DOMINION RESOURCES INC /VA/
Form DEF 14A
March 26, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Dominion Resources, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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2014 Proxy Statement Contents

Important Notice Regarding the Availability of Proxy Materials for

Dominion s 2014 Annual Meeting of Shareholders to be Held on May 7, 2014

Dominion s Notice of Annual Meeting, 2014 Proxy Statement, 2013 Summary Annual Report

and 2013 Annual Report on Form 10-K are available on our website at

www.dom.com/proxy

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Notice of Annual Meeting

Dominion Resources, Inc.

P.O. Box 26532

Richmond, Virginia 23261

March 26, 2014

Dear Fellow Shareholder:

On May 7, 2014, Dominion Resources, Inc. (Dominion) will hold its 2014 Annual Meeting of Shareholders at the InterContinental Cleveland Conference Center, 9801 Carnegie Avenue, Cleveland, OH 44106. The meeting will begin at 9:30 a.m. Eastern Time. Only shareholders who owned stock at the close of business on March 21, 2014, may vote at this meeting or any adjournments that may take place.

Matters to be voted on at this meeting are as follows:

- Election of the 11 director nominees named in this Proxy Statement;
- Ratification of the appointment of Deloitte & Touche LLP as our independent auditors for 2014;
- Advisory vote on approval of executive compensation (Say on Pay);
- Approval of the 2014 Incentive Compensation Plan;
- Six shareholder proposals, if presented; and
- Consideration of other business properly presented at the meeting.

We are pleased to deliver proxy materials again this year to shareholders over the Internet. Utilizing Internet delivery allows us to distribute our proxy materials in an environmentally responsible and cost-effective manner. For more information, please see the Notice Regarding the Availability of Proxy Materials narrative on page 5.

This Proxy Statement, our 2013 Summary Annual Report and Dominion s Annual Report on Form 10-K for the year ended December 31, 2013, will be made available to shareholders electronically on or around March 26, 2014, or mailed on or around the same date to those shareholders who have previously requested printed materials. For information on voting your shares and attending the meeting, please see pages 5-8. For your convenience and to expedite the registration process at the meeting, we are making Admission Tickets available in advance. If you plan to attend the meeting, please follow the instructions on page 7.

Please vote your proxy as soon as possible. Your vote is very important to us, and we want your shares to be represented at the meeting.

By Order of the Board of Directors,

Carter M. Reid

Senior Vice President,

Chief Administrative and Compliance Officer

and Corporate Secretary

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Proxy Statement Summary

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting.

Annual Meeting of Shareholders

Date and Time:	May 7, 2014, 9:30 a.m.
Place:	InterContinental Cleveland Conference Center, 9801 Carnegie Avenue, Cleveland, OH 44106
Record date:	March 21, 2014
Voting:	Shareholders as of the record date are entitled to vote. Each share of Dominion common stock is entitled to one vote on each matter properly brought before the 2014 Annual Meeting.
Admission:	We strongly encourage you to request an Admission Ticket to attend the 2014 Annual Meeting by emailing shareholder.services@dom.com or by contacting Dominion Shareholder Services at (800) 552-4034. See page 7 for additional information. Admission Tickets are not transferrable.

Voting Matters

	Board Vote Recommendation	Page Reference (for more detail)
Election of Director Nominees Named in this Proxy Statement	FOR each director nominee	Page 19
Ratification of the Appointment of Deloitte & Touche LLP as our Independent Auditors for 2014	FOR	Page 26
Advisory Vote on Approval of Executive Compensation	FOR	Page 61
Approval of the 2014 Incentive Compensation Plan	FOR	Page 62
All Shareholder Proposals	AGAINST	Page 68

Board Nominees

The following table provides summary information about each director nominee. Each director nominee is elected annually by a majority of votes cast unless there is a contested election, in which case the election is by plurality vote.

Nominee	Age	Director Since	Principal Occupation	Committees
William P. Barr	63	2009	Retired Executive Vice President and General Counsel of Verizon Communications Inc.; Former Attorney General of the United States	A; C
Peter W. Brown, M.D.	71	2002	Physician in private practice at Virginia Surgical Associates, P.C.	F
Helen E. Dragas	52	2010	President and CEO of The Dragas Companies	A
James O. Ellis, Jr.	66	2013	Former President and CEO of the Institute of Nuclear Power Operations	A
Thomas F. Farrell II	59	2005	Chairman, President & CEO of Dominion	
John W. Harris	66	1999	President and CEO of Lincoln Harris LLC	F^; C
Mark J. Kington	54	2005	Managing Director of Kington Management, LLC	C; F
Pamela J. Royal, M.D.	51	2013	Dermatologist and President of Royal Dermatology and Aesthetic Skin Care, Inc. and community leader	A
Robert H. Spilman, Jr.	57	2009	President and CEO of Bassett Furniture Industries, Incorporated	A; F
Michael E. Szymanczyk	65	2012	Former Chairman and CEO of Altria Group, Inc.	F
David A. Wollard	76	1999	Founding Chairman, Emeritus, Exempla Healthcare	A^; C

A=Audit; C=Compensation, Governance and Nominating; F=Finance and Risk Oversight; ^ Denotes Chairman of Committee

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2013 Business Highlights

Dominion s one- and three-year total shareholder return (TSR) of 29.65% and 70.56%, respectively, outperformed the Compensation Peer Group median and the Philadelphia Stock Exchange Utility Index. Dominion s three-year TSR also exceeded the S&P 500 for the same period and was slightly under the TSR for the one-year period.

The Board increased the annual dividend rate by 6.6% from $2.11 per share for 2012 to $2.25 per share for 2013.
Dominion s market capitalization was $37.6 billion as of December 31, 2013, which ranked second relative to our Compensation Peer Group.
Consolidated operating earnings for 2013 were $3.25 per share, up from $3.09 per share in 2012, and within our guidance range of $3.20 to $3.50 per share.* Consolidated earnings reported under Generally Accepted Accounting Principles (GAAP) were $2.93 per share in 2013, up from $0.53 per share in 2012.

Our commitment to safety as a priority and as a core value was evident as Dominion s safety metrics continued to improve. Company-wide, Dominion recorded all-time bests for Occupational Safety and Health Administration (OSHA) recordable and lost-time restricted duty rates in 2013, reducing 2012 rates by 10% and 6%, respectively.
Our businesses continued to strive for operational excellence in 2013, which was evidenced by a new fleet nuclear net capacity factor of 93.7%, beating the 2009 record of 93.1%, and a System Average Interruption Duration Index (SAIDI) of 106.3 minutes, excluding major storms, which was the best performance in more than a decade.

* *See **Reconciliation of 2012 and 2013 Consolidated Operating Earnings to Reported Earnings** on page 46. Operating earnings per share (EPS) presented above for 2012 have been recast to reflect the results of Brayton Point and Kincaid as discontinued operations. Excluding the recast of Brayton Point and Kincaid as discontinued operations, operating EPS for 2012 were $3.05, reflecting 6.5% operating EPS growth from 2012 to 2013.*

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Advisory Vote on Approval of Executive Compensation

We are asking shareholders to approve, on a non-binding, advisory basis, the compensation of our named executive officers (NEOs). In evaluating this Say on Pay proposal, we recommend you review our Compensation Discussion and Analysis, which discusses the compensation objectives and principles that underlie Dominion s executive compensation program and how performance is measured, evaluated and rewarded.

Approval of the 2014 Incentive Compensation Plan

We are asking shareholders to approve the 2014 Incentive Compensation Plan. Approval of this plan would allow a continuation of the current design of our executive compensation program. If the 2014 Incentive Compensation Plan is approved by shareholders, unused shares under the current plan will cease to be available for issuance under the company s equity compensation plans.

Compensation Highlights

Based on strong performance and other factors, the Compensation, Governance and Nominating (CGN) Committee approved a 3% base salary increase for Messrs. Farrell, Christian, Koonce, Heacock and Sypolt and a 5% base salary increase for Mr. McGettrick for 2013.
The company disclosed $3.25 consolidated operating earnings per share* for the year ended December 31, 2013, which included 100% funding for the 2013 Annual Incentive Plan (AIP).
Payout under the 2012 Performance Grants was 98.9% of target. The payout was entirely due to TSR performance in the 84th percentile versus our performance grant peer group over the two-year period ended December 31, 2013. Return on invested capital (ROIC) percentage was 7.25% which was below the threshold for any payout. Dominion s two-year TSR for the period ended December 31, 2013, was 32.0%.
As part of the CGN Committee s review of the company s long-term incentive program, the target 2013 long-term incentive awards were increased generally for officers, including each of the NEOs. This was the first general increase in target awards since the long-term incentive program began in 2006. The increased target award levels reflects the CGN Committee s continued desire to place a significant portion of the NEOs pay at risk, ongoing focus on achieving Dominion s long-term growth plan and effort to provide total direct compensation that is competitive. As a result, approximately 88% of Mr. Farrell s targeted total direct compensation and an average of 77% of the other NEOs targeted total direct compensation is performance-based, tied to pre-approved performance metrics or tied to the performance of Dominion s stock.
Effective July 1, 2013, the CGN Committee closed the Executive Supplemental Retirement Plan to new participants.

* *See **Reconciliation of 2013 Consolidated Operating Earnings to Reported Earnings** on page 46.*

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Questions and Answers About the Annual Meeting and Voting

Why did I receive these proxy materials?

You received these materials because you owned shares of Dominion Resources, Inc. (Dominion) common stock as of March 21, 2014, and are therefore eligible to vote at Dominion s Annual Meeting of Shareholders to be held on May 7, 2014 (the 2014 Annual Meeting). These materials allow you to exercise your right to vote at the 2014 Annual Meeting and provide you with important information about Dominion and the items to be presented for a vote at this meeting.

Why did I receive a Notice Regarding the Availability of Proxy Materials instead of printed proxy materials?

Most shareholders received a Notice Regarding the Availability of Proxy Materials (the Notice) instead of a full set of printed proxy materials. The Notice provides access to proxy materials in a fast and efficient manner via the Internet. This reduces the amount of paper necessary to produce these materials, as well as costs associated with mailing these materials to shareholders. On or around March 26, 2014, we will begin mailing the Notice to certain shareholders of record as of March 21, 2014, and post our proxy materials on the website referenced in the Notice. As more fully described in the Notice, shareholders may choose to access our proxy materials on the website or may request to receive a printed set of our proxy materials. The Notice and website provide information regarding how you may request to receive proxy materials in printed form by mail or electronically by email for this meeting and on an ongoing basis. Shareholders who previously requested printed proxy materials or electronic materials on an ongoing basis received those materials in the format requested.

What is a proxy?

A proxy is your legal designation of another person to vote your shares at the 2014 Annual Meeting. The person you designate is called a proxy. When you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card.

The proxy card accompanying this Proxy Statement is solicited by your Board of Directors (the Board) for the 2014 Annual Meeting. By signing and returning it, you will be designating two non-employee members of the Board and Dominion s Corporate Secretary as proxies to vote your shares at the 2014 Annual Meeting based on your direction. You also may vote your shares by telephone or over the Internet as described below.

Who is entitled to vote?

All shareholders who owned Dominion common stock at the close of business on March 21, 2014 (the record date), may vote. Each share of Dominion common stock is entitled to one vote on each matter properly brought before the 2014 Annual Meeting. There were 581,604,130 shares of Dominion common stock outstanding on the record date.

What are the matters on which I will be casting a vote?

You will be voting on the following:

- Election of the 11 director nominees named in this Proxy Statement;
- Ratification of the appointment of Deloitte & Touche LLP as our independent auditors for 2014;
- Advisory vote on approval of executive compensation (Say on Pay);
- Approval of the 2014 Incentive Compensation Plan;
- Six shareholder proposals, if presented; and
- Other business properly presented at the meeting.

Your Board is soliciting this proxy for the 2014 Annual Meeting and recommends that you vote **FOR** all of the director nominees named in this Proxy Statement, **FOR** the ratification of the appointment of Deloitte & Touche LLP as our independent auditors for 2014, **FOR** approving, on non-binding advisory basis, the executive compensation of those officers named in this Proxy Statement and **FOR** the approval of our 2014 Incentive Compensation Plan.

Your Board recommends that you vote **AGAINST** all of the shareholder proposals.

How do I vote my shares?

Your voting method varies depending on whether you are a Shareholder of Record, Beneficial Owner or participant in a Dominion Employee Savings Plan.

Shareholders of Record

If your shares are registered directly in your name on Dominion s records (including any shares held in Dominion Direct®, Dominion s direct stock purchase and dividend reinvestment plan), you are considered, for those shares, to be the Shareholder of Record. The proxy materials or Notice have been sent directly to you by Dominion.

If you received your proxy materials in the mail, you may vote your shares by proxy over the Internet, by telephone or by returning your proxy card by mail in the envelope provided. Instructions to vote over the Internet or by telephone are printed on your proxy card. If you received an electronic or paper Notice, you may vote over the Internet using the instructions provided. All votes must be received by the proxy tabulator no later than 6:00 a.m. Eastern Time on the day of the 2014 Annual Meeting.

If you attend the 2014 Annual Meeting, you may vote your shares in person. For identification requirements, please see *What do I need to bring to be admitted to the 2014 Annual Meeting?* on page 7.

You may revoke your proxy and change your vote before the 2014 Annual Meeting by submitting a written notice to our Corporate Secretary, by submitting a later dated and properly signed proxy (including by means of a telephone or Internet vote), or by voting in person at the 2014 Annual Meeting.

All shares will be voted according to your instructions if you properly vote your proxy by one of the methods listed above. If you sign your proxy card but do not specify how you want your shares voted on any matter, you will be deemed to have directed the proxies to vote your shares as recommended by the Board. However, no vote will be recorded if you do not properly sign your proxy card, regardless of whether you specify how you want your shares voted.

Beneficial Owners

If your shares are held in a stock brokerage account or by a bank or other Shareholder of Record, you are considered a Beneficial Owner of shares held in street name. The proxy materials or Notice, including voting and revocation instructions, have been forwarded to you by the institution that holds your shares. As the Beneficial Owner, you have the right to direct your broker, bank or other Shareholder of Record on how to vote your shares.

Follow the instructions on the voting instruction form or Notice provided to you by the institution that holds your shares.

To vote in person at the 2014 Annual Meeting, you must present a valid picture identification and a legal proxy provided by the institution that holds your shares.

If you do not provide your broker with timely voting instructions, your broker will not be able to vote on most of the items on the agenda of the 2014 Annual Meeting.

Please see *What is discretionary voting by brokers?* on page 7.

Dominion Employee Savings Plan Participants

If your shares are held under one of the company s Employee Savings Plans (the Plans), you are considered the Beneficial Owner of shares held in your plan account. The Notice has been forwarded to you by the Trustee for the Plans. As the Beneficial Owner, you have the right to direct the Trustee on how to vote your shares.

Only the Trustee can vote your Plan shares. To allow sufficient time for the Trustee to vote your shares, your voting instructions must be received by 6:00 a.m. Eastern Time, May 1, 2014.

You may revoke or change your voting instructions any time prior to the deadline by submitting a later dated Internet vote or by submitting a written notice to the agent for the Plan Trustee, Corporate Election Services, at P.O. Box 125, Pittsburgh, PA 15230-0125.

The Trustee will vote according to your instructions, except as otherwise provided in accordance with the Employee Retirement Income Security Act of 1974, as amended. The Trustee will keep your vote confidential. Under the terms of the Plans, you are not allowed to vote your own Plan shares, even if you attend the meeting in person.

If you do not vote your Plan shares or if you return your voting instruction card signed with no direction given, your shares will be voted by the Trustee as directed by the independent fiduciary hired by the Plan Administrator.

What is discretionary voting by brokers?

If you hold your shares in street name and you do not provide your broker with timely voting instructions, New York Stock Exchange (NYSE) rules permit brokerage firms to vote at their discretion on certain routine matters. At this meeting, the only routine matter is the ratification of the appointment of Deloitte & Touche LLP as our independent auditors. Brokerage firms may not vote without instructions from you on the following matters: election of directors, advisory vote on approval of executive compensation (Say on Pay), approval of the 2014 Incentive Compensation Plan or on any of the shareholder-presented proposals. Without your voting instructions on items that require them, a broker non-vote will occur.

How many shares must be present to hold the 2014 Annual Meeting?

In order for us to conduct the 2014 Annual Meeting, a majority of the shares outstanding on the record date of March 21, 2014, must be present in person or represented by proxy. This is referred to as a quorum. Your shares are counted as present if you attend the 2014 Annual Meeting in person or if you return a properly executed proxy by mail or place your vote over the Internet or by telephone.

What are the voting requirements to elect the directors and to approve each of the proposals in this Proxy Statement?

Our Bylaws and Corporate Governance Guidelines require that directors be elected by a majority of the votes cast unless the election is contested. A majority of votes cast means that the number of shares voted for a director exceeds the number of votes cast against the director. In a contested election, where the number of nominees for director exceeds the number of directors to be elected, directors are elected by a plurality of the votes cast. All other items on the agenda, which are management and shareholder proposals, will be approved if the votes cast favoring the action exceed the votes cast opposing the action. Broker discretionary voting is permitted only for Item 2, which is the proposed ratification of the appointment of our independent auditors. Broker non-votes or abstentions will not be counted as a vote cast in favor or against any of the items presented.

Will any other matters be voted on at the 2014 Annual Meeting?

Management and the Board are not aware of any matters that may properly be brought before the 2014 Annual Meeting other than the matters disclosed in this Proxy Statement. If any other matters not disclosed in this Proxy Statement are properly presented at the 2014 Annual Meeting for consideration, the person or persons voting the proxies solicited by the Board for the meeting will vote them in accordance with their best judgment.

Do I have to attend the 2014 Annual Meeting in order to vote my shares?

No. Whether or not you plan to attend this year s meeting, you may vote your shares by proxy. It is important that all Dominion shareholders participate by voting, regardless of the number of shares owned.

What do I need to bring to be admitted to the 2014 Annual Meeting?

We strongly encourage you to request an Admission Ticket in advance of the meeting by emailing shareholder.services@dom.com or by contacting Dominion Shareholder Services at (800) 552-4034. In order to expedite the registration process, shareholders who attend the meeting will be asked to present an Admission Ticket and valid picture identification, such as a driver s license or passport. Admission Tickets are not transferrable.

If you do not request an Admission Ticket in advance, you must present valid picture identification and proof of ownership of your Dominion shares as of the record date to be admitted to the 2014 Annual Meeting. For purposes of admission to the 2014 Annual Meeting, proof of ownership may be any of the following:

- Dominion account statement
- Brokerage account statement
- A letter from the bank or broker that holds your shares

If you are a Beneficial Owner and plan to vote at the meeting, you must bring the legal proxy that was provided to you by the institution that holds your shares. If you are an authorized proxy and plan to vote at the meeting, you must present the proper documentation. In all cases, valid photo identification is also required.

Use of cameras, cell phones, recording devices and other electronic devices will not be permitted during the meeting. Rules of the meeting will be printed on the back of the agenda that will be given to you at the meeting.

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Will seating be limited at the 2014 Annual Meeting?

Yes. Seating will be limited and shareholders will be admitted on a first-come, first-served basis. Registration will begin one hour before the start of the meeting. Having an Admission Ticket will expedite your registration.

Will shareholders be given the opportunity to ask questions at the 2014 Annual Meeting?

Yes. The Chairman will answer questions asked by shareholders during a designated portion of the meeting. When speaking, shareholders must direct questions and comments to the Chairman and limit their remarks to matters that relate directly to the business of the meeting. For other rules, please see the back of the agenda that will be given to you at the meeting.

Who will pay for the cost of this proxy solicitation and who will count the votes?

Dominion will pay for the cost of soliciting proxies. Some of our employees may telephone shareholders after the initial mail solicitation, but will not receive any special compensation for making the calls. We have also retained Georgeson Inc., a proxy solicitation firm, to assist in the solicitation of proxies for a fee of $14,000 and reimbursement of expenses. In addition, we may reimburse brokerage firms and other custodians, nominees and fiduciaries for their reasonable expenses in sending proxy materials to the Beneficial Owners of stock. We have retained Corporate Election Services, Inc. to tabulate the votes and to assist with the 2014 Annual Meeting.

Can I access the Notice of Annual Meeting, 2014 Proxy Statement, 2013 Summary Annual Report and 2013 Annual Report on Form 10-K over the Internet?

Yes. These documents may be viewed at www.dom.com/proxy or at the website address provided on your proxy card or voting instructions.

How can I access future proxy materials and annual reports on the Internet?

If you received the printed proxy materials this year, you can consent to access these materials electronically in the future by marking the appropriate box on your proxy card or by following the instructions provided when voting by telephone. You will receive a proxy card by mail next year with instructions containing the Internet address to access these documents. If you vote by Internet, you will have the opportunity to consent to receive an email message when future proxy materials are available to view online. By agreeing to access your proxy materials online, you will save Dominion the cost of producing and mailing documents to you, and help preserve environmental resources. Your choice will remain in effect unless you notify Dominion that you wish to resume mail delivery of these documents. You can request paper copies of these documents by writing us at Dominion Resources, Inc., Shareholder Services, P.O. Box 26532, Richmond, VA 23261; by calling us at (800) 552-4034; or by emailing us at shareholder.services@dom.com.

If you are a Beneficial Owner of shares, please refer to the information provided by the institution that holds your shares for instructions on how to elect this option.

What is householding and how does it affect me?

Householding refers to practices used to reduce the number of copies of proxy materials sent to one address. For Shareholders of Record who received printed proxy materials, a single copy of the 2014 Proxy Statement, 2013 Summary Annual Report and 2013 Annual Report on Form 10-K (annual report package) has been sent to multiple shareholders who reside at the same address, unless we have received instructions from you to the contrary. Any shareholder who would like to receive a separate annual report package may call or write us at the telephone number and address above, and we will promptly deliver it. If you received multiple copies of the annual report package and would like to receive combined mailings in the future, please contact us as shown above. Beneficial Owners of shares should contact the institution that holds the shares regarding combined mailing.

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Corporate Governance and Board Matters

The Board is charged with the responsibility of overseeing Dominion s management, as well as the business and affairs of Dominion, on behalf of its shareholders. The Board and management also recognize that the interests of Dominion are advanced by responsibly addressing the concerns of other constituencies, including employees, customers and the communities in which Dominion operates. Dominion s Corporate Governance Guidelines are intended to support the Board in its oversight role and in fulfilling its obligation to shareholders. Our Corporate Governance Guidelines address, among other things, the composition and responsibilities of the Board, director independence standards, details of our Bylaws concerning the election of directors by majority vote, the duties and responsibilities of our Lead Director, stock ownership requirements and compensation of non-employee directors, management succession and review, and the recovery of performance-based compensation in the event financial results are restated due to fraud or intentional misconduct. The CGN Committee regularly reviews our Corporate Governance Guidelines and recommends modifications of these guidelines to the Board when appropriate and when the NYSE and U.S. Securities and Exchange Commission (SEC) regulations require changes.

Our Corporate Governance Guidelines may be found on Dominion s website at www.dom.com/investors/corporate-governance/pdf/corp_gov_guidelines.pdf. In addition to our Corporate Governance Guidelines, other information relating to governance may be found on the governance page of our website, www.dom.com/investors/corporate-governance/index.jsp, including:

- Information regarding the current members of our Board of Directors;
- A description of each of our Board committees (Audit, CGN, and Finance and Risk Oversight), as well as each committee s current charter and members;
- Our Articles of Incorporation;
- Our Bylaws;
- Our related party transaction guidelines;
- Information related to our political contributions and lobbying activities; and
- Information about how to communicate with our non-management directors.

Our Code of Ethics and Business Conduct applies to our Board of Directors, our principal executive, financial and accounting officers, and all other employees, and may be found on our website at www.dom.com/investors/corporate-governance/governance-policies-and-guidelines.jsp. Any waivers or changes to our Code of Ethics and Business Conduct relating to our executive officers will also be posted at this web address.

You may request a paper copy of our Code of Ethics and Business Conduct or any other governance document at no charge by writing to our Corporate Secretary at Dominion Resources, Inc., P.O. Box 26532, Richmond, Virginia 23261, or by calling us at (800) 552-4034.

Director Independence

Our Corporate Governance Guidelines and the NYSE listing standards require that our Board be composed of a majority of independent directors. To assist in assessing director independence, our Board has adopted a set of independence standards that meets the independence requirements of the NYSE listing standards. In applying our independence standards and applicable SEC and NYSE criteria, the Board considers relevant facts and circumstances in making an independence determination.

Our independence standards also include categorical standards that identify categories of commercial and charitable relationships that the Board has determined are not material relationships and, therefore, do not affect a director s independence. As such, these categorical relationships are not considered by the Board in determining independence, but are reported to the CGN Committee annually. Our Board may determine that a director is independent even if that director has a relationship that does not meet these categorical standards, provided that relationship does not violate NYSE rules. If such a determination is made, the basis for the Board s determination will be explained in Dominion s next proxy statement. The full text of our independence standards is included in the appendix to our Corporate Governance Guidelines and may be found on our website at www.dom.com/investors/corporate-governance/pdf/corp_gov_guidelines.pdf.

Our Audit Committee and CGN Committee charters also contain additional independence requirements for each committee s members. Our Audit Committee charter prohibits committee members from receiving any compensation from Dominion except in their capacity as a director or committee member, or as permitted by SEC rules with respect to fixed amounts of compensation under a retirement plan for prior services. Our CGN Committee charter specifies that all members of the committee must meet the requirements to be considered outside directors under Section 162(m) of the Internal Revenue Code (the Code) as well as the requirements to be non-employee directors as prescribed by SEC rules.

Based on the NYSE s and Dominion s independence standards and all relevant facts and circumstances, the Board determined that the following directors are independent: Messrs. Barr, Ellis, Harris, Jepson, Kington, Spilman and Wollard, Drs. Brown and Royal, and Ms. Dragas. The Board determined that Mr. Farrell is not independent because he is a current Dominion employee. The Board also determined that Mr. Szymanczyk is not independent under the NYSE s and Dominion s independence standards because he served as the Chief Executive Officer (CEO) of Altria Group, Inc., at the same time Mr. Farrell served on the compensation committee of Altria Group, Inc.

In determining the independence of Mr. Harris, the CGN Committee considered the employment of an adult, financially independent immediate family member during 2013 by a law firm that provides services to Dominion and concluded that Mr. Harris did not have a material interest in that employment relationship. Mr. Harris son-in-law is employed by the North Carolina office of a law firm used by Dominion. Dominion s legal work is directed and performed principally by the firm s lawyers in the Richmond, Virginia, office where Dominion s headquarters are located. Mr. Harris son-in-law became employed by the law firm in January 2011 as an attorney in the financial services litigation practice group and works primarily on matters for banks and other financial service industry participants. Mr. Harris son-in-law does not work on any Dominion matter and his compensation is not tied to the work that the firm does for Dominion. The CGN Committee recommended and the Board concurred that such employment relationship does not affect Mr. Harris independence.

In determining the independence of Dr. Brown, the CGN Committee considered the employment of an adult, financially independent immediate family member during 2013 by Dominion. Dr. Brown s daughter is a staff attorney with Dominion s services company. She is not an executive officer of Dominion or any of its subsidiaries. The CGN Committee recommended and the Board concurred that such employment relationship does not affect Dr. Brown s independence.

Related Party Transactions

The Board has adopted related party transaction guidelines for the purpose of identifying potential conflicts of interest arising out of financial transactions, arrangements and relations between Dominion and any related person. Under our guidelines, a related person is a director, executive officer, director nominee, beneficial owner of more than 5% of Dominion s common stock or any immediate family member of one of the foregoing persons. A related party transaction is any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships in excess of $120,000 in which Dominion (and/or any of its consolidated subsidiaries) is a party and in which the related person has or will have a direct or indirect material interest.

In determining whether a direct or indirect interest is material, the significance of the information to investors in light of all circumstances is considered. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved are among the factors considered in determining the significance of the information to investors.

The CGN Committee has reviewed certain categories of transactions and determined that transactions between Dominion and a related person that fall within such categories will not result in the related person receiving a direct or indirect material interest. Under our guidelines, such transactions are not deemed related party transactions and, therefore, are not subject to review by the CGN Committee. The categories of excluded transactions include, among other items, compensation and expense reimbursements paid to directors and executive officers in the ordinary

course of performing their duties; transactions with other companies where the related party s only relationship is as an employee, if the aggregate amount involved does not exceed the greater of $1 million or 2% of that company s gross revenues; and charitable contributions that are less than the greater of $1 million or 2% of the charity s annual receipts. The full text of the guidelines can be found on our website at www.dom.com/investors/corporate-governance/pdf/related_party_guidelines.pdf.

We collect information about potential related party transactions in our annual questionnaires completed by directors and executive officers. Management reviews the potential related party transactions and assesses whether any of the identified transactions constitutes a related party transaction. Any identified related party transaction is then reported to the CGN Committee. The CGN Committee reviews and considers relevant facts and circumstances and determines whether to approve or ratify the related party transactions identified. The CGN Committee may approve or ratify only those related party transactions that are in, or are not inconsistent with, the best interests of Dominion and its shareholders and that are in compliance with our Code of Ethics and Business Conduct.

Other than as described below, since January 1, 2013, there have been no related party transactions that were required either to be approved or ratified under Dominion s related party transaction guidelines or reported under the SEC s related party transaction rules.

During 2013, Ms. Mathews, the adult, financially independent daughter of Dr. Brown, was employed by Dominion s services company as a staff attorney. Ms. Mathews total compensation for 2013 was approximately $177,000, and she was eligible for company benefits available to all other employees in a similar position. The transaction involving the compensation paid to Ms. Mathews was reviewed and approved by the CGN Committee in accordance with Dominion s related party transaction guidelines.

During 2013, three providers of asset management services were also beneficial owners of at least 5% of Dominion common stock: BlackRock, Inc. (BlackRock), Capital Research Global Investors (Capital Research), and The Vanguard Group (Vanguard). The nature and value of services provided by these 5% shareholders and their affiliates are described below.

- Affiliates of BlackRock provided asset management services to the company s pension plan and received approximately $424,500 in fees for such services in 2013.
- Affiliates of Capital Research provided asset management services to various trusts associated with the company s employee benefit plans and received approximately $6,010,000 in fees for such services in 2013. According to its Schedule 13G filed on February 13, 2014, Capital Research ceased to be a 5% shareholder of Dominion common stock as of December 31, 2013.
- Affiliates of Vanguard provided asset management services to various trusts associated with the company s employee benefit plans and received approximately $530,000 in fees for such services in 2013.

In all cases, the investment management agreements were entered into on an arm s-length basis in the ordinary course of business. These transactions were reviewed and approved in accordance with Dominion s related party transaction guidelines.

Board Leadership Structure And Role In Risk Oversight

Our Corporate Governance Guidelines provide that our Board will determine whether to have a joint CEO and Chairman position or whether to separate these offices, taking into consideration succession planning, skills and experience of the individuals filling these positions and other relevant factors. The Board believes that the most effective leadership structure for Dominion at this time is for Mr. Farrell to serve as both Dominion s CEO and Chairman of the Board of Directors for the reasons set forth below.

The Board believes a combined CEO and Chairman position provides an efficient and effective leadership model for the company. A combined CEO and Chairman role promotes unified leadership and direction for the company and the effective execution of the company s strategy and business plans. The Board believes Mr. Farrell provides the necessary experience and skills to lead the company in addressing the energy demands of the regions where Dominion does business, financial and economic issues, and environmental and regulatory challenges of the future.

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The Board believes there is no single best leadership structure that is the most effective in all circumstances, and may decide to separate the positions of CEO and Chairman in the future if it deems it appropriate and in the best interests of the company. The Board has adopted governance policies and practices to ensure a strong and independent board that provides balance to the combined CEO and Chairman position. All directors, except for Messrs. Farrell and Szymanczyk, are independent and our Audit and CGN Committees of the Board consist entirely of independent directors. Dominion also has a Lead Director who leads the executive session of our independent, non-management directors at each regularly scheduled Board meeting. Our Corporate Governance Guidelines designate the Chairman of the CGN Committee as Dominion s Lead Director when the Chairman of the Board is not an independent director. Currently, Mr. Jepson is Chairman of the CGN Committee and serves as the Lead Director. The duties and responsibilities of the Lead Director include:

- Presiding at all meetings of the Board when the Chairman of the Board is not present, including executive sessions of the independent directors;
- Serving as a liaison on Board-wide issues between the Chairman of the Board and the independent directors;
- Having the authority to call meetings of the independent directors, as needed;
- Approving Board meeting agendas and information sent to the Board;
- Approving Board meeting schedules to assure sufficient time for discussion of all agenda items;
- Being available for communications if requested by major shareholders; and
- In consultation with the Board, being authorized to retain independent advisers and consultants on behalf of the Board.

Our Lead Director also leads the evaluation of the performance of our CEO, oversees the Board s annual self-evaluation, encourages and facilitates active participation of all directors and monitors and coordinates with management on corporate governance issues and developments. The Board believes that designating a Lead Director, as well as having a majority of independent directors, provides an effective counterbalance to the combined Chairman and CEO role.

Board members also have complete and open access to management, as well as our independent auditor and the CGN Committee s independent compensation consultant.

The Board believes that Dominion s current Board leadership structure enhances its ability to engage in risk oversight because Mr. Farrell s understanding and insights of the material risks inherent in Dominion s business position him to identify and raise key risks to the Board. His role as Chairman ensures that the Board and its standing committees give attention to areas of concern. Ultimately, the full Board has responsibility for risk oversight, but our committees help oversee risk in areas over which they have responsibility. The full Board receives regular updates related to various risks for both our company and our industry. As provided under our Corporate Governance Guidelines and the respective committees charters, the Board of Directors and the Audit and Finance and Risk Oversight Committees receive and discuss reports regularly from members of management, including the Chief Risk Officer, who are involved in the risk assessment and risk management functions on a daily basis. In addition, the CGN Committee reviews with management an annual assessment of the overall structure of the company s compensation program and key policies for all employees as they relate to the company s risk management practices.

Executive Sessions Of Directors

Executive sessions of our non-management, independent directors are held at each regularly scheduled Board meeting and are presided over by our Lead Director, who is also the Chairman of the CGN Committee.

Committees And Meeting Attendance

Under our Corporate Governance Guidelines, directors are expected to attend all Board and committee meetings. The Board met eleven times in 2013. Each Board member attended at least 75% of all Board and committee meetings on which he or she served. All of our directors, except for Mr. Ellis, who was elected to the Board effective with the 2013 Annual Meeting, attended the 2013 Annual Meeting of Shareholders.

The Board has established the following standing committees of the Board to assist with the performance of its responsibilities: Audit Committee, CGN Committee, and Finance and Risk Oversight Committee. The Board has adopted charters for each of these committees and these charters are available on our website at www.dom.com/investors/corporate-governance/board-committees-and-charters.jsp.

Audit Committee

The members of the Audit Committee are David A. Wollard (chairman), William P. Barr, Helen E. Dragas, James O. Ellis, Jr., Pamela J. Royal and Robert H. Spilman, Jr. Each member of the Audit Committee has been determined independent by the Board in accordance with NYSE listing standards, SEC regulations and the company s independence standards. The Board has also determined Messrs. Spilman and Wollard, Ms. Dragas and Dr. Royal are audit committee financial experts as defined under SEC rules. This committee is responsible for assisting the Board with oversight of the independence, performance and qualification of our independent auditor; the integrity of Dominion s financial statements and reporting practices; the company s compliance with legal and regulatory requirements; and the performance of the company s internal audit function. This committee also reviews and discusses policies with respect to risk assessment and risk management.

The Audit Committee also retains the independent auditor for the next year and pre-approves the audit and non-audit services provided by the independent auditor. This committee periodically meets with both the independent auditor and internal auditor in separate sessions without management present. This committee also consults with the independent and internal auditors regarding audits of Dominion s consolidated financial statements and the adequacy of internal controls. The Audit Committee s report to shareholders is on pages 24 and 25. In 2013, this committee met nine times.

Compensation, Governance and Nominating Committee

The members of the CGN Committee are Robert S. Jepson, Jr. (chairman), William P. Barr, John W. Harris, Mark J. Kington and David A. Wollard. Each member of the CGN Committee has been determined independent by the Board in accordance with NYSE listing standards, SEC regulations and the company s independence standards. This committee consults directly with its independent compensation consultant, Frederic W. Cook & Co. (Cook & Co.), as needed, and with management to review and evaluate Dominion s organizational structure and compensation practices, which include both Dominion s executive and director compensation programs. This committee also meets with Cook & Co. as needed, without the CEO present, to review and discuss CEO compensation and other matters. The company s processes for the consideration and determination of executive and director compensation, including the roles of the CGN Committee, management and Cook & Co. in designing our executive and director compensation programs, are discussed in *Compensation Discussion and Analysis* and *Non-Employee Director Compensation*.

The CGN Committee is also responsible for overseeing Dominion s corporate governance practices, evaluating the Board s effectiveness and reviewing the qualifications of director candidates. It makes recommendations to the Board regarding all of these matters, including director nominees, and administers certain compensation plans. The CGN Committee s policies for consideration of director candidates recommended by shareholders, the procedures to be followed by shareholders in submitting such recommendations, and the qualifications and skills that the CGN Committee considers and the process it uses in identifying and selecting director nominees, are discussed in *Shareholder Proposals and Director Nominations* and *Item 1 Election of Directors*. The CGN Committee s report to shareholders is on page 27. In 2013, this committee met six times.

Finance and Risk Oversight Committee

The members of the Finance and Risk Oversight Committee are John W. Harris (chairman), Peter W. Brown, Mark J. Kington, Robert H. Spilman, Jr. and Michael E. Szymanczyk. Each member of the Finance and Risk Oversight Committee, except for Mr. Szymanczyk, has been determined independent by the Board in accordance with NYSE listing standards, SEC regulations and the company s independence standards. This committee oversees the company s financial policies and objectives, reviews the company s capital structure, considers our dividend policy and reviews the company s financing activities. In addition, this committee oversees the implementation of the company s risk assessment and risk management policies and objectives and reviews its insurance coverage. In 2013, this committee met five times.

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Compensation Committee Interlocks And Insider Participation

No member of the CGN Committee has served as an officer or employee of Dominion at any time. No Dominion executive officer serves as a member of the compensation committee or on the board of directors of any company at which a member of Dominion s CGN Committee or Board of Directors serves as an executive officer.

Section 16(a) Beneficial Ownership Reporting Compliance

To the company s knowledge, no executive officer, director or 10% beneficial owner failed to file, on a timely basis, the reports required by Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), for the fiscal year ended December 31, 2013.

Shareholder Proposals And Director Nominations

Under SEC rules, if a shareholder wishes to submit a proposal for possible inclusion in the 2015 Proxy Statement, Dominion s Corporate Secretary must receive it no later than 5 p.m., Eastern Time, on November 26, 2014. Shareholders should refer to Rule 14a-8 of the Exchange Act, which sets standards for eligibility and specifies the types of proposals that are not appropriate for inclusion in the Proxy Statement. Shareholder proposals should be sent to our Corporate Secretary at Dominion Resources, Inc., 120 Tredegar Street, Richmond, Virginia 23219.

To nominate a director at the 2015 Annual Meeting, you must be a shareholder and deliver written notice to our Corporate Secretary at least 60 days before the meeting. If the meeting date has not been publicly announced 70 days before the meeting, then notice can be given up to 10 days following the public announcement. Any notice must include the following information:

1. Your name and address;
2. Each nominee s name and address;
3. A statement that you are an owner of Dominion stock entitled to vote at the meeting and you intend to appear in person or by proxy to nominate your nominee;
4. A description of all arrangements or understandings between you and each nominee and any other person concerning the nomination;
5. Other information about the nominee that would be included in a proxy statement soliciting proxies for the election of directors; and
6. The consent of the nominee to serve as a director.

If you wish to bring any other matter (other than the nomination of a director) in person before the 2015 Annual Meeting, Dominion s Bylaws require you to notify the Corporate Secretary in writing no less than 90 days and not more than 120 days prior to the one-year anniversary of the date of the 2014 Annual Meeting. This means that for the 2015 Annual Meeting, your notice must be delivered, or mailed and received, between January 7, 2015, and February 6, 2015, and must contain the information specified by our Bylaws regarding each matter, including:

- A brief description of the business you wish to bring before the 2015 Annual Meeting, including the complete text of any related resolutions to be presented and the reasons for conducting such business at the meeting;
- Your name and address and the name and address of any associated person of yours, as they appear on Dominion s records;
- The number of shares of stock that you, and any associated person of yours, own or beneficially own, including a description of any agreement, arrangement or understanding relating to such shares, and a written agreement by you to update and supplement this information

as of the record date for the 2015 Annual Meeting; and

Any material interest you and any associated person of yours have in such business.

If you do not provide the proper notice in the specified timeframe, the chairman of the meeting may exclude the matter, and it will not be acted upon at the meeting. If the chairman does not exclude the matter, the proxies may vote on it in the manner they believe is appropriate, in accordance with SEC rules. A copy of our Bylaws may be found on our website at www.dom.com/investors/corporate-governance/pdf/bylaws.pdf and will be furnished to shareholders without charge upon written request to the Corporate Secretary.

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COMMUNICATIONS WITH DIRECTORS

The Board has established a process for shareholders and other interested persons to communicate directly with Dominion s non-management directors. Information regarding this process, including how to email or write our non-management directors, may be found on our website at www.dom.com/investors/corporate-governance/contact-board-of-directors.jsp. Concerns relating to accounting, internal accounting controls and auditing matters may also be submitted confidentially and anonymously through this website. You may direct your communications to our non-management directors as a group or to any committee of the Board. The Board has directed the Corporate Secretary or her representative to monitor, review and sort all written communications to the non-management directors. Communications related to matters that are within the scope of the responsibilities of the Board are forwarded to the Board, Board committee or individual director, as appropriate.

The Corporate Secretary and her representative are authorized to exclude communications that are related to routine business and customer service matters, bulk advertising or otherwise inappropriate communications, including, but not limited to, business and product solicitations, unsolicited publications, résumés and job inquiries, spam, junk mail, mass mailing and material containing profanity, hostility or of a similar nature. The Board has also directed the Corporate Secretary or her representative to forward correspondence related to routine business and customer service matters to the appropriate management personnel. When appropriate, the Corporate Secretary will consult with the Audit Committee Chairman, who will determine whether to communicate further with the Audit Committee and/or the full Board with respect to the correspondence received.

Letters may be sent to the non-management directors as a group or individually, care of the Corporate Secretary, Dominion Resources, Inc., P.O. Box 26532, Richmond, Virginia 23261.

NON-EMPLOYEE DIRECTOR COMPENSATION

In accordance with our Corporate Governance Guidelines, the CGN Committee annually reviews and assesses the compensation paid to non-employee directors but, depending on the market data and the company s needs, the CGN Committee may recommend changes less frequently. Any changes proposed by the CGN Committee must be approved by the Board. The Board believes that its compensation should be aligned with the interests of the shareholders; therefore, a significant portion of Dominion s director compensation is paid in Dominion common stock. From time to time, the CGN Committee will discuss with its independent compensation consultant trends in director compensation.

Effective May 2013, the components of non-employee director compensation were as follows:

- Annual cash retainer: $70,000
- Annual stock retainer: $120,000
- Lead director annual cash retainer: $20,000
- Committee chair annual cash retainer: Audit and CGN Committees, $17,500; Finance and Risk Oversight Committee, $15,000
- Board and committee meeting fees: $2,000 per meeting

The following tables and footnotes reflect the compensation and fees received in 2013 by our non-employee directors for their services. Mr. Farrell does not receive any separate compensation for his service as a director.

Non-Employee Director Compensation

Name	Fees earned or paid in cash[1]	Stock Awards[2]	All Other Compensation[3]	Total
William P. Barr	$124,000	$120,020	$0	$244,020
Peter W. Brown	104,000	120,020	46,910	270,930
Helen E. Dragas	110,000	120,020	5,000	235,020
James O. Ellis, Jr.	92,000	120,020	0	212,020
John W. Harris	129,000	120,020	80,061	329,081
Robert S. Jepson, Jr.	151,500	120,020	41,957	313,477
Mark J. Kington	116,000	120,020	0	236,020
Pamela J. Royal	109,666	136,708	0	246,374
Robert H. Spilman, Jr.	122,000	120,020	0	242,020
Michael E. Szymanczyk	104,000	120,020	0	224,020
David A. Wollard	141,500	120,020	83,311	344,831
All directors	$1,303,666	$1,336,908	$257,239	$2,897,813

(1) Directors may defer all or a portion of their compensation or choose to receive stock in lieu of cash for meeting fees under the Non-Employee Directors Compensation Plan. Ms. Dragas, Dr. Royal and Mr. Kington deferred all fees to stock unit accounts in lieu of cash for their 2013 meeting fees and annual cash retainer. Mr. Szymanczyk received stock in lieu of cash for his 2013 meeting fees.

(2) Each non-employee director who was elected in May 2013 received an annual stock retainer valued at approximately $120,000, which was equal to 1,964 shares, valued at $61.11 per share based on the closing price of Dominion common stock on May 2, 2013. Directors may defer all or a portion of this stock retainer. (See the *Director and Officer Share Ownership* table for February 28, 2014 balances.) A total of 21,604 shares of stock, in aggregate, were distributed to these directors, or to a trust account for deferrals, for their annual stock retainers. Dr. Royal was elected to the Board on March 1, 2013 and received a pro-rated annual stock retainer valued at $16,688 which was equal to 298 shares, based on the closing price of Dominion common stock on February 28, 2013 of $56.00 per share.

No options have been granted to directors since 2001. No directors had options outstanding as of December 31, 2013.

(3) *All Other Compensation* amounts for 2013 are as follows:

Director	Dividends[a]	Matching Gift Donations[b]	Total
Brown	$ 46,910	$0	$ 46,910
Dragas	0	5,000	5,000
Harris	80,061	0	80,061
Jepson	41,957	0	41,957
Wollard	80,061	3,250	83,311

(a) Amounts represent dividend equivalents earned on the Directors Stock Accumulation Plan (SAP) balances. For certain directors elected to the Board prior to 2004, the SAP provided non-employee directors a one-time stock award equivalent in value to approximately 17 times the annual cash retainer then in effect. Stock units were credited to a book account and a separate account continues to be credited with additional stock units equal in value to dividends on all stock units held in the director s account. A director must have 17 years of service to receive all of the stock units awarded and accumulated under the SAP. Reduced distributions are made where a director has at least 10 years of service or has reached age 62 when service as a director ends. Dividend earnings under the SAP are paid at the same rate declared by the company for all shareholders.

(b) Under a company-wide program, qualifying charitable contributions by directors and employees are matched up to $5,000 by the Dominion Foundation.

Expense Reimbursements

We pay and/or reimburse directors for travel, lodging and related expenses they incur in attending Board and committee meetings and for other business-related travel. These reimbursements include the expenses incurred by directors spouses in accompanying the directors to two Board meetings each year. In addition, directors and their spouses may accompany the CEO or other senior executives on the corporate aircraft for both business and personal travel. We do not provide tax gross-ups on any imputed income for the directors.

Director Compensation Plans

Non-employee Directors Compensation Plan

Our non-employee directors are paid their annual retainer and meeting fees under this plan. A director may elect to receive all or a portion of his or her meeting fees in the form of cash or stock. If a director does not make an election, meeting fees are paid in cash. The plan also allows directors to defer all or a portion of their annual cash retainer and meeting fees into stock unit or cash accounts and all or a portion of their annual stock retainer into stock unit accounts. Stock unit accounts are credited quarterly with additional stock units equal in value to dividends paid on

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Dominion common stock, and cash accounts are credited monthly with interest at an annual rate established for the Dominion Fixed Rate Fund (which was 3.01% in 2013) under Dominion s frozen Executive Deferred Compensation Plan. Shares of Dominion common stock equal in value to stock units held for directors under this plan are issued into a trust and directors retain all voting and other rights as shareholders. Distributions under this plan are made when a director ceases to serve on the Board. For a director that has served at least five years, he or she will be granted 1,000 shares of Dominion common stock upon departure from the Board. If that director also served as a Committee Chair or Lead Director in the year preceding the year of departure, he or she will be granted an additional 1,000 shares of Dominion common stock for each such position held upon departure from the Board. In addition, this plan provides a means for the Board to receive grants of restricted stock awards and stock options. No stock options or restricted stock have been granted under this plan.

Frozen Directors Plans

On December 31, 2004, the Board froze the following director plans: Deferred Cash Compensation Plan, Stock Compensation Plan and Stock Accumulation Plan (described in footnote (a) under the *All Other Compensation* table to the *Non-Employee Director Compensation* table on page 16). These plans provided a means to compensate directors and allowed directors to defer receipt of that compensation, whether in cash or stock, until they ceased to be directors or reached a specified age. In the case of the Deferred Cash Compensation Plan, deferred fees were credited to either an interest bearing account (interest is credited based on the average three-month U.S. Treasury Bill rate) or a Dominion common stock equivalent account. Under the frozen plans, dividend equivalents continue to accrue and may be held in trust until distributions are made. Prior to 2005, the stock portion of a director s retainer was paid under the Stock Compensation Plan, and directors had the option to defer receipt of that stock.

Other Director Benefits

Charitable Contribution Program

This program was discontinued in January 2000. For directors elected before that time, Dominion funded the program by purchasing life insurance policies on the directors. Participating directors (Messrs. Harris and Wollard) will derive no financial or tax benefits from the program because all insurance proceeds and charitable tax deductions accrue solely to Dominion. Upon a participating director s death, $500,000 will be paid in 10 annual installments to the qualifying charitable organization(s) designated by that director.

Matching Gifts Program

The Dominion Foundation will match a director s donations, on a one-to-one basis, to one or more 501(c)(3) organizations up to a maximum of $5,000 per year. If the donation is to an organization on whose board the director serves or for which the director volunteers more than 50 hours of work during a year, the Dominion Foundation will match the donation on a two-to-one basis, up to the $5,000 maximum. This benefit is available to all Dominion employees and to our directors.

Insurance

Full-time employees and directors are covered by business travel accident insurance while traveling on business for Dominion or any of its subsidiaries. The policy provides 24-hour coverage while traveling on business and has a maximum benefit of $250,000 for employees and $200,000 for directors in the event of death or a percentage of the death benefit in the event of permanent bodily dismemberment. There is no incremental cost for covering the directors under this insurance policy, as the premium would remain the same even if coverage for the directors was discontinued. Dominion also provides director and officer liability insurance for its non-employee directors.

Director Share Ownership Guidelines

All non-employee directors are expected to acquire and hold the lesser of 12,000 shares of Dominion stock or shares equal in value to five times the annual cash and stock retainer combined within four years of their election to the Board. All of our non-employee directors who have been members of the Board for at least four years currently meet the share ownership requirement. Our directors are also prohibited from engaging in certain types of transactions related to Dominion stock, including owning derivative securities, hedging transactions, using margin accounts and pledging shares as collateral.

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Share Ownership

DIRECTOR AND OFFICER SHARE OWNERSHIP

	Beneficial Ownership of Common Stock as of February 28, 2014			
Name of Beneficial Owner	Shares	Deferred Stock Accounts[1]	Restricted Shares	Total[2]
William P. Barr	26,651			26,651
Peter W. Brown	58,252	15,203		73,455
Helen E. Dragas	16,229	14,540		30,769
James O. Ellis, Jr.	3,600	2,019		5,619
Thomas F. Farrell II	666,908		321,415	988,323
John W. Harris	22,811	39,816		62,627
Robert S. Jepson, Jr.	172,749	2,782		175,531
Mark J. Kington	87,057	40,456		127,513
Pamela F. Royal		4,359		4,359
Robert H. Spilman, Jr.	8,341	4,677		13,018
Michael E. Szymanczyk	3,951			3,951
David A. Wollard	21,206	14,964		36,170
Mark F. McGettrick	189,925		109,594	299,519
David A. Christian	64,765		67,165	131,930
David A. Heacock	28,556		15,652	44,208
Paul D. Koonce	75,733		66,669	142,402
Gary L. Sypolt (retired September 1, 2013)	84,301			84,301
All directors and executive officers as a group (20 persons)[3]	1,531,497	138,816	618,791	2,289,104

(1) Shares in trust for which a director has voting rights. Amounts include shares issued to a trust for certain directors from their frozen deferred compensation plan accounts.

(2) No individual director or executive officer has the right to acquire beneficial ownership of shares within 60 days of February 28, 2014. Unless otherwise noted, all shares are held directly by the director or executive officer and such person has sole voting and investment power with respect to such shares. Includes shares as to which director or executive officer has voting and/or investment discretion or voting and/or investment power is shared with or controlled by another person as follows: Mr. Farrell, 20,000 (shares held jointly with spouse); Mr. Kington, 7,166 (shares held in joint tenancy) and 71,800 (shares held in a grantor annuity trust); and all directors and executive officers as a group, 147,383.

(3) Neither any individual director or executive officer, nor all of the directors or executive officers as a group, own more than 1 percent of the shares outstanding as of February 28, 2014. Mr. Sypolt retired September 1, 2013 and is not included in the group total.

SIGNIFICANT SHAREHOLDERS

Name and address	Beneficial Ownership	Percentage of

of Beneficial Owner	of Common Stock (based on 13G filing)	Common Shares Outstanding
BlackRock, Inc. (1) 40 East 52nd Street New York, NY 10022	42,901,588	7.4%
The Vanguard Group (2) 100 Vanguard Boulevard Malvern, PA 19355	29,921,652	5.15%

(1) According to its Schedule 13G filing for December 31, 2013, this shareholder has sole voting power over 35,623,956 shares and sole dispositive power over 42,901,588 shares.

(2) According to its Schedule 13G filing for December 31, 2013, this shareholder has sole voting power over 940,569 shares, sole dispositive power over 29,037,005 shares, and shared dispositive power over 884,647 shares.

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Item 1 Election of Directors

The CGN Committee, which is composed entirely of independent directors, is responsible for reviewing the qualifications of and selecting director candidates for nomination to the Board. In identifying potential nominees for the Board, the CGN Committee considers candidates recommended by shareholders, current members of the Board, members of management or any others that come to its attention by other means. In accordance with its charter, the CGN Committee considers all nominee recommendations, including those from shareholders, in the same manner when determining candidates for the Board. A shareholder who wishes to recommend a prospective nominee for the Board must provide notice in writing to the Corporate Secretary and follow the shareholder nomination procedures described in *Shareholder Proposals and Director Nominations* on page 14.

The CGN Committee recognizes that a Board with a diverse set of skills, experiences and perspectives creates a governing body best suited to provide oversight of the company while representing the interests of our shareholders, customers, employees and other constituents. The CGN Committee considers many attributes that it deems relevant for serving as a director, including, among others, experience as a CEO, industry experience, financial or accounting skills or oversight experience, legislative or regulatory experience, public company board experience outside of Dominion, and other attributes. These other attributes include a candidate s character, judgment, diversity of experience, business acumen and ability to act on behalf of shareholders. The CGN Committee also believes that the members of the Board should have experiences and backgrounds that complement those of each other.

Dominion does not have a formal policy with respect to director diversity, but under the company s Corporate Governance Guidelines, the CGN Committee is charged with selecting candidates who represent a mix of backgrounds and experiences that will enhance the quality of the Board s deliberations and decisions as well as those of its three committees. The CGN Committee may also consider in its assessment the Board s diversity, in its broadest sense, reflecting, but not limited to, geography, gender and ethnicity. The CGN Committee also considers whether a director candidate is independent in accordance with Dominion s and the NYSE s independence standards. Based on its deliberations, the CGN Committee recommends director candidates to the Board for nomination.

Information about each director nominee is presented below and includes specific experience, qualifications, attributes and skills that led our Board to the conclusion that he or she should serve as a director. These nominees are collegial, thoughtful, responsible and intelligent people and diverse in terms of geographic location throughout the areas of our operations, age, gender, ethnicity and professional experience. Overall, these nominees represent a diverse mix of qualifications deemed beneficial to the formation of a cohesive and effective Board.

Our Bylaws and Corporate Governance Guidelines require that directors be elected by a majority of the votes cast unless the election is contested. A majority of votes cast means that the number of shares voted for a director exceeds the number of votes cast against the director. In a contested election, where the number of nominees for director exceeds the number of directors to be elected, directors are elected by a plurality of the votes cast. If an incumbent director in an uncontested election does not receive a majority of votes cast for his or her election, the director is required to submit a letter of resignation promptly to the Board. Within 90 days of the certification of the election results, the Board must act on the resignation, taking into consideration any recommendation by the CGN Committee and any additional relevant information and factors. The director who tenders his or her resignation does not participate in the decisions of the CGN Committee or the Board relating to the resignation.

Each nominee presented below was recommended by the CGN Committee and nominated by the Board. All of the director nominees were elected by shareholders at the 2013 Annual Meeting and are standing for re-election, with the exception of Robert S. Jepson, Jr. Mr. Jepson will not be standing for re-election in 2014. Directors are elected annually; therefore, each director s term of office will end at the next Annual Meeting of Shareholders or when his or her successor has been elected. If any nominee is not available to serve (for reasons such as death or disability), your proxy will be voted for a substitute nominee if the Board nominates one.

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William P. Barr

Director since 2009

Age: 63

Mr. Barr served as Executive Vice President and General Counsel of Verizon Communications Inc. from 2000 to 2008. He previously served as the 77th Attorney General of the United States from 1991 to 1993 before joining GTE Corporation as Executive Vice President and General Counsel from 1994 to 2000. Mr. Barr is a director of Time Warner Inc. and Selected Funds. He previously served as a director of Holcim US and Aggregate Industries Management, Inc. from 2008 to 2013. Mr. Barr received A.B. and M.A. degrees from Columbia University and a J.D. degree from George Washington University. Mr. Barr serves on the Audit Committee and Compensation, Governance and Nominating Committee.

Mr. Barr s qualifications to serve as a director include his extensive legal experience with service as a general counsel with a public company and an attorney with private law firms. He has experience with and knowledge of public company requirements from an internal perspective with his service as an executive of Verizon Communications Inc., as well as an external perspective as a director of public companies. Mr. Barr has legal, governmental and regulatory expertise through his service as a U.S. Attorney General, and through his prior executive positions, he has mergers, acquisitions and divestitures experience.

Peter W. Brown, M.D.

Director since 2002

Age: 71

Dr. Brown has been a physician in private practice at Virginia Surgical Associates, P.C. since 1978. He is a director of Bassett Furniture Industries, Incorporated. Dr. Brown serves on the boards of Bon Secours St. Mary s Health Care Foundation and the Medical College of Virginia Foundation. He received his undergraduate and medical degrees from Emory University and is a clinical associate professor of surgery at Virginia Commonwealth University Medical Center. Dr. Brown serves on the Finance and Risk Oversight Committee.

Dr. Brown s qualifications to serve as a director include his experience as a medical professional, which provides the Board with additional insight on today s healthcare issues and concerns. Dr. Brown is actively involved in the Richmond, Virginia community, where our headquarters and regulated subsidiary, Virginia Electric and Power Company (Virginia Power), are based. He is currently or has served in leadership positions of several medical foundations. He also has years of experience as a director of a public company other than Dominion.

Helen E. Dragas

Director since 2010

Age: 52

Ms. Dragas has served as president and chief executive officer of The Dragas Companies, a diversified real estate concern, since 1996. She is former rector of the University of Virginia Board of Visitors and currently serves as a board member. Ms. Dragas served on the State Council for Higher Education in Virginia, Commonwealth Transportation Board and Governor s Economic Development and Jobs Creation Commission. She received both her undergraduate degree and an MBA from the University of Virginia. Ms. Dragas has served on the University of Virginia Board of Visitors audit committee and has chaired the finance committee. Ms. Dragas serves on the Audit Committee.

Ms. Dragas s qualifications to serve as a director include more than 18 years of experience as the leader of a development planning and construction firm which will be beneficial as Dominion continues with its five-year, infrastructure growth plan. She possesses leadership, management and analytical skills from her experience as a chief executive officer and as demonstrated through her varied community service and gubernatorial appointments.

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Adm. James O. Ellis, Jr. (USN, Ret.)

Director since 2013

Age: 66

Admiral James O. Ellis, Jr. is currently a Distinguished Visiting Fellow at the Hoover Institution at Stanford University, Stanford, California. He served as President and Chief Executive Officer of the Institute of Nuclear Power Operations from May 2005 to May 2012. Prior to retiring from active duty in July 2004 as a Navy Admiral, he served as Commander, United States Strategic Command, Offutt Air Force Base, Nebraska. Admiral Ellis has also served as Commander in Chief of U.S. Naval Forces in Europe and as Commander in Chief of Allied Forces in Southern Europe. He is a graduate of the U.S. Naval Academy, Navy nuclear power training, the U.S. Naval Test Pilot School and the Navy Fighter Weapons School (Top Gun). Admiral Ellis holds master s degrees in aerospace engineering and aeronautical systems from the Georgia Institute of Technology and the University of West Florida. He also serves on the boards of Lockheed Martin Corporation and Level 3 Communications, Inc. Admiral Ellis previously served on the Board of Inmarsat plc from 2005 to March 2014. In 2013, he was elected to the National Academy of Engineering. Admiral Ellis serves on the Audit Committee.

Admiral Ellis s qualifications to serve as director include his knowledge and expertise of the nuclear industry and emerging energy issues from his service as President and Chief Executive Officer of the Institute of Nuclear Power Operations, a nonprofit corporation established to promote the highest levels of safety and reliability in the operation of commercial nuclear power plants. With his 39 years of service with the U.S. Navy and related significant leadership positions, Admiral Ellis also provides operations and risk management experience involving significant and complex organizations.

Thomas F. Farrell II

Director since 2005

Age: 59

Mr. Farrell has been chairman, president and chief executive officer of Dominion since April 2007. Mr. Farrell served as president and chief executive officer of Dominion from January 2006 to April 2007, and served in various executive positions prior to that. He is chairman of the board and chief executive officer of Virginia Electric and Power Company (Virginia Power), a wholly-owned subsidiary of Dominion, and was chairman, president and chief executive officer of Consolidated Natural Gas Company (CNG), a former wholly-owned subsidiary of Dominion. Mr. Farrell is a director of Altria Group, Inc. He received his undergraduate and law degrees from the University of Virginia.

Mr. Farrell s qualifications to serve as a director include his 18 years of industry experience as well as his legal expertise, having served as general counsel for Dominion and Virginia Power and as a practicing attorney with a private firm. He is chairman of the Institute of Nuclear Power Operations and a member of the board of directors of the Edison Electric

Institute through which he actively represents the interests of Dominion, Virginia Power and the energy sector. Mr. Farrell also has extensive community and public interest involvement and serves or has served on many non-profit and university foundations.

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John W. Harris

Director since 1999

Age: 66

Mr. Harris has been president and chief executive officer of Lincoln Harris LLC (formerly The Harris Group), a real estate consulting firm, since 1999 and is a former president of The Bissell Companies, Inc., a commercial real estate and investment management company. He is a director of Piedmont Natural Gas Company, Inc. Mr. Harris is also a director of the Presbyterian Hospital Foundation. He received his undergraduate degree from the University of North Carolina at Chapel Hill. Mr. Harris serves on the Finance and Risk Oversight Committee and Compensation, Governance and Nominating Committee.

Mr. Harris s qualifications to serve as a director include his extensive public company board experience, with prior directorships with several Fortune 500 companies. As a current director of Piedmont Natural Gas Company, Inc., he has knowledge of and familiarity with Dominion s industry, markets and regulatory concerns. Through his current and past service as chief executive officer and equivalent positions, Mr. Harris has business leadership and management skills needed for such positions, as well as financial and capital markets experience.

Mark J. Kington

Director since 2005

Age: 54

Mr. Kington has been managing director of Kington Management, LLC, a private investment firm, since 2012. He was managing director of X-10 Capital Management, LLC from 2004 through 2012. He is and has been the principal officer and investor in several communications firms and was a founding member of Columbia Capital, LLC, a venture capital firm specializing in the communications and information technology industries. Mr. Kington also serves on the board of the Colonial Williamsburg Foundation. Mr. Kington received his undergraduate degree from the University of Tennessee and an MBA from the University of Virginia. Mr. Kington serves on the Finance and Risk Oversight Committee and Compensation, Governance and Nominating Committee.

Mr. Kington s qualifications to serve as a director include information technology, capital markets, banking and investment management experience. He also has experience working in a highly-regulated industry with his experience in the telecommunications industry. As with our other directors who have served as chief executive officer or in equivalent positions, Mr. Kington also brings leadership and management skills to Dominion s Board.

Pamela J. Royal, M.D.

Director since 2013

Age: 51

Dr. Royal is a board certified dermatologist and has been the owner and president of Royal Dermatology and Aesthetic Skin Care, Inc. since 1990. She received her medical degree from Eastern Virginia Medical School of the Medical College of Hampton Roads and served her residency at Howard University Hospital in dermatology. Dr. Royal serves or has served on a number of boards, including those of the Valentine Richmond History Center (immediate past chair), the United Way of Greater Richmond and Petersburg (former chair), The Community Foundation, CenterStage Foundation, the Greater Richmond Chamber of Commerce, J. Sargeant Reynolds Community College Foundation, Bon Secours Richmond Health System, Venture Richmond, St. Christopher s School and the Virginia Early Childhood Foundation. Dr. Royal serves on the Audit Committee.

Dr. Royal s qualifications to serve as a director include her active community leadership and service to numerous non-profit organizations, both as a member and in various leadership positions. Her community involvement was recognized with the YWCA Outstanding Women s Award for Volunteerism in 2010. She demonstrates civic and public interest involvement and brings alternative and diverse perspectives on the many matters that the Board addresses.

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Robert H. Spilman, Jr.

Director since 2009

Age: 57

Mr. Spilman has been president and chief executive officer of Bassett Furniture Industries, Incorporated, a furniture manufacturer and distributor, since 2000. He is also a director of Bassett Furniture Industries, Incorporated. He previously served as a director of Harris Teeter Supermarkets, Inc. from 2002 to 2014. Mr. Spilman serves on the Virginia Foundation for Independent Colleges and previously was chairman of the Board of Directors of New College Institute. He received his undergraduate degree from Vanderbilt University. Mr. Spilman serves on the Audit Committee and Finance and Risk Oversight Committee.

Mr. Spilman s qualifications to serve as a director include his experience as a current chief executive officer of a public company and the business leadership and management skills needed for that position. As former lead director of Harris Teeter Supermarkets, Inc., Mr. Spilman brings additional public company board experience and leadership to Dominion s Board.

Michael E. Szymanczyk

Director since 2012

Age: 65

Mr. Szymanczyk served as chairman and chief executive officer of Altria Group, Inc. from March 2008 to May 2012. From August 2002 through July 2008, he also served as chairman, president and chief executive officer of Philip Morris USA Inc. Mr. Szymanczyk previously served on the boards of the Virginia Commonwealth University School of Engineering Foundation, the United Negro College Fund and the Richmond Performing Arts Center. He also served on the Board of Trustees of the University of Richmond and the Dean s Advisory Council for the Indiana University Kelley School of Business. He received his undergraduate degree from Indiana University. Mr. Szymanczyk serves on the Finance and Risk Oversight Committee.

Mr. Szymanczyk s qualifications to serve as director include his experience as a chief executive officer of a global Fortune 500 public company. He possesses leadership, management and analytic skills from his experience as a chief executive officer and is knowledgeable of the requirements and concerns that must be considered by a public company. Mr. Szymanczyk also provides expertise in addressing governmental and regulatory matters and issues through his tenure at Altria Group, Inc. and Philip Morris USA Inc.

David A. Wollard

Director since 1999

Age: 76

Mr. Wollard is founding chairman of the board, emeritus, Exempla Healthcare (1997 to 2001). He is a director of Vectra Bank Colorado. Mr. Wollard is the past chairman of the Downtown Denver Partnership and the Denver Metro Chamber of Commerce. He received his undergraduate degree from Harvard College and graduated from the Stonier Graduate School of Banking. Mr. Wollard held a variety of executive positions with banking institutions in Florida and Colorado, where he was the president of Bank One Colorado, N.A. Mr. Wollard serves on the Audit Committee and Compensation, Governance and Nominating Committee.

Mr. Wollard s qualifications to serve as a director include his extensive background in the banking industry. He has held executive positions and has been a director of numerous financial institutions. Mr. Wollard also has regulatory and governmental experience which is beneficial as the energy industry continues to face legislative and regulatory scrutiny. He has also served on the board of, and has held leadership positions with, many non-profit organizations.

Your Board of Directors recommends that you vote

FOR these nominees.

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The Audit Committee Report

Our Committee operates under a written charter that is reviewed annually and was most recently revised in February 2014. Our charter may be found on the company s website at www.dom.com/investors/corporate-governance/pdf/audit_charter.pdf.

Our Committee reviews and oversees Dominion s financial reporting process and related disclosure and internal controls. Each November, we develop the coming year s meeting schedule and agendas. The agendas include reviews of Dominion s internal controls testing, disclosure controls and procedures, charter requirements, charitable giving, auditor independence requirements, pre-approval of independent auditors fees, independent auditors audit plan, results of the independent auditors audit and quarterly review procedures, and other issues that we, management and the independent auditors feel should be addressed more closely.

During 2013, the Committee reviewed a number of topics with management and the independent auditors, including:

- Quarterly and year-end results, financial statements and reports prior to public disclosure;
- The activities of management s disclosure committee and Dominion s disclosure controls and procedures, including internal controls;
- Management s compliance with Section 404 of the Sarbanes-Oxley Act, and internal and independent auditors testing of internal controls;
- New and proposed accounting standards and their potential effect on Dominion s financial statements;
- The status of internal audit s staffing, qualifications and audit plans;
- Business unit-specific topics including: nuclear operations and performance, and Dominion Generation s, Dominion Virginia Power s and Dominion Energy s construction programs;
- Dominion s ethics and compliance program;
- Compliance with Federal Energy Regulatory Commission and North American Electric Reliability Corporation regulations; and
- The annual risk assessment report.

Our Committee conducts educational sessions to review with management company specific topics in more detail. The topics are chosen as part of the November planning process. In 2013, sessions focused on alternative energy solutions, ethics and compliance, audit committee leading practices, cybersecurity strategy and response plans, and nuclear operations.

Throughout 2013, we met with the internal and independent auditors, with and without management present, to discuss the plans for, and scope and results of, their audits and reviews of Dominion s financial statements and internal controls over financial reporting, and the overall quality of Dominion s financial reporting. At three of the Committee s meetings, we also met with the internal auditors, independent auditors and management in separate executive sessions.

Management has represented that Dominion s consolidated financial statements were prepared in accordance with Generally Accepted Accounting Principles (GAAP). We reviewed and discussed the audited consolidated financial statements with management and the independent auditors. In accordance with the requirements established by the Public Company Accounting Oversight Board (PCAOB) AU 380, *Communication with Audit Committees*, this discussion included a review of significant accounting estimates and controls, and the quality of Dominion s accounting principles.

We have received written disclosures and letters from the independent auditors required by both the applicable requirements of the PCAOB regarding the independent auditors communications with the Committee concerning independence and the NYSE governance standards regarding internal quality-control procedures. We have discussed with the independent auditors the issue of their independence from Dominion, including any non-audit services performed by them.

2013 Consolidated Financial Statements

Relying on these reviews and discussions, we recommended to the Board, and the Board approved, the inclusion of the audited financial statements and management s annual report on internal control over financial reporting in Dominion s Annual Report on Form 10-K for the year ended December 31, 2013, for filing with the SEC.

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Independent Auditors For 2014

Our Committee discussed with management and reviewed with the independent auditors their plans and proposed fees for auditing the 2014 consolidated financial statements and internal controls over financial reporting of Dominion and its subsidiaries, as well as their proposed audit-related and non-audit services and fees. Based on our discussions and review of the proposed fee schedule, we have retained Deloitte & Touche LLP, a registered public accounting firm that is independent of us, as Dominion s independent auditors for 2014 and in accordance with our pre-approval policy, approved the fees for the services presented to us. We determined that the non-audit related services proposed to us do not impair Deloitte & Touche LLP s independence and that it is more economical and efficient to use the firm for the proposed services. Permission for any other specific non-audit related services will require prior approval by our Committee or its chairman. When appropriate, Dominion seeks competitive bids for non-audit related services.

David A. Wollard, *Chairman*

William P. Barr

Helen E. Dragas

James O. Ellis, Jr.

Pamela J. Royal

Robert H. Spilman, Jr.

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Auditors

Fees And Pre-approval Policy

The Audit Committee has a pre-approval policy for Deloitte & Touche LLP s services and fees. Each year, the Audit Committee pre-approves a schedule that details the services to be provided for the following year and an estimated charge for such services. The Audit Committee has approved the schedule of services and fees for 2014. In accordance with Dominion s pre-approval policy, any changes to the schedule may be approved by the Audit Committee at its next meeting.

The following table presents fees paid to Deloitte & Touche LLP for the fiscal years ended December 31, 2013, and 2012, all of which were pre-approved by the Audit Committee.

Type of Fees (millions)	2013	2012
Audit fees	$ 7.20	$ 5.20
Audit-related fees	0.43	0.42
Tax fees	.01	
All other fees		
Total	$ 7.64	$ 5.62

Audit Fees. These amounts represent fees of Deloitte & Touche LLP for the audit of our annual consolidated financial statements, the review of financial statements included in our quarterly Form 10-Q reports, the audit of internal controls over financial reporting, and the services that an independent auditor would customarily provide in connection with subsidiary audits, statutory requirements, regulatory filings and similar engagements for the fiscal year, such as comfort letters, attest services, consents, and assistance with review of documents filed with the SEC. Included in the 2013 fees are $1.8 million in fees related to audits and interim reviews for new subsidiaries.

Audit-Related Fees. Audit-Related Fees consist of assurance and related services that are reasonably related to the performance of the audit or review of Dominion s consolidated financial statements or internal control over financial reporting. This category may include fees related to the performance of audits and attest services not required by statute or regulations, including audits in connection with acquisitions and divestitures, audits of our employee benefit plans, due diligence related to mergers, acquisitions and investments, and accounting consultations about the application of GAAP to proposed transactions.

Tax Fees. These amounts are for tax compliance services, tax consulting services and related costs.

Other Information About The Auditors

Representatives of Deloitte & Touche LLP will be present at the 2014 Annual Meeting. They will have an opportunity to make a statement if they desire, and will be available to respond to shareholder questions.

Item 2 Ratification of Appointment of Auditors

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent external audit firm retained to audit the company s financial statements. The Audit Committee has appointed Deloitte & Touche LLP as the company s independent external auditor for the fiscal year 2014. Deloitte & Touche LLP has served as Dominion s independent external auditor continuously since 1988. The Audit Committee is responsible for the audit fee negotiations associated with the retention of Deloitte & Touche LLP. In order to ensure continuing auditor independence, the Audit Committee periodically considers whether there should be a regular rotation of the independent external audit firm. Further, in conjunction with the mandated rotation of the auditing firm s lead engagement partner, the Audit Committee and its chairperson will continue to be directly involved in the selection of Deloitte & Touche LLP s new lead engagement partner. The members of the Audit Committee and the Board believe that the continued retention of Deloitte & Touche LLP to serve as the company s independent external auditor is in the best interests of Dominion and its shareholders.

Your Board of Directors recommends that you vote

FOR ratification of the Audit Committee s action.

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Compensation, Governance and Nominating Committee Report

In preparation for filing this Proxy Statement, the Compensation, Governance and Nominating (CGN) Committee reviewed and discussed the following Compensation Discussion and Analysis (CD&A) with management. Based on this review and discussion, we recommended to the Board of Directors that the CD&A be included in this Proxy Statement and incorporated by reference into Dominion s Annual Report on Form 10-K for the year ended December 31, 2013. This report was prepared by the following independent directors who compose the CGN Committee:

Robert S. Jepson, Jr., *Chairman*

William P. Barr

John W. Harris

Mark J. Kington

David A. Wollard

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (CD&A) explains the objectives and principles of Dominion s executive compensation program, its elements and the way performance is measured, evaluated and rewarded. It also describes our compensation decision-making process. Dominion s executive compensation program is designed to pay for performance and plays an important role in the company s success by linking a significant amount of compensation to the achievement of performance goals.

Our program and processes generally apply to all of Dominion s officers, but this discussion and analysis focuses primarily on compensation for our named executive officers (NEOs). Dominion s NEOs are:

Thomas F. Farrell II, Chairman, President and CEO
Mark F. McGettrick, Executive Vice President and Chief Financial Officer (CFO)
David A. Christian, Executive Vice President and Chief Executive Officer Dominion Generation Group
Paul D. Koonce, Executive Vice President and Chief Executive Officer Energy Infrastructure Group
David A. Heacock, President and Chief Nuclear Officer (CNO), Dominion Nuclear
Gary L. Sypolt, Executive Vice President (CEO Dominion Energy) *(retired September 1, 2013)*

EXECUTIVE SUMMARY

2013 Business Highlights

Business highlights for 2013 include the following:

As shown in the chart below, Dominion s one- and three-year TSR of 29.65% and 70.56%, respectively, outperformed the Compensation Peer Group median and the Philadelphia Stock Exchange Utility Index. Dominion s three-year TSR also exceeded the S&P 500 for the same period and was slightly under the S&P 500 s TSR for the one-year period.

The Board increased the annual dividend rate by 6.6% from $2.11 per share for 2012 to $2.25 per share for 2013.
Dominion s market capitalization was $37.6 billion as of December 31, 2013, which ranked second relative to our Compensation Peer Group.
Consolidated operating earnings for 2013 were $3.25 per share, up from $3.09 per share in 2012, and within our guidance range of $3.20 to $3.50 per share.* Consolidated earnings reported under GAAP were $2.93 per share in 2013, up from $0.53 per share in 2012.

* *See **Reconciliation of 2012 and 2013 Consolidated Operating Earnings to Reported Earnings** on page 46. Operating EPS presented above for 2012 have been recast to reflect the results of Brayton Point and Kincaid as discontinued operations. Excluding the recast of Brayton Point and Kincaid as discontinued operations, operating EPS for 2012 were $3.05, reflecting 6.5% operating EPS growth from 2012 to 2013.*

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Our commitment to safety as a priority and as a core value was evident as Dominion s safety metrics continue to improve. Company-wide, Dominion recorded all-time bests for OSHA recordable and lost-time/restricted duty rates in 2013, reducing 2012 rates by 10% and 6%, respectively.

Our businesses continued to strive for operational excellence in 2013, which was evidenced with a new fleet nuclear net capacity factor of 93.7%, beating the 2009 record of 93.1%, and a SAIDI of 106.3 minutes, excluding major storms, which was the best performance in more than a decade.

In September 2013, the U.S. Department of Energy conditionally authorized Dominion Cove Point LNG to export domestically produced liquefied natural gas to countries that do not have a Free Trade Agreement with the United States. The authorization is subject to environmental review and final regulatory approval.

In 2013, Dominion sought and won the federal offshore wind auction, leasing more than 100,000 acres of federal land off the coast of Virginia for a possible wind farm capable of generating up to 2,000 megawatts of electricity, enough energy to power 500,000 homes.

Dominion announced our intention to form a master limited partnership that would include certain natural gas assets of Dominion.

In 2013, Dominion executed agreements conveying approximately 100,000 acres of Marcellus shale rights beneath several West Virginia storage pools resulting in expected payments to Dominion of about $200 million over the next nine years, with an additional overriding royalty interest in any natural gas produced there.

In 2013, we invested nearly $2.5 billion in growth capital for energy infrastructure projects in support of our customers over the next decade, including: new electric wires, substations, and power stations; pipeline and related gas development; and upgrades to existing infrastructure.

We completed the sale of two merchant coal-fired power stations, Brayton Point and Kincaid, and our 50% ownership stake in a gas-fired facility and received proceeds of approximately $465 million, net of transaction costs.

2013 Compensation Highlights

Messrs. Farrell, Christian, Koonce, Heacock and Sypolt each received a 3% base salary increase and Mr. McGettrick received a 5% base salary increase for 2013.

The company disclosed $3.25 consolidated operating earnings per share* for the year ended December 31, 2013, which included 100% funding for the 2013 AIP.

Payout under the 2012 Performance Grants was 98.9% of target. The payout was entirely due to TSR performance in the 84^{th} percentile versus our performance grant peer group over the two-year period ended December 31, 2013. ROIC percentage was 7.25%, which was below the threshold for any payout. Dominion s two-year TSR for the period ended December 31, 2013, was 32.0%.

As part of the CGN Committee s review of the company s long-term incentive program, the target 2013 long-term incentive awards were increased generally for officers, including each of the NEOs. This was the first general increase in target awards since the long-term incentive program began in 2006. The increased target award levels reflect the Committee s continued desire to place a significant portion of the NEOs pay at risk, ongoing focus on achieving Dominion s long-term growth plan and effort to provide total direct compensation that is competitive.

As a result, approximately 88% of Mr. Farrell s targeted total direct compensation and an average of 77% of the other NEOs targeted total direct compensation is performance-based, tied to pre-approved performance metrics or tied to the performance of Dominion s stock.

Effective July 1, 2013, the CGN Committee closed the Executive Supplemental Retirement Plan to new participants.

* *See **Reconciliation of 2013 Consolidated Operating Earnings to Reported Earnings** on page 46.*

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Compensation Governance

Our compensation governance practices emphasize Dominion s focus on an executive compensation program that pays for performance and aligns management s interests with those of our shareholders, employees and customers. Our compensation governance practices include the following:

- Our CGN Committee is composed solely of independent directors.
- The CGN Committee s independent compensation consultant is retained directly by the Committee to advise it on executive and director compensation and performs no other services for the company. The CGN Committee reviews the independence of its compensation consultant to ensure its work does not present any conflicts of interests.
- Our AIP and long-term incentive plan performance grants include a clawback provision to recoup payouts from any employee whose fraudulent or intentional misconduct causes a restatement of a financial statement or affects the company s operations or the employee s duties. See *Recovery of Incentive Compensation* for additional information on our clawback provision.
- Our officers and non-employee directors are subject to share ownership guidelines that require a significant investment in Dominion stock. All NEOs have met their ownership targets. In addition, both officers and non-employee directors are prohibited from engaging in certain transactions related to Dominion stock, including hedging, owning derivative securities, using margin accounts and pledging shares as collateral. See *Share Ownership Guidelines* and *Directors Share Ownership Guidelines* for additional information.
- Our officers do not receive tax gross-ups on the limited perquisites provided to them. Also, tax gross-ups are not provided on imputed income to our non-employee directors. In January 2013, the CGN Committee approved the elimination of the excise tax gross-up provision included in the Employment Continuity Agreement for any new officer elected or appointed after February 1, 2013.
- Our Employment Continuity Agreements require two triggers for the payment of most benefits both the occurrence of an actual change in control and the officer s involuntary or constructive termination without cause.

Objectives Of Dominion s Executive Compensation Program And The Compensation Decision-making Process

Our Objectives

Dominion s executive compensation philosophy is to provide a competitive total compensation program tied to performance and aligned with the interests of our shareholders, employees and customers.

The major objectives of our compensation program are to:

- Attract, develop and retain an experienced and highly qualified management team;
- Motivate and reward superior performance that supports our business and strategic plans and contributes to the long-term success of the company;
- Align the interests of management with those of our shareholders and customers by placing a substantial portion of pay at risk through performance goals that, if achieved, are expected to increase total shareholder return and enhance customer service;
- Promote internal pay equity; and
- Reinforce our four core values of safety, ethics, excellence and One Dominion our term for teamwork.

These objectives provide the framework for our compensation decisions. To determine if we are meeting the objectives of our compensation program, the CGN Committee reviews and compares the company s actual performance to our short-term and long-term goals, our strategies, and our peer companies performance.

Dominion s 2013 performance indicates that the design of our compensation program is meeting these objectives. Our NEOs have service with Dominion ranging from 15 to 38 years. We have attracted, motivated and maintained a superior leadership team with skills, industry knowledge and institutional experience that strengthen their ability to act as sound stewards of shareholder dollars.

Our shareholders voted on an advisory basis on our executive compensation program (also known as Say on Pay) and approved it with a 96% vote at the 2013 Annual Meeting, which followed an approval by a 95% vote in 2012. The CGN Committee considered the very strong shareholder endorsement of our executive compensation program in continuing the pay-for-performance program that is currently in place without any specific changes based on the vote. Unless the Board modifies its policy on the frequency of future Say on Pay advisory votes, shareholders will have an opportunity annually to cast an advisory vote to approve our executive compensation program. We will ask shareholders, on an advisory basis, to vote on the frequency of the Say on Pay vote at least once every six years, with the next advisory vote on frequency to be held no later than the 2017 Annual Meeting of Shareholders.

Our Process for Setting Compensation

The CGN Committee is responsible for reviewing and approving NEO compensation and our overall executive compensation program. Each year, the CGN Committee reviews and considers a comprehensive assessment and analysis of the executive compensation program, including the elements of each NEO s compensation, with input from management and the Committee s independent compensation consultants. As part of its assessment, the CGN Committee reviews the performance of the CEO and other executive officers, meets at least annually with the CEO to discuss succession planning for his position and the positions of the company s senior officers, reviews executive officer share ownership guidelines and compliance, and establishes compensation programs designed to achieve Dominion s objectives.

The Role of The Independent Compensation Consultant

In June 2013, the CGN Committee retained Frederic W. Cook & Co. (Cook & Co.) as its independent compensation consultant to advise the Committee on executive and director compensation matters. The CGN Committee s consultant:

- Attends meetings as requested by the Committee, either in person or by teleconference;
- Communicates directly with the chairman of the Committee outside of the Committee meetings as needed;
- Participates in CGN Committee executive sessions without the CEO present to discuss CEO compensation and any other relevant matters, including the appropriate relationship between pay and performance and emerging trends;
- Reviews and comments on proposals and materials prepared by management and answers technical questions, as requested; and
- Generally reviews and offers advice as requested by or on behalf of the CGN Committee regarding other aspects of our executive compensation program, including best practices and other matters.

Prior to the engagement of Cook & Co., Pearl Meyer & Partners (PM&P) served as the independent compensation consultant to the CGN Committee. During 2013, the CGN Committee reviewed and assessed the independence of both PM&P and Cook & Co. and concluded that neither PM&P s nor Cook & Co. s work raised any conflict of interests. Cook & Co. did not provide any additional services to Dominion during 2013, and for the period in 2013 for which PM&P served as the Committee s independent consultant, PM&P also did not provide any additional services to Dominion.

Management s Role in Our Process

Although the CGN Committee has the responsibility to approve and monitor all compensation for our NEOs, management plays an important role in determining executive compensation. Under the direction of management, internal compensation specialists provide the CGN Committee with data, analysis and counsel regarding the executive compensation program, including an ongoing assessment of the effectiveness of the program, peer practices, and executive compensation trends and best practices. Management, along with our internal compensation and financial specialists, assist in the design of our incentive compensation plans, including performance target recommendations consistent with the strategic goals of the company, and recommendations for establishing the peer group. Management also works with the chairman of the CGN Committee to establish the agenda and prepare meeting information for each CGN Committee meeting.

As discussed previously, the CEO is responsible for reviewing senior officer succession plans with the CGN Committee on an annual basis. Mr. Farrell is also responsible for reviewing the performance of the other senior officers, including the other NEOs, with the CGN Committee at least annually. He makes recommendations on the compensation and benefits for the NEOs (other than himself) to the CGN Committee and provides other information and advice as appropriate or as requested by the CGN Committee, but all decisions are ultimately made by the CGN Committee.

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The Compensation Peer Group

The CGN Committee uses two peer groups for executive compensation purposes. The Compensation Peer Group is used to assess the competitiveness of the compensation of our NEOs. A separate Performance Grant Peer Group is used to evaluate the relative performance of the company for purposes of our long-term incentive program. (*See 2013 Performance Grants* and *Performance Grant Peer Group* for additional information.)

In the fall of each year, the CGN Committee reviews and approves the Compensation Peer Group of companies. In selecting the Compensation Peer Group, we use a methodology that identifies companies in our industry that compete for customers, executive talent and investment capital. We screen this group based on size and usually eliminate companies that are much smaller or larger than Dominion s size in revenues, assets or market capitalization. We also consider the geographic locations and the regulatory environment in which potential peer companies operate.

Dominion s Compensation Peer Group is generally consistent from year to year, with merger and acquisition activity being the primary reason for any changes. No changes were made to the Compensation Peer Group for 2013. Dominion s Compensation Peer Group for 2013 was comprised of the following companies:

Ameren Corporation	FirstEnergy Corp.
American Electric Power Company, Inc.	NextEra Energy, Inc.
CMS Energy Corporation	NiSource Inc.
DTE Energy Company	PPL Corporation
Duke Energy Corporation	Public Service Enterprise Group Incorporated
Entergy Corporation	The Southern Company
Exelon Corporation	Xcel Energy Inc.

The CGN Committee and management use the Compensation Peer Group to: (i) compare Dominion s stock and financial performance against these peers using a number of different metrics and time periods to evaluate how we are performing as compared to our peers; (ii) analyze compensation practices within our industry; (iii) evaluate peer company practices and determine peer median and 75th percentile ranges for base pay, annual incentive pay, long-term incentive pay and total direct compensation, both generally and for specific positions; and (iv) compare our benefits and perquisites. In setting the levels for base pay, annual incentive pay, long-term incentive pay and total direct compensation, the CGN Committee also takes into consideration Dominion s size compared with the median of the Compensation Peer Group and the complexity of its business. As of year-end 2013, Dominion ranked second in market capitalization, seventh in assets and seventh in revenues in comparison to the Compensation Peer Group.

Survey And Other Data

Dominion does not benchmark or otherwise use broad-based market data as the basis for compensation decisions for the NEOs. Survey compensation data and information on local companies with whom we compete for talent and other companies with comparable market capitalization to Dominion is used only to provide a general understanding of compensation practices and trends. The CGN Committee takes into account individual and company-specific factors, including internal pay equity, along with data from the Compensation Peer Group, in establishing compensation opportunities. The CGN Committee believes this reflects Dominion s specific needs in its distinct competitive market and with respect to its size and complexity versus its peers.

Compensation Design And Risk

Dominion s management, including Dominion s Chief Risk Officer and other executives, annually reviews the overall structure of the company s executive compensation program and policies to ensure that they are consistent with effective management of enterprise key risks and that they do not encourage executives to take unnecessary or excessive risks that could threaten the value of the enterprise. With respect to the programs and policies that apply to our NEOs, this review includes:

- Analysis of how different elements of our compensation programs may increase or mitigate risk-taking;
- Analysis of performance metrics used for short-term and long-term incentive programs and the relation of such incentives to the objectives of the company;
- Analysis of whether the performance measurement periods for short-term and long-term incentive compensation are appropriate; and
- Analysis of the overall structure of compensation programs as related to business risks.

Among the factors considered in management s assessment are: (i) the balance of our overall program design, including the mix of cash and equity compensation; (ii) the mix of fixed and variable compensation; (iii) the balance of short-term and long-term objectives of our incentive compensation; (iv) the performance metrics, performance targets, threshold performance requirements and capped payouts related to our incentive compensation; (v) our clawback provision on incentive compensation; (vi) our share ownership guidelines, including share ownership levels and retention practices and prohibitions on hedging, pledging, and other derivative transactions related to Dominion stock; (vii) the CGN Committee s ability to exercise negative discretion to reduce the amount of the annual incentive award; and (viii) internal controls and oversight structures in place at Dominion.

Management reviewed and provided the results of its assessment to the CGN Committee. Based on this review, the CGN Committee believes the company s well-balanced mix of salary and short-term and long-term incentives, as well as the performance metrics that are included in the incentive programs, are appropriate and consistent with the company s risk management practices and overall strategies.

Other Tools

The CGN Committee uses a number of tools in its annual review of the compensation of the CEO and other NEOs, including charts illustrating the total range of payouts for each performance-based compensation element under a number of different scenarios; spreadsheets showing the cumulative dollar impact on total direct compensation that could result from implementing proposals on any single element of compensation; graphs demonstrating the relationship between the CEO s pay and that of the next highest-paid officer and NEOs as a group; and other information the CGN Committee may request in its discretion. Management s internal compensation specialists provide the CGN Committee with detailed comparisons of the design and features of Dominion s long-term incentive and other executive benefit programs with available information regarding similar programs at the companies in the Compensation Peer Group. These tools are used as part of the overall process to ensure that our compensation program results in appropriate pay relationships as compared to our peer companies and internally among the NEOs, and that an appropriate balance of at-risk, performance-based compensation is maintained to support the program s core objectives. No material adjustments were made to any NEO s compensation as a result of using these tools.

Elements of Dominion s Compensation Program

Our executive compensation program consists of four basic elements:

Pay Element	Primary Objectives	Key Features & Behavioral Focus
Base Salary	Provide competitive level of fixed cash compensation for performing day-to-day responsibilities	Generally targeted at or slightly above peer median, with individual and company-wide considerations
	Attract and retain talent	Rewards individual performance and level of experience
Annual Incentive Plan	Provide competitive level of at-risk cash compensation for achievement of short-term financial and operational goals	Cash payments based on achievement of annual financial and individual operating and stewardship goals
	Align short-term compensation with our annual budget, earnings goals, business plans and core values	Rewards achievement of annual financial goals for Dominion as well as business unit and individual goals selected to support

		longer-term strategies
Long-Term Incentive Program	Provide competitive level of at-risk compensation for achievement of long-term performance goals Create long-term shareholder value Retain talent and support the succession planning process	A 50/50 combination of performance-based cash and restricted stock awards Encourages and rewards officers for making decisions and investments that create long-term shareholder value as reflected in superior relative total shareholder returns, as well as achieving desired returns on invested capital
Employee and Executive Benefits	Provide competitive retirement and other benefit programs that attract and retain highly qualified individuals Provide competitive terms to encourage officers to remain with Dominion during any potential change in control to ensure an orderly transition of management	Includes company-wide benefit programs, executive retirement plans, limited perquisites, and change in control and other agreements, supplemented with non-compete provisions in the non-qualified retirement plans Encourages officers to remain with Dominion long-term and to act in the best interests of shareholders, even during any potential change in control

Factors in Setting Compensation

As part of the process of setting compensation targets, approving payouts and designing future programs, the CGN Committee evaluates the company s overall performance versus its business plans and strategies, its short-term and long-term goals and the performance of its peer companies. In addition to considering Dominion s overall performance for the year, the CGN Committee takes into consideration several individual factors for each NEO that are not given any specific weighting in setting each element of compensation, including:

- An officer s experience and job performance;
- The scope, complexity and significance of responsibility for a position, including any differences from peer company positions;
- Internal pay equity considerations, such as the relative importance of a particular position or individual officer to Dominion s strategy and success, and comparability to other officer positions at Dominion;
- Retention and market competitive concerns; and
- The officer s role in any succession plan for other key positions.

The CGN Committee evaluates each NEO s base salary, total cash compensation (base salary plus target AIP award) and total direct compensation (base salary plus target AIP award plus target long-term incentive award) against data from our Compensation Peer Group to ensure the compensation levels are appropriately competitive. It does not, however, target these compensation levels at a particular percentile or range of the peer group data. For Mr. Heacock only, the same evaluation process was performed using the Towers Watson Energy Services data instead of peer group data due to insufficient peer group data reported at the time to evaluate the competitiveness of his compensation levels and the fact that he was not an NEO at the time the compensation analysis was performed. See Exhibit 99.1 of the Form 10-K for the fiscal year ended December 31, 2013 for a listing of the companies included in the survey. As part of its analysis, the CGN Committee also takes into account Dominion s size, including market capitalization and price to earnings ratio, and complexity compared to the companies in our Compensation Peer Group, as well as the tenure of the NEO as compared to executives in a similar position in a Compensation Peer Group company.

CEO Compensation Relative to Other NEOs

Mr. Farrell participates in the same compensation programs and receives compensation based on the same philosophy and factors as the other NEOs. Application of the same philosophy and factors to Mr. Farrell s position results in overall CEO compensation that is significantly higher than the compensation of the other NEOs. Mr. Farrell s compensation is commensurate with his greater responsibilities and decision-making authority, broader scope of duties encompassing the entirety of the company (as compared to the other NEOs who are responsible for significant but distinct areas within the company) and his overall responsibility for corporate strategy. His compensation also reflects his role as our principal corporate representative to investors, customers, regulators, analysts, legislators, industry and the media.

We consider CEO compensation trends as compared to the next highest-paid officer, as well as to our executive officers as a group, over a multi-year period to monitor the ratio of Mr. Farrell s pay relative to the pay of other executive officers based on (i) salary only and (ii) total direct compensation. We also compare the individual compensation components for Mr. Farrell to that of our peers, in addition to the other factors listed above, for CGN Committee consideration of year-to-year trends and comparisons with our peers. The CGN Committee did not make any adjustments to the compensation of any NEOs based on this review for 2013.

Allocation of Total Direct Compensation in 2013

Consistent with our objective to reward strong performance based on the achievement of short-term and long-term goals, a significant portion of total cash and total direct compensation is at risk. Approximately 88% of Mr. Farrell s targeted 2013 total direct compensation is performance-based, tied to pre-approved performance metrics, including relative TSR and ROIC, or tied to the performance of our stock. For the other NEOs, performance-based and stock-based compensation ranges from 67% to 81% of targeted 2013 total direct compensation. This compares to an average of approximately 55% of targeted compensation at risk for most of our officers at the vice president level and an average of approximately 12% of total pay at risk for our non-officer employees.

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The charts below illustrate the elements of targeted total direct compensation opportunities in 2013 for Mr. Farrell and the average of the other NEOs as a group and the allocation of such compensation among base salary, targeted 2013 AIP award and targeted 2013 long-term incentive compensation.

Base Salary

Base salary compensates our officers, along with the rest of our workforce, for committing significant time to working on Dominion s behalf. Base salary may be adjusted, as appropriate, to keep salaries in line and competitive with the Compensation Peer Group and to reflect changes in responsibility, including promotions. Base salary adjustments are also a motivational tool to acknowledge and reward excellent individual performance, special skills, experience, the strategic impact of a position relative to other Dominion executives and other relevant considerations.

Our primary goal is to compensate our officers at a level that best achieves our objectives and reflects the considerations discussed above. We believe that an overall goal of targeting base salary at or slightly above the Compensation Peer Group median is a conservative but appropriate target for base pay. However, an individual s compensation may be below or above our target range based on a number of factors such as performance, tenure, and other factors explained above in *Factors in Setting Compensation*. In addition to being ranked above the Compensation Peer Group median in 2013 in terms of market capitalization and at median for revenues and assets, the scope of Dominion s business operations is complex and unique in its industry. Successfully managing such a broad and complex business requires a skilled and experienced management team. We believe we would not be able to successfully recruit and retain such a team if the base pay for officers was generally below the Compensation Peer Group median.

The CGN Committee approved a modest base salary increase for most officers, including a 3.0% base salary increase for Messrs. Farrell, Christian, Koonce, Heacock and Sypolt and 5.0% base salary increase for Mr. McGettrick effective March 1, 2013. In determining the base salary increase for Mr. McGettrick, the CGN Committee took into consideration Mr. McGettrick s overall performance, the broader scope of his responsibilities in comparison to the business unit CEOs and his role in developing financing strategies to support Dominion s long-term growth plan. Effective January 1, 2013, the CGN Committee increased Mr. Koonce s base salary 10% to recognize his increased responsibility as CEO of the Energy Infrastructure Group, with the Dominion Energy business unit reporting to him in addition to the Dominion Virginia Power business unit.

Annual Incentive Plan

Overview

The AIP plays an important role in meeting Dominion s overall objective of rewarding strong performance. The AIP is a cash-based program focused on short-term goal accomplishments and is designed to:

- Tie interests of shareholders, customers and employees closely together;
- Focus our workforce on company, operating group, team and individual goals that ultimately influence operational and financial results;
- Reward corporate and operating unit earnings performance;
- Reward safety, diversity and other operating and stewardship goal successes;
- Emphasize teamwork by focusing on common goals;
- Appropriately balance risk and reward; and
- Provide a competitive total compensation opportunity.

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TARGET AWARDS

An NEO s compensation opportunity under the AIP is based on a target award. Target awards are determined as a percentage of a participant s base salary (for example, 85% of base salary). The target award is the amount of cash that will be paid if the plan is funded at the full funding target set for the year and a participant achieves a score of 100% for the payout goals. Participants who retire during the plan year are eligible to receive a prorated payment of their AIP award after the end of the plan year based on final funding and goal achievement. Participants who voluntarily terminate employment during the plan year and who are not eligible to retire (before attainment of age 55) forfeit their AIP award.

AIP target award levels are established based on a number of factors, including historical practice, individual and company performance, and internal pay equity considerations, and are compared against Compensation Peer Group data to ensure the appropriate competitiveness of an NEO s total cash compensation opportunity. However, as discussed above, AIP target award levels are not targeted at a specific percentile or range of the peer group data, neither were market survey data used in setting AIP target award levels for 2013. AIP target award levels are also consistent with our intent to have a significant portion of NEO compensation at risk. There were no changes to the AIP targets from 2012 as a percentage of salary for any NEO for 2013.

Name	2013 AIP Target Award*
Thomas F. Farrell II	125%
Mark F. McGettrick	100%
David A. Christian	90%
Paul D. Koonce	90%
David A. Heacock	70%
Gary L. Sypolt	90%

*As a % of base salary

FUNDING OF THE 2013 AIP

Funding of the 2013 AIP was based solely on consolidated operating earnings per share, with potential funding ranging from 0% to 200% of the target funding. Consolidated operating earnings are our reported earnings determined in accordance with GAAP, adjusted for certain items. We believe that by placing a focus on pre-established consolidated operating earnings per share targets, we increase employee awareness of the company s financial objectives and encourage behavior and performance that will help achieve these objectives.

For the 2013 AIP, the CGN Committee established a full funding target at 100% for the NEOs of operating earnings per share between $3.05 and $3.35, inclusive of funding for all plan participants. The maximum funding target of 200% was set at $3.50 operating earnings per share, and no funding if operating earnings were less than $3.00 per share (threshold), with the CGN Committee retaining negative discretion to determine the final funding level for the NEOs. Full funding means that the AIP is 100% funded and participants can receive their full targeted AIP payout if they achieve a score of 100% for their particular goal package, as described below in *How We Determine AIP Payouts*. At the maximum plan funding level of 200%, the NEOs can earn up to two times their targeted AIP payout, subject to achievement of their individual goal packages.

Dominion s consolidated operating earnings for the year ended December 31, 2013, were $1.88 billion or $3.25 per share, which met the target goal for 100% funding.* Consolidated reported earnings in accordance with GAAP for the year ended December 31, 2013, were $1.70 billion or $2.93 per share.

* *See* ***Reconciliation of 2013 Consolidated Operating Earnings to Reported Earnings*** on page 46.

HOW WE DETERMINE AIP PAYOUTS

For the NEOs, payout of funded AIP awards is contingent solely on the achievement of the consolidated operating financial funding goal with the CGN Committee retaining negative discretion to lower the earned payout as it deems appropriate, taking into consideration the accomplishment of the discretionary consolidated financial, business unit financial and operating and stewardship goals, including safety and diversity goals. The percentage allocated to each category of discretionary goals represents the percentage of the funded award subject to the performance of that goal. Officer goals are weighted according to their responsibilities. The overall score cannot exceed 100%.

The consolidated operating financial goal is the same as the funding goal and, as noted above, was fully achieved for the 2013 AIP. Business unit financial goals provide a line-of-sight performance target for officers within a business unit and, on a combined basis, support the consolidated operating earnings target for Dominion. Operating and stewardship goals provide line-of-sight performance targets that may not be financial and that can be customized for each individual or by segments of each business unit. Operating and stewardship goals promote our core values of safety, ethics, excellence and teamwork, which in turn contribute to our financial success.

The discretionary payout goals adopted by each of the NEOs, which may be considered by the CGN Committee to reduce the NEOs final payout, are described under *2013 AIP Payouts* and the weightings applied to those goals are shown in the table below.

	Consolidated	Business Unit	Operating and Stewardship (O&S) Goals		
	Financial Goal	Financial Goals	Safety	Diversity	Other O&S Goals
Thomas F. Farrell II	90%	0%	5%	5%	
Mark F. McGettrick	90%	0%	5%	5%	
David A. Christian	45%	45%	5%	5%	
Paul D. Koonce	45%	45%	5%	5%	
David A. Heacock	20%	45%	5%	5%	25%
Gary L. Sypolt	45%	45%	5%	5%	

2013 AIP PAYOUTS

The formula for calculating an award is:

Dominion s operating earnings per share for the year ended December 31, 2013 was $3.25, which met the target AIP payout goal for NEOs of achievement of consolidated operating earnings between $3.05 and $3.35 per share for the year ended December 31, 2013. The CGN Committee approved a payout score of 100% for Messrs. Farrell, McGettrick, Christian, Sypolt and Heacock and exercised negative discretion to reduce Mr. Koonce s payout score to 99.97% for a missed safety goal at the Dominion Virginia Power business unit which is discussed below. As noted above, the payouts for the NEOs are based solely on the accomplishment of the consolidated operating financial funding goal. The achievement of the discretionary goals are applied only to the extent the CGN Committee deems it appropriate to take these goals in consideration in its exercise of negative discretion to reduce the final payout of the NEOs.

The CGN Committee assessed the business challenges that Dominion faced during 2013 and recognized that all of the business units remained focused on safe and excellent operations and that many of these challenges were nearly overcome. Although two of the business units did not reach their financial targets, the consolidated financial funding and payout goal was achieved and, as such, payouts for the applicable NEOs were not reduced for the business unit financial accomplishments, which are shown below:

Business Unit	Goal Threshold	Goal	Actual 2013

	(Net Income)	100% Payout (Net Income)	Net Income
(Million/$)			
Dominion Virginia Power	$ 480	$ 600	$ 543
Dominion Generation	794	993	963
Dominion Energy	499	624	643

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With respect to Messrs. Farrell and McGettrick, the Dominion Services business unit met its safety goal of four or fewer OSHA recordable incidents with an incidence rate of 0.15 or less. The Dominion Generation business unit, of which Mr. Christian is a part, met its target safety goal of an OSHA incidence rate ranging from 0.27 to 1.23 for certain operating units and recordable incidents of one or fewer for another operating unit within Dominion Generation. Mr. Koonce is part of the Dominion Virginia Power and Dominion Energy business units and Mr. Sypolt was part of Dominion Energy. The Dominion Virginia Power business unit fell short of the target OSHA incidence rate of 1.21 with an actual rate of 1.22, but the OSHA incidence rate of 1.59 for the Dominion Energy business unit was met. The Dominion Virginia Power and Dominion Energy business units met the lost time/restricted duty rates of 0.30 and 0.58, respectively. Mr. Heacock carried a safety goal for the nuclear fleet of 14 or fewer total fleet wide OSHA recordable incidents, which was met.

Each of the NEOs met his discretionary diversity goal relating to one or more of the following areas: talent review, internship program improvements, recruitment and retention process improvements, and workforce training. In addition to safety and diversity goals, Mr. Heacock met his additional discretionary operating and stewardship goals in the following four categories: nuclear safety (based on fleet wide total number of station event-free day clock resets); total online radiation exposure for the fleet; fleet capacity factor percentage; and environmental compliance (based on the number of environmental performance points assessed at the nuclear stations).

Amounts earned under the 2013 AIP for each NEO are shown below and are reflected in the *Non-Equity Incentive Plan Compensation* column of the *Summary Compensation Table*.

Name	Base Salary		Target Award*		Funding %		Total Payout Score %		2013 AIP Payout
Thomas F. Farrell II	$ 1,355,274	X	125%	X	100%	X	100%	=	$ 1,694,093
Mark F. McGettrick	718,027	X	100%	X	100%	X	100%	=	718,027
David A. Christian	625,459	X	90%	X	100%	X	100%	=	562,913
Paul D. Koonce	592,665	X	90%	X	100%	X	99.97%	=	533,239
David A. Heacock	454,737	X	70%	X	100%	X	100%	=	318,316

Base Salary	Target Award*	Pro-rated %	Funding %	Total Payout Score %