that are associate companies of any of the reporting companies.

The names and addresses of such state utility commissions are:

Utilities Department
Public Utility Commission of Ohio
180 Broad Street
Columbus, OH 43266-0573

Executive Secretary
West Virginia Public Service Commission
201 Brooks Street
Charleston, WV 25301

Secretary
Pennsylvania Public Utility Commission
North Office Building
Commonwealth Avenue and North Street
Harrisburg, PA 17101

General Counsel
Virginia State Corporation Commission
1300 East Main Street
10th Floor
Richmond, VA 23219

Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

IN WITNESS WHEREOF, I have hereunto set my hand as of the 29th day of May, 2003.

/s/ Sharon L. Burr

Sharon L. Burr
Attorney for
Dominion Resources, Inc.
Consolidated Natural Gas Company