

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

DOMINION RESOURCES INC /VA/
Form DEF 14A
March 20, 2002

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

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))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to (S) 240.14a-11(c) or (S) 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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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

(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11 (set forth the amount on which
the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

2	The Proxy Process
4	Item One: Election of Directors
6	Item Two: Shareholder Proposals
8	The Board
10	Share Ownership Table
11	The Audit Committee Report
12	Organization, Compensation & Nominating Committee Report
14	Executive Compensation
20	Auditors
20	Other Information

NOTICE OF ANNUAL MEETING

Dominion Resources, Inc.
P.O. Box 26532
Richmond, Virginia 23261

[GRAPHIC] Dominion (SM)

March 20, 2002

Dear Shareholder:

On Friday, April 26, 2002, Dominion Resources, Inc. will hold its Annual Meeting of Shareholders at the Library of Virginia, 800 East Broad Street, Richmond, Virginia. The meeting will begin at 9:30 a.m. Eastern Daylight Time.

Only shareholders that owned stock at the close of business on March 1, 2002 may vote at this meeting or any adjournments that may take place. At the meeting we propose to:

- o Elect 14 directors;
- o Consider two shareholder proposals, if presented, and;
- o Attend to other business properly presented at the meeting.

This proxy statement was mailed and our 2001 Annual Report made available to you on approximately March 20, 2002. I hope you will be able to attend the meeting, but even if you cannot, please vote your proxy as soon as you can.

By order of the Board of Directors,

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

Patricia A. Wilkerson
Vice President and Corporate Secretary

THE PROXY PROCESS

Your Board of Directors is soliciting your proxy for the 2002 Annual Meeting of Shareholders and encourages you to vote in favor of all the Director nominees and against the two proposals presented on p. 6 and 7.

Record Date

All shareholders that owned common stock at the close of business on March 1, 2002 are entitled to vote at the Annual Meeting. There were 265,355,254 shares of Dominion Resources, Inc. common stock outstanding on that date.

Householding

For registered shareholders and Dominion Direct/SM/ participants, a single copy of the annual report has been sent to multiple shareholders who reside at the same address. Shareholders who contacted us will receive an individual copy of the annual report. Any shareholder that would like to receive a separate annual report may call or write us at the address below, and we will promptly deliver it.

If you received multiple copies of the annual report and would like to receive combined mailings in the future, please contact us at the address below. Shareholders who hold their shares in "street name" -- in an account with a broker or a bank--should contact their broker regarding combined mailings.

Dominion Resources
Shareholder Services
P.O. Box 26532
Richmond, VA 23261
1-800-552-4034
shareholder_services@dom.com

Voting

Methods. You may vote in person at the Annual Meeting or by proxy. For shares that you hold directly as a registered shareholder or shares held in Dominion Direct/SM/, you have three ways to vote by proxy:

1. Connect to the Internet at www.vote4fast.com;
2. Call 1-800-542-1160; or
3. Complete the proxy card and mail it back to us.

Complete instructions for voting your shares can be found on your proxy card.

If you vote and change your mind on any issue, you may revoke your proxy at any time before the close of voting at the Annual Meeting. There are four ways to revoke your proxy:

1. Connect to the website listed above;
2. Call the 800 number listed above under

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

Voting Methods;

3. Write our Corporate Secretary; or
4. Vote your shares at the Annual Meeting.

Beneficial Owners (Broker Shares). If your shares are held in "street name" with your broker, please follow the instructions found on the Voting Instruction Card enclosed with this proxy statement.

Registered Shareholders and Dominion Direct/SM/ Participants. Your proxy card shows the number of full and fractional shares you own. If you are a participant in our Dominion Direct/SM/ stock purchase plan, the number includes shares we hold in your Dominion Direct/SM/ account. 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 and do not make a selection, your shares will be voted as recommended by the Board. If you are a Dominion Direct/SM/ participant and do not vote your proxy, we will vote all shares held in that account according to the Board's recommendations. No vote will be recorded for registered shares that are not properly voted.

2

Employee Savings and Thrift Plan Participants.

You will receive a request for Voting Instructions from the Trustee(s) for the Plans. The share amounts listed on that form include the full and fractional shares in your Plan account(s). You may instruct the Trustee(s) by:

1. Connecting to www.votefast.com;
2. Calling 1-800-542-1160; or
3. Returning your Voting Instructions in the enclosed envelope (not to Dominion).

Complete instructions can be found on the Voting Instruction Card included with the proxy statement. Whichever method you choose, the Trustee(s) will vote according to your instructions and will keep your vote confidential. If you do not vote your Savings or Thrift Plan shares, the Trustee(s) will vote your shares according to each Plan's voting standards.

Rights. Each of your shares will be counted as one vote.

A majority of the shares outstanding on March 1, 2002 constitutes a quorum for this meeting. Abstentions and shares held by a broker or nominee (Broker Shares) that are voted on any matter are included in determining a quorum.

The 14 nominees for director receiving the most votes will be elected.

The Shareholder Proposals presented on p. 6 and 7 require more votes in favor of each than the number of votes against each in order to be approved. Broker shares not voted and abstentions have no effect on the final vote counted.

Attending the Meeting

Shareholders who plan to attend the meeting this year will be asked to present valid picture identification, such as a driver's license or passport. Registered shareholders must bring a Dominion DirectSM statement or dividend check stub as proof of ownership. If you hold stock in a brokerage account ("street name"), you must bring a copy of a brokerage statement. If you are an authorized proxy,

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

you must present the proper documentation. Registration will begin at 8:00 a.m., and seating will be available on a first come, first served basis. Cameras, recording devices and other electronic devices will not be permitted at the meeting.

Solicitation and Tabulation

We will pay for soliciting proxies from our shareholders, and some of our employees may telephone shareholders after the initial mail solicitation. We have also retained Georgeson Shareholder Communications 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 proxies and to assist with the Annual Meeting.

3

ITEM ONE: ELECTION OF DIRECTORS

Each nominee for director and information about that nominee is listed below. Directors are elected annually; therefore, each director's term of office will end at the next annual meeting of shareholders.

Your proxy will be voted to elect the nominees unless you tell us otherwise. 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.

Nominees for Election	Year First Elected a of Dominion (or Affiliate)
WILLIAM S. BARRACK, JR., 72, former Senior Vice President, Texaco, Inc., New Canaan, Connecticut. He is a Director of Standard Commercial Corporation.	2000 (1994)
RONALD J. CALISE, 53, former Managing Director of the Global Power Industry Group, Investment Banking Division, Lehman Brothers, New York, New York.	2001
THOS. E. CAPPS, 66, Chairman, President and Chief Executive Officer of Dominion (from January 28, 2000 to August 1, 2000, Vice Chairman, President and Chief Executive Officer, and prior to that Chairman, President and Chief Executive Officer). He is Chairman and a Director of Virginia Electric and Power Company.	1986
GEORGE A. DAVIDSON, JR., 63, Retired Chairman of the Board of Directors of Dominion (from January 28, 2000 to August 1, 2000, Chairman of Dominion, prior to that, Chairman and Chief Executive Officer of Consolidated Natural Gas Company). He is a Director of PNC Financial Services Group, Inc. and Goodrich Corporation.	2000 (1985)
JOHN W. HARRIS, 54, President, Lincoln Harris, LLC, a real estate consulting firm, Charlotte, North Carolina. He is a Director of Piedmont Natural Gas Company, Inc.	1999 (1994)

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

 BENJAMIN J. LAMBERT, III, 65, Optometrist, Richmond, Virginia. He is a Director of Consolidated Bank & Trust Company and USA Education, Inc. (Sallie Mae). 1994 (1992)

RICHARD L. LEATHERWOOD, 62, Retired President and Chief Executive Officer, CSX Equipment, an operating unit of CSX Transportation, Inc., Baltimore, Maryland. He is a Director of CACI International Inc. 1994

4

Nominees for Election Year First Elected a
of Dominion (or Affiliate)

 MARGARET A. MCKENNA, 56, President, Lesley University, Cambridge, Massachusetts. 2000 (1994)

STEVEN A. MINTER, 63, President and Executive Director, The Cleveland Foundation, Cleveland, Ohio. He is a Director of Goodyear Tire & Rubber Company and KeyCorp. 2000 (1988)

KENNETH A. RANDALL, 74, corporate director for various companies, Williamsburg, Virginia. He is a Director of Oppenheimer Mutual Funds, Inc. and Prime Retail, Inc. 1971*

FRANK S. ROYAL, M.D., 62, Physician, Richmond, Virginia. He is a Director of HCA, Inc., SunTrust Banks, Inc., Chesapeake Corporation and CSX Corporation. 1994

S. DALLAS SIMMONS, 62, Chairman, President and CEO of Dallas Simmons & Associates, a consulting firm, Richmond, Virginia (prior to July 1, 1999, President, Virginia Union University). 1992

ROBERT H. SPILMAN, 74, President, Spilman Properties, Inc., private investments, Bassett, Virginia (prior to August 1, 1997, Chairman and Chief Executive Officer of Bassett Furniture Industries, Inc.). He is a Director of Birmingham Steel Company. 1994

DAVID A. WOLLARD, 64, Founding Chairman of the Board, Emeritus, Exempla Healthcare, Denver, Colorado. Also former President of Bank One Colorado, N.A. 1999 (1994)

*Service includes tenure on Virginia Electric and Power Company Board prior to establishment of Dominion as a holding company in 1983.

The Board of Directors recommends that you vote FOR these nominees.

ITEM TWO: SHAREHOLDER PROPOSALS

Dominion has been notified that two shareholders intend to present proposals for consideration at the annual meeting. We will furnish upon request the name, address and stock ownership of each proponent of the Proposals identified below.

Proposal 1:

"Be it resolved that the shareholders urge the Company to invest in new electrical generation capacity from solar and wind sources to replace or add approximately one percent (1%) of system capacity yearly for the next twenty years with the goal of having the company producing twenty percent (20%) of generation capacity from clean renewable sources in 20 years."

Supporting Statement:

"Utility deregulation demands the Company present a good public image, and the public is demanding progress toward clean energy and a reduction in global warming. Electric power utilities currently emit over 30% of the pollution that now blankets the earth and causes global climate change.

I believe efforts must be made to slow down changes in global warming to prevent a wide range of unintended, harmful and costly impacts including but not limited to sea level rise, drought and desertification, other extreme weather events, expansion of tropical diseases, and changes in the biosphere affecting animal and plant life.

Solar and wind sources do not require the purchase of fossil fuels. As the costs of these non-renewable fuels rise in the future, this renewable generation capacity may achieve a return on investment over the long term. A mix in the generation capacity will allow for small pilot facilities to be built and tried as the program and technology advances.

Support for this resolution will indicate shareholder desire to gradually de-emphasize the production of fossil fuels and to support the development of more non-polluting, environmentally-friendly approaches to energy production. Please vote 'yes' for this resolution."

Dominion's Opposing Statement

The Board recommends that shareholders reject this proposal. The Board could not adopt such a policy because of its obligation under Virginia law to act in a manner that is in the best interests of the corporation and that supplies reliable energy to its customers. Current research and experience suggest that these sources are not cost-effective or dependable sources of power.

Dominion is committed to meeting its customers' energy demand in an environmentally responsible manner. The company continues to explore new sources and expansion of existing sources of energy in the ordinary course of the company's business.

The Board of Directors recommends that you vote AGAINST this shareholder proposal.

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

Proposal 2:

Resolved: That shareholders urge that the board of directors will solicit shareholder approval for any "shareholder rights" plan that might be adopted, and that if this approval is not granted in the form of a majority of shares voted, then any rights plan be redeemed.

Supporting Statement:

Shareholder rights plans, sometimes called "poison pills," may be adopted by boards at any time. Our company might redeem a pill, adopt another, and redeem that one, three separate moves, between the time this resolution is filed in the fall of 2001, and the time of the 2002 annual meeting in the spring. Yet I believe shareholders frequently oppose pills when they are asked in a vote. This resolution merely urges the board to secure shareholder approval if and when a pill is put in place by the board. By adopting a policy that any shareholder rights plan would be ratified by a shareholder vote, our board could demonstrate a commitment to insure the greatest management care for shareholders.

Pills have come to represent management insulation.

Dominion's Opposing Statement

The Board recommends that shareholders reject this proposal. Dominion does not have a shareholder rights plan, and is not considering adopting a shareholder rights plan. Under Virginia law, the Board can adopt a shareholder rights plan only if it finds that such a plan is in the best interests of the company.

Shareholder rights plans are not intended to prevent takeovers. They are designed to help the Board negotiate a deal at a price and on terms that are in the best interests of the company and the shareholders. They protect against hostile acquirers using tactics to obtain companies for the cheapest price possible, and doing so in a manner that may result in unequal shareholder treatment.

The Board of Directors recommends that you vote AGAINST this shareholder proposal.

7

THE BOARD

Committees & Meeting Attendance

The Board met seven times in 2001. Each Board member attended all meetings of the Board and committees on which he or she served.

Committee	Members	Description
Audit	S. Dallas Simmons, Chairman John W. Harris Margaret A. McKenna Steven A. Minter	These four non-employee directors consult with auditors regarding the examination of Dominion (collectively, the Company) financial statements and the independence of auditors. The shareholding can be found on p. 11. As requi

rules, the committee is comprised of independent directors. The committee's Charter, which was provided in the 2001 proxy statement, provides that the Board the independent auditors to be designated by the Board. This committee met two times, and Dr. Simmon met with the independent auditors prior to each quarter's earnings release.

Finance	William S. Barrack, Jr., Chairman Ronald J. Calise Benjamin J. Lambert, III David A. Wollard	These four non-employee directors review the Company's financial statements and consider dividend policy. In 2001, this committee also reviewed the Company's financial statements.
Organization, Compensation and Nominating	Kenneth A. Randall, Chairman Richard L. Leatherwood Frank S. Royal Robert H. Spilman	These four non-employee directors work closely with management to review the Company's organizational structure. They make recommendations on these matters to the Board. They also review the qualifications of candidates suggested by Board members, management, shareholders and nominees for election as directors. In 2001, the Board elected three new directors.
Risk Oversight	Ronald J. Calise, Chairman Richard L. Leatherwood David A. Wollard	In December 2001, the Board established this committee to oversee the Company's treasury group to oversee and advise on energy trading guidelines regarding energy trading.

Compensation and Other Programs

Fees. Director fees did not increase in 2001. Non-employee directors were paid an annual retainer of \$40,000 -- \$20,000 in cash and \$20,000 in shares of Dominion stock. They also received \$1,200 in cash per Board or committee meeting attended.

Options. In keeping with the philosophy that governs executive compensation (see p. 12), in July 2001 the Board granted 12,000 options to each non-employee director at the then current market price of \$59.96 per share. One third of these options will become exercisable on January 1, 2003, 2004 and 2005 and will expire in thirds, five years from the respective vesting date.

Deferred Cash Compensation Plan. Directors may elect to defer their cash fees under this plan until they reach retirement or a specified age. The deferred fees are credited to either an interest bearing account or a Dominion common stock equivalent account. Interest or dividend equivalents accrue until distributions are made. A director will be paid in cash or stock according to the election made.

Stock Compensation Plan. The stock portion of the directors' retainer is paid under this plan. Directors have the option to defer receipt of the stock. If a director elects this option, the shares are held in trust until the director's retirement and the dividends on those shares are reinvested. However, the director retains all voting and other rights as a shareholder.

Stock Accumulation Plan. Upon election to the Board, a non-employee director receives a one-time award under this plan. The award is in Stock Units, which are equivalent in value to Dominion common stock. The award amount is determined by multiplying the director's annual cash retainer by 17, then dividing the result by the average price of Dominion common stock on the last trading days of the three months before the director's election to the Board. The Stock Units awarded to a director are credited to a book account. A separate account is

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

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 this plan. Reduced distributions may be made where a director has at least 10 years of service.

Charitable Contribution Program. Dominion had offered its directors participation in a Directors' Charitable Contribution Program. The program is funded by life insurance policies purchased by Dominion on the directors. The directors derive no financial or tax benefits from the program, because all insurance proceeds and charitable tax deductions accrue solely to Dominion. However, upon the death of a director, Dominion will donate an aggregate of \$50,000 per year for ten years to one or more qualifying charitable organizations recommended by that director. Effective in January 2000, this program was discontinued. Directors elected to the Board after January 28, 2000 do not participate in this program.

Matching Gifts Program. Directors may give up to \$1,000 per year to 501(c) (3) organizations of their choice, and Dominion will match their donations on a 1-to-1 basis, with a maximum of \$5,000 of matching funds per director per year. If a director's donation is to an organization on whose board they serve or for which they volunteer more than 50 hours of work during a year, Dominion will match the donation on a 2-to-1 basis.

Director Nominations

Under our Bylaws, if you wish to nominate a director at a shareholder's 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 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 entitled to vote at the meeting and intend to appear in person or by proxy to nominate your nominees;
4. a description of all arrangements or undertakings 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.

SHARE OWNERSHIP TABLE

Name of Beneficial Owner	Shares	Beneficial Share Ownership of Common Stock			Total	Other
		Deferred Stock Accounts/1/	Restricted Shares	Exercisable Stock Options		
-----	-----	-----	-----	-----	-----	-----

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

William S. Barrack, Jr.	1,134	905	-	-	2,039	8
Ronald J. Calise	1,000	169	-	-	1,169	5
Thos. E. Capps/4/	326,309	-	16,667	1,233,000	1,575,976	
George A. Davidson, Jr.	123,314	-	-	-	123,314	
John W. Harris	5,108	1,348	-	10,000	16,456	11
Benjamin J. Lambert, III	94	1,933	-	10,000	12,027	11
Richard L. Leatherwood	1,000	1,933	-	10,000	12,933	11
Margaret A. McKenna	4,803	905	-	-	5,708	8
Steven A. Minter	2,421	905	-	-	3,326	8
Kenneth A. Randall	5,571	-	-	10,000	15,571	11
Frank S. Royal	-	1,933	-	10,000	11,933	11
S. Dallas Simmons	4,108	773	-	10,000	14,881	11
Robert H. Spilman	2,976	-	-	10,000	12,976	11
David A. Wollard	2,544	-	-	10,000	12,544	11
Thomas N. Chewning	109,549	-	8,333	450,000	567,882	
Thomas F. Farrell, II/4/	142,915	-	10,000	450,000	602,915	
James P. O'Hanlon	103,500	-	8,333	350,000	461,833	
Edgar M. Roach, Jr.	141,964	-	10,000	450,000	601,964	
Robert E. Rigsby/5/	52,432	-	11,893	350,000	414,325	

All directors and executive officers as a group (25 persons)/6/	1,244,790	10,804	104,292	3,813,715	5,173,601	122,

1. Shares held in Trust for which a director has voting rights.

2. Amounts represent share equivalents that do not have voting rights. Because of this plan's vesting provisions (described on p.9), these amounts will not necessarily be distributed to a director.

3. Amounts represent cash compensation deferred by the director or executive in a stock equivalent account without voting rights until a specified age or retirement. Final payment will be made in cash or stock.

4. Messrs. Capps and Farrell disclaim ownership for 323 and 399 shares, respectively.

5. Mr. Rigsby's ownership is reported as of December 1, 2001, the date he ceased to be an executive.

6. All directors and executive officers as a group own 1.9 percent of the number of shares outstanding at March 1, 2002.

10

THE AUDIT COMMITTEE

Audit Committee Report

Our Committee reviews Dominion's financial reporting process on behalf of the company's Board. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls.

Communication with Management and Independent Auditors

During the year, it is our practice to review and discuss the following with management and the independent auditors:

- o Year-end results prior to public disclosure.

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

- o Risk management policies, procedures and guidelines implemented by Dominion's financial management group to manage and mitigate business and financial risks. The Board has further expanded their oversight with the establishment of a Risk Oversight Committee charged with reviewing the company's trading activities.
- o Dominion's compliance program established by the company's law department to educate employees and promote lawful and ethical behavior.

In addition, on a quarterly basis, the Chair of our committee meets with management and the independent auditors to discuss quarterly results before public disclosure.

With this background, management has represented that Dominion's consolidated financial statements were prepared in accordance with generally accepted accounting principles. We reviewed and discussed the consolidated financial statements with management and the independent auditors. In accordance with the requirements established by the Statement on Auditing Standards No. 61, Communication with Audit Committees, (as amended by Auditing Standards 89 and 90), this discussion included a review of significant accounting estimates and controls, and the quality of Dominion's accounting principles.

Independence of the Auditors and the Committee

It is our practice to review with management any significant engagements with the company's independent auditors that are not audit-related. We also discuss with Dominion's internal and independent auditors the overall scopes and plans for their respective audits. At each of our meetings, we meet with the internal and independent auditors, with and without management present, to discuss the results of their examinations, the evaluations of Dominion's internal controls, and the overall quality of its financial reporting.

We have received a letter from our independent auditors required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees and have discussed with our independent auditors the issue of their independence from Dominion, including any non-audit services performed by them. We have determined that the provision of these services does not affect their independence.

2001 Consolidated Financial Statements

Relying on these reviews and discussions, we recommended to the Board, and the Board approved, that the audited financial statements be included in Dominion's Annual Report on Form 10-K for the year ended December 31, 2001, for filing with the Securities and Exchange Commission.

S. Dallas Simmons,
Chairman
John W. Harris
Margaret A. McKenna
Steven A. Minter

January 22, 2002

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

Compensation Philosophy

Our Committee and management believe it is vitally important to align our officers' financial success with the financial success of our shareholders. As a result, we have developed programs that encourage our executives to own and hold stock through ownership guidelines, forfeiture provisions in option grant agreements and strong internal policies and oversight regarding stock transactions. We work closely with management so that these programs continue to attract, retain and motivate high caliber employees.

Our 2001 executive compensation program put a substantial portion of our executives' annual pay at risk and was tied to the achievement of aggressive financial performance measures. We continued heavy emphasis on stock ownership through grants of options and restricted stock. As we face the economic challenges of 2002, we plan to continue that emphasis, but have determined not to increase executive base salaries in 2002.

2001 Compensation

Our 2001 executive compensation program consisted of three basic components:

- o Base Salary
- o Annual Incentives
- o Long-Term Incentives

Base Salary

As reported last year, our Committee positioned 2001 executive base salaries to be between the median and 75th percentile of base salaries of similar positions at a peer group of diversified energy companies and other businesses with which we compete on a national basis. Our decisions in this regard were based on retention concerns, market data and individual performance.

Executive Officers. An independent compensation consultant analyzed our executives' salaries and compared them to our competitive labor market. Our Committee also reviewed individual executive performance. Based on our review and the consultant's report, base salaries were increased effective January 1, 2001.

Chief Executive Officer. In determining Mr. Capps' base salary adjustment for 2001, our Committee continued to focus on his contributions to Dominion's long-term business strategy and his leadership in guiding Dominion through acquisitions, the increasingly challenging energy industry, and the competitive general business environment. We reviewed competitive compensation information for CEOs within our peer group of diversified energy companies. Keeping in mind our compensation philosophy, we thoroughly evaluated this material and approved an annual base salary of \$1,000,000 for Mr. Capps, effective January 1, 2001.

Annual Incentives

Under the annual incentive program, if goals are achieved or exceeded, the executive's total cash compensation for the year is targeted to be between the median and 75th percentile of total cash compensation for similar positions at companies in our executive labor market.

Under this program our Committee establishes "target awards" for each executive officer. These target awards are expressed as a percentage of the individual executive's base salary (for example, 40% x base salary). The target award is the amount of cash that will be paid, at year-end, if the executive achieves 100% of the goals established at the beginning of the year. We also establish a

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

"threshold" -- or minimum acceptable level of financial performance. If this threshold is not met, no executive receives an annual bonus. Actual bonuses, if any, are based on a pre-established formula and may exceed 100% of the target award.

Executive Officers. For Dominion's executive officers, the 2001 annual incentive plan did not differ from the 2000 plan, in that earnings per share was used as the performance measure. However, each executive's goals were weighted more consistently on a combination of corporate earnings per share, business unit earnings per share and operating goals.

Our Committee established and approved the goals at the beginning of 2001. At year-end, we compared the company's actual financial performance with the consolidated and business unit earnings per share goals. For 2001, these goals were substantially achieved.

12

Earnings per share for the business segments are reported in the Management's Discussion and Analysis section of our 2001 Annual Report to Shareholders.

Annual bonuses paid to the named executives are detailed in the Summary Compensation Table on the next page.

Chief Executive Officer. At the beginning of 2001, we approved a consolidated earnings per share goal for Mr. Capps. Because our earnings per share goal for 2001 was achieved, we approved an annual cash bonus of \$1,250,000 for Mr. Capps.

Long-Term Incentives

We believe the long-term incentive programs we approve play a critical part in our compensation practices and philosophy. As discussed in our 2001 report, 2001 long-term incentives focused on stock ownership in the form of stock options and restricted stock. Options were granted at 100% of the Fair Market Value of the company's stock price on the date of grant. We believe the combination of options and restricted stock provides balance to our long-term incentive program and that these forms of long-term incentives underscore commitment to the company while rewarding performance.

Executive Officers. In 2001, shares of restricted stock were granted to executives and are reported in the table on p. 14. The shares will remain restricted for three years and will be forfeited if the executive officer's employment with the company ends (other than retirement) prior to that time. Stock options also were granted to executives in 2001 and are reported in the table on p. 14. One-third of these options will become exercisable on each January 1st of 2003, 2004, and 2005. One-third of the options expires on each January 1st of 2008, 2009, and 2010.

Chief Executive Officer. Mr. Capps received 16,667 shares of restricted stock on January 26, 2001 that will remain restricted until January 26, 2004. Also, Mr. Capps received a grant of 1,200,000 nonqualified stock options at \$59.96 per share. One third of these options will become exercisable on each January 1st of 2003, 2004 and 2005 and will expire in thirds, five years from the respective vesting date.

Stock Ownership Guidelines

Our Committee reported to you in 2000 that we adopted stock ownership guidelines for our executive officers and we reconfirmed these guidelines (outlined below) in 2001. These guidelines combined with other option grant provisions and

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

internal policies emphasize stock ownership and retention that align management with the interests of our shareholders. We also recently established an Executive Stock Purchase Tool Kit (described on p. 19) to assist executives in meeting the guidelines. As reported under the Share Ownership Table on p. 10, the executive officers named in the executive compensation table have met these guidelines.

Stock Ownership Guidelines *

Positions	Share Ownership
Chairman, Chief Executive Officer	145,000
Executive Vice President CEO--Operating Companies	35,000
Senior Vice President	20,000
Vice President	10,000

* Officers have up to five years to meet the guidelines.

Deductibility of Compensation

Under Section 162(m) of the Internal Revenue Code, Dominion may not deduct certain forms of compensation in excess of \$1 million paid to our CEO or any of the four other most highly compensated executive officers. However, certain performance-based compensation is specifically exempt from the deduction limit.

It is our intent to provide competitive executive compensation while maximizing the company's tax deduction. However, we reserve the right to approve, and in some cases have approved, non-deductible compensation if we believe it is in the company's best interest.

Kenneth A. Randall,
Chairman
Richard L. Leatherwood
Frank S. Royal
Robert H. Spilman

February 14, 2002

13

EXECUTIVE COMPENSATION

The table below shows the total salary and other compensation awarded to or earned by the CEO and the other most highly compensated executive officers as of December 31, 2001.

Summary Compensation Table

Name and Principal Position	Annual Compensation		Long-Term Compensation	
	Other Annual	Awards		Payouts
		Restricted	Securities	

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

	Year	Salary/(1)/ (\$)	Bonus (\$)	Compen- sation/(2)/ (\$)	Stock Awards/(3)/ (\$)	Underlying Options/SARs (#)	P
Thos. E. Capps	2001	1,000,000	1,250,000	214,860	1,059,354	1,200,000	
Chairman,	2000	925,000	1,495,528	707,496	0	219,397	9
President & CEO	1999	828,439	481,021	15,942	0	1,233,000	1,0
Thomas F. Farrell, II	2001	560,577	467,500	99,312	635,600	600,000	
Executive	2000	484,134	577,985	100,285	0	112,663	3
Vice President (CEO of Dominion Energy)	1999	325,174	187,148	314	0	450,000	3
Edgar M. Roach, Jr.	2001	560,577	467,500	113,623	635,600	500,000	
Executive	2000	484,134	577,985	132,194	0	112,663	3
Vice President (CEO of of Dominion Delivery)	1999	305,770	162,277	8,035	0	450,000	3
Thomas N. Chewning	2001	407,692	300,000	91,603	529,645	450,000	
Executive	2000	382,211	418,800	84,646	0	88,945	3
Vice President, CFO	1999	334,511	186,156	2,871	0	450,000	3
James P. O'Hanlon	2001	400,000	300,000	79,875	529,645	350,000	
Executive	2000	384,999	429,944	79,701	0	91,316	3
Vice President (President & COO Dominion Energy)	1999	348,700	189,580	0	0	350,000	1
Robert E. Rigsby/(5)/	2001	407,692	300,000	26,184	529,645	200,000	
Executive Vice	2000	392,403	303,608	26,184	0	30,000	3
President (President & COO of Dominion Delivery - retired)	1999	291,162	218,253	0	0	350,000	2

Footnotes to the Summary Compensation Table

/(1)/ Salary. Amounts shown may include vacation sold back to Dominion.

/(2)/ Other Annual Compensation Column. None of the named executives received perquisites or other personal benefits in excess of \$50,000 or 10% of their total cash compensation. The amounts listed in this column for 2001 are tax payments.

14

3. The number and value of each executive's restricted stock holdings at year-end, based on a December 31, 2001 closing price of \$60.10 per share, were as follows:

Officer	Number of Restricted Shares* (#)	Value (\$)	Vesting Schedule
Thos. E. Capps	21,436	1,288,304	2 years
	16,667	1,001,687	3 years

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

Thomas F. Farrell, II	4,558	273,936	2 years
	10,000	601,000	3 years
Edgar M. Roach, Jr.	4,550	273,455	2 years
	10,000	601,000	3 years
Thomas N. Chewning	4,221	253,682	2 years
	8,333	500,813	3 years
James P. O'Hanlon	2,322	139,552	2 years
	8,333	500,813	3 years
Robert E. Rigsby**	3,560	213,956	2 years
	8,333	500,813	3 years

* Dividends are paid on restricted shares.

** Mr. Rigsby's restricted stock vested upon his retirement.

4. All Other Compensation. The amounts listed for 2001 are as follows:

Officer	Employee Savings Plan Match Plan	ExecStock Purchase& Loan Program Interest Subsidy	Employee Savings Plan Match above IRS Limits
Thos. E. Capps	\$5,100	\$227,425	\$33,200
Thomas F. Farrell, II	5,100	116,785	11,400
Edgar M. Roach, Jr.	5,100	116,785	9,750
Thomas N. Chewning	5,100	92,199	9,200
James P. O'Hanlon	5,100	94,658	6,800
Robert E. Rigsby	6,667	31,098	9,200

5. At December 31, 2001, Mr. Rigsby was not serving as an executive officer of Dominion, but is listed in this table in accordance with proxy rules.

Option/SAR Grants in Last Fiscal Year/1/

Officer	Number of Securities Underlying Options/SARs Granted/1/ (#)	% of Total Options/SARs Granted to Employees in Fiscal Year/2/ (%)	Exercise or Base Price (\$/share)	Expiration Date
Thos. E. Capps	400,000	2.9	59.96	1-1-08
	400,000	2.9	59.96	1-1-09
	400,000	2.9	59.96	1-1-10
Thomas F. Farrell, II	200,000	1.5	59.96	1-1-08
	200,000	1.5	59.96	1-1-09
	200,000	1.5	59.96	1-1-10
Edgar M. Roach, Jr.	166,667	1.2	59.96	1-1-08
	166,666	1.2	59.96	1-1-09
	166,666	1.2	59.96	1-1-10
Thomas N. Chewning	150,000	1.1	59.96	1-1-08
	150,000	1.1	59.96	1-1-09
	150,000	1.1	59.96	1-1-10
James P. O'Hanlon	116,667	0.9	59.96	1-1-08

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

	116,667	0.9	59.96	1-1-09
	116,666	0.9	59.96	1-1-10
Robert E. Rigsby	66,667	0.5	59.96	1-1-08
	66,667	0.5	59.96	1-1-09
	66,666	0.5	59.96	1-1-10

1. Nonstatutory stock options were granted on July 1, 2001 to the named executives at an exercise price of \$59.96 per share, which equaled 100% of the Fair Market Value of the shares on the date of grant. The shares vest one-third per year on each January 1 of 2003, 2004 and 2005. They expire five years from the vesting date.

2. The total number of options granted in 2001 to employees and outside directors was 13,615,328.

15

EXECUTIVE COMPENSATION (Continued)

3. The Black-Scholes pricing model was used to calculate the present value of the stock options. The assumptions underlying this model are:

Expiration Date:	1-1-08	1-1-09	1-1-10
-----	-----	-----	-----
Volatility:	22.24%	22.24%	22.24%
Risk Free Rate:	5.14%	5.24%	5.33%
Dividend Yield:	4.30%	4.30%	4.30%
Option Value:	\$10.84	\$10.95	\$11.05
-----	-----	-----	-----

Aggregated Option/SAR Exercises in Last Fiscal Year and FY-End Option/SAR Values

Officer	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options/SARs at FY-End		Value of Unexe
			Exercisable (#)	Unexercisable (#)	Options/S Exercisable/ (\$)
-----	-----	-----	-----	-----	-----
Thos. E. Capps	0	0	1,233,000	1,200,000	23,242,050
Thomas F. Farrell, II	0	0	450,000	600,000	8,482,500
Edgar M. Roach, Jr.	0	0	450,000	500,000	8,482,500
Thomas N. Chewning	0	0	450,000	450,000	8,482,500
James P. O'Hanlon	0	0	350,000	350,000	6,597,500
Robert E. Rigsby/2/	150,000	2,592,150	200,000	200,000	3,770,000
-----	-----	-----	-----	-----	-----

1. Spread between the market value at year-end minus the exercise price. Year-end stock price was \$60.10 per share.

2. At December 31, 2001, Mr. Rigsby was not serving as an executive officer of Dominion. He retired on February 1, 2002.

Performance Graph

The tables below show the five year cumulative total return comparison

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

between Dominion, the S&P 500 Index and the S&P Utility Index.

[PERFORMANCE GRAPH]

Retirement Plans

The table below shows the estimated annual straight life benefit that Dominion would pay to an employee at normal retirement (age 65) under the benefit formula of the Retirement Plan.

Estimated Annual Benefits Payable Upon Retirement at Age 65				
Final Average Compensation	Credited Years of Service			
	15 years	20 years	25 years	30 years
\$ 300,000	\$77,073	\$102,579	\$128,085	\$153,591
350,000	90,666	120,672	150,678	180,684
400,000	104,258	138,764	173,270	207,776
450,000	117,851	156,857	195,863	234,869
500,000	131,443	174,949	218,455	261,961
550,000	145,036	193,042	241,048	289,054
600,000	158,629	211,135	263,641	316,147
650,000	172,221	229,227	286,233	343,239
700,000	185,814	247,320	308,826	370,332
750,000	199,406	265,412	331,418	397,424
800,000	212,999	283,505	354,011	424,517
850,000	226,591	301,597	376,603	451,609
900,000	240,184	319,690	399,196	478,702
950,000	253,776	337,782	421,788	505,794
1,000,000	267,369	355,875	444,381	532,887

16

Dominion Retirement Plan. Benefits under the Retirement Plan are based on:

- o highest average base salary over a five-year period during the 10 years preceding retirement;
- o years of credited service;
- o age at retirement; and
- o the offset of Social Security benefits.

In 2001, the Company introduced a Special Retirement Account (SRA) feature to the Pension Plan. This account is credited with 2% of an employee's base salary that is earned during the year. Account balances grow with interest based on the 30-year Treasury Bond rate. The impact of this feature is reflected in the above table.

In addition, certain officers, if they reach a specified age while still employed, will be credited with additional years of service. For the executives named in the Summary Compensation Table on p. 14, credited years of service at age 60 would be 30 years. Other retirement agreements and arrangements for the named executives are described under Other Executive Agreements and Arrangements.

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

2001 Dominion Retirement Benefit Restoration Plan. The Retirement Plan pays a benefit that is calculated on average base salary over a five-year period. In some years our executives' base salaries were set below the competitive market median in order to more closely link annual pay to company performance through the incentive programs. In connection with the Restoration Plan, we calculate a "market-based adjustment" to base salary in those years when base salary was below the market median. The difference between the benefit calculated on the market-based salary and the benefit provided by the Retirement Plan is paid to the executive under the Restoration Plan.

In 2001, a market-based adjustment to Dominion's executive base salaries was not necessary.

Also, the Internal Revenue Code imposes certain limits related to Retirement Plan benefits. Any resulting reductions in an executive's Retirement Plan benefit will be compensated for under the Restoration Plan.

Executive Supplemental Retirement Plan. The Supplemental Plan provides an annual retirement benefit equal to 25% of a participant's final cash compensation (base salary plus target annual bonus). To retire with full benefits under the Supplemental Plan, an executive must be 55 years old and have been employed by Dominion for at least five years. Benefits under the plan are provided either as a lump sum cash payment at retirement or as a monthly annuity typically paid over 10 years. Certain executive officers receive this benefit for their lifetime. Based on 2001 cash compensation, the estimated annual benefit under this plan for certain executives named in the Summary Compensation Table on p. 14 are: Mr. Capps: \$562,500; Mr. Farrell: \$254,375; Mr. Roach: \$254,375; Mr. Chewning: \$175,000; Mr. O'Hanlon: \$175,000; and Mr. Rigsby: \$175,000.

Other Executive Agreements and Arrangements

Companies that are in a rapidly changing industry such as ours require the expertise and loyalty of exceptional executives. Not only is the business itself competitive, but so is the demand for such executives. In order to secure the continued services and focus of key management executives, Dominion has entered into certain agreements with them, including those named in the Summary Compensation Table on p. 14.

Employment Agreement -- Chief Executive Officer. The Board determined in April 1999 that it was in Dominion's best interest to secure Mr. Capps' employment as CEO and President until the Annual Meeting of Shareholders in 2005. As a result, Mr. Capps and Dominion entered into an agreement providing for his employment as CEO and President until 2005. During his employment, the agreement provides for the following: (1) an annual base salary of at least \$812,800, (2) incentive compensation awards based on performance and (3) continued eligibility for all employee benefit and incentive plans provided by Dominion to its senior management. When his employment ends (whether or not before the end of the term of the agreement), Mr. Capps will: (1) receive a retirement benefit calculated on the highest base salary rate during his employment, (2) receive a Supplemental Plan benefit payable for life, (3) become fully vested in outstanding restricted stock, and (4) receive a payment of \$950,000 plus an amount equal to the present value of his salary and annual cash incentives for the period between the Annual Meetings of Shareholders for 2004 and 2005. In addition, any outstanding stock options become fully exercisable for the remaining term of the grant. During the term of the agreement, Dominion may terminate Mr. Capps

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

for cause only. Mr. Capps also receives age and service credit and continued benefit plan coverage through the end of the contract period in the event of termination for cause or resignation for cause.

Employment Agreements--Other Executives. Messrs. Chewning, Farrell, Roach and O'Hanlon each have enhanced retirement benefits, as well as employment continuity and non-compete agreements as described below.

Special Arrangements. Dominion has entered into employment continuity agreements with executives named in the Summary Compensation Table, which provide benefits in the event of a change in control.* Each agreement has a three-year term and is automatically extended for an additional year, or extended for an additional period in the event of a potential change of control, unless cancelled by Dominion.

* A change in control shall be deemed to have occurred if (i) any person or group becomes a beneficial owner of 20% or more of the combined voting power of Dominion voting stock or (ii) as a direct or indirect result of, or in connection with, a cash tender or exchange offer, merger or other business combination, sale of assets, or contested election, the Directors constituting the Dominion Board before any such transactions cease to represent a majority of Dominion or its successor's Board within two years after the last of such transactions.

The agreements provide for the continuation of salary and benefits for a maximum period of three years after either (1) a change in control, (2) termination without cause following a change in control or (3) a reduction of responsibilities, salary and incentives following a change in control (if the executive gives 60 days notice). Payment of this benefit will be made in either a lump sum or installments over three years. In addition, the agreements indemnify the executives for potential penalties related to the Internal Revenue Code and fees associated with the enforcement of the agreements. If an executive is terminated for cause, the agreements are not effective.

Dominion has also entered into supplemental agreements with Messrs. Chewning and Farrell. Upon retirement, each of them will receive a payment of 12 months base salary for their agreement not to compete with any activities of Dominion nor solicit any Dominion employees for a period of two years. Under supplemental agreements with Mr. Roach, he will receive a payment of six months base salary for the same non-compete provisions listed above and a payment of 12 months base salary at retirement.

Mr. Rigsby resigned from his officer positions with Dominion and its subsidiaries effective December 1, 2001, and retired effective February 1, 2002. In accordance with employment and retirement agreements, he received a lump sum payment equal to 18 months salary and accelerated vesting and extended expiration dates on options he held. He also received other enhanced retirement and miscellaneous benefits.

Executive Deferred Compensation Plan. Under this plan, executives may defer any portion of their cash compensation. Deferrals are credited at the executive's discretion, for bookkeeping purposes, with earnings and losses as if they were invested in any of several mutual fund options or Dominion common stock. Distributions are made at the direction of the executive.

Also, under this Plan, executives may defer gains received as a result of a stock option exercise. Stock option gain deferrals must be invested in Dominion common stock. Under this Plan, Dominion also credits the accounts of eligible executives with the amount of "lost" company matching contributions under Dominion's Employee Savings Plan as a result of Internal Revenue Code Section 401(a)(17).

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

Executives may defer their benefits under the Executive Supplemental Retirement Plan and the Benefit Restoration Plan if they elect to receive these payments in the form of a lump sum at retirement.

Executive Stock Purchase and Loan Programs.

At the end of 1999, Dominion's Board approved stock ownership target levels for executives of Dominion and its subsidiaries. The Board also approved the Stock Purchase and Loan Programs intended to encourage and facilitate executives' ownership of common stock through the availability of loans guaranteed by Dominion.

Under the Programs, loans must be used to purchase Dominion common stock. An executive may borrow up to ten times his or her base salary, subject to credit approval, for a term of five years. Executives who meet their target ownership level through their participation in the Program receive "bonus shares" equal to five percent of the number of shares purchased under the program. The dividends on the stock purchased through the program are used to pay the interest on the loan. Dominion subsidizes the interest payments to

18

the extent that the current dividend rate does not fully cover the payments. Dominion will end its subsidy of the loan if it is pre-paid or if the stock is sold. As of December 31, 2001 our officers have borrowed in aggregate \$84.1 million, for which they are personally liable and which Dominion has guaranteed.

Executive Stock Purchase Tool Kit. During 2001, our Committee reconfirmed the stock ownership guidelines for executives of Dominion and its subsidiaries as described on p. 13. The Committee approved the implementation of the Executive Stock Purchase Tool Kit to encourage ownership of Company stock by executives who could not participate in the Executive Stock Purchase Loan Program offered in 2000. The Tool Kit consists of a variety of programs, including bonus deferrals, restricted stock exchanges, stock purchases through Dominion Direct/SM/ and the availability of loans guaranteed by Dominion. Executives who participate in one or more of the Tool Kit programs to achieve their stock ownership target levels receive "bonus shares" up to ten percent of the value of their investment in Company stock. As of December 31, 2001, our officers had borrowed an aggregate of \$1 million, for which they are personally liable and which Dominion has guaranteed under the Tool Kit.

Section 16(a) Beneficial Ownership Reporting Compliance.

Our directors and officers report their Dominion stock transactions to the SEC. The majority of those transactions are reported on an annual Form 5 that reports nondiscretionary changes in their ownership under various stock plans, in addition to any option grants in a given year. Due to administrative oversight, the Form 5 filings for James L. Trueheart (now retired) for the year-ended 2000 did not report an exempt transaction and for George A. Davidson for the year-ended 2001 did not report three exempt transactions. Both filings have been corrected. Mr. Trueheart's filings omitted an option grant that occurred coincident with a mid-year promotion. Mr. Davidson's filing did not appropriately identify a cash distribution of equivalent share amounts from an executive deferred compensation plan, which became payable following his retirement as Chairman.

19

AUDITORS

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

With the review and recommendation of the Audit Committee, the Board has re-appointed Deloitte & Touche LLP, independent certified public accountants, as auditors of the 2002 consolidated financial statements of Dominion and its subsidiaries. Representatives of D&T will be present at the Annual Meeting. They will have an opportunity to make a statement if they desire, and will be available to respond to shareholder questions.

Fees

The following table presents fees paid to D&T for the fiscal year ended December 31, 2001.

Fees for Services*	Amount (Millions)
Audit fees	\$2.61
All other fees	
Audit-related	1.88
Non-audit related	0
	----- 1.88
	----- \$ 4.49 =====

* D&T did not render any services related to financial information systems design and implementation.

Dominion defines audit-related fees as services related to SEC matters, statutory audits, tax consultation, due diligence assistance related to acquisitions, divestitures and investments, and consultation on new accounting standards. The SEC defines these services as non-audit, and therefore these fees are included in all other fees. Of the \$1.88 million listed in the table, \$1.22 million was paid to D&T for services related to SEC matters, such as registration statements and comfort letters and consents for filings. As stated in the Audit Committee's report (p. 11), it is Dominion's practice to seek the committee's approval for any significant engagement of D&T for non-audit related services and, where appropriate, to seek competitive bids for such services.

Matters Before the 2002 Annual Meeting

The management and directors are not aware of any matters that may come before the Annual Meeting other than the matters disclosed in this proxy statement.

Proposals for the 2003 Annual Meeting

Under our Bylaws, if you wish to bring any matter (other than shareholder nominations of director candidates) before the 2003 Annual Meeting, you must notify the Corporate Secretary in writing no later than January 27, 2003.

Regarding each matter, the notice must contain:

- o a brief description of the business to be brought before the Annual Meeting, including the complete text of any related resolutions to be presented and the reasons for conducting such business at the meeting;
- o the name and address of record of the shareholder proposing such business;
- o the class and number of shares of stock that are beneficially owned by the

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

shareholder; and

- o any material interest of the shareholder in such business.

If you do not provide the proper notice by January 27, 2003, 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 in the manner they believe is appropriate, as the SEC's rules allow.

For a shareholder proposal to be considered for possible inclusion in the 2003 Proxy Statement, the Corporate Secretary of Dominion must receive it no later than November 20, 2002. Dominion plans to hold its 2003 Annual Meeting on April 25, 2003.

20

2001 Form 10-K

You may request, without charge, a copy of Dominion's Annual Report filed with the SEC for 2001 on Form 10-K, excluding exhibits, by:

1. writing to the
Corporate Secretary
Dominion Resources, Inc.
P.O. Box 26532
Richmond, Virginia 23261;
2. sending us an e-mail at
dominion_resources@dom.com; or
3. calling us at
804-819-2000.

Or

You may view our Form 10-K
on our website at www.dom.com
(Keyword search: SEC filings)

VOTE YOUR PROXY

[GRAPHIC]
By Internet

[GRAPHIC]
By Telephone

[GRAPHIC]
By Mail

Dominion Resources, Inc.
P.O. Box 26532
Richmond, Virginia 23261-6532

www.dom.com

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

THE 2002 PROXY CARD

This proxy is solicited on behalf of the Board of Directors.

Your Control Number Is:

IMPORTANT: PLEASE SEE REVERSE SIDE FOR INFORMATION ABOUT YOUR VOTING CHOICES.

VOTE BY PROXY

Via Internet

Access the Website at: <http://www.votefast.com>

Via Telephone

Call toll-free:

1-800-542-1160 using a touch-tone phone

Via Mail

Return your proxy in the postage-paid envelope provided.

This proxy when properly executed will be voted as directed on the reverse side by the signed shareholder. If no direction is made, this proxy will be voted "FOR" Item 1 and "AGAINST" all proposals in Item 2.

Please sign exactly as your name appears on this proxy. When shares are held by joint tenants, both shareholders should sign.

When signing in a representative capacity, please give your representative title. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

In their discretion, the proxies are authorized to vote on any matters that properly come before the meeting. The undersigned appoints Kenneth A. Randall, Frank S. Royal, M.D., and Patricia A. Wilkerson, or any one of them, with the power of substitution, proxies to vote all shares of the undersigned at the Annual Meeting of Shareholders on April 26, 2002, and at any and all adjournments thereof.

, 2002

Signature

Date

, 2002

Signature (if held jointly)

Date

Dominion Resources, Inc. P.O. Box 26532
Richmond, Virginia 23261

To Our Shareholders:

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

Dominion Resources, Inc. is pleased to offer you three ways to vote by proxy.

When voting by internet or telephone, you will be prompted to enter your control number. Simple prompts will be presented to you to record your vote. Internet and telephone votes must be received by 11:59 p.m. EDT on Thursday, April 25, 2002 to be counted in the final tabulation.

If you vote by internet or telephone, do not return your proxy card by mail.

If you choose to vote by mail, please mark, date and sign your proxy card. Please use the postage-paid envelope to return your proxy.

THE 2002 PROXY CARD

This proxy is solicited on behalf of the Board of Directors.

The Board of Directors recommends a vote "FOR" Item 1.

Item 1 - Election of Directors

FOR the following nominees:

01. William S. Barrack, Jr.	08. Margaret A. McKenna
02. Ronald J. Calise	09. Steven A. Minter
03. Thos. E. Capps	10. Kenneth A. Randall
04. George A. Davidson, Jr.	11. Frank S. Royal
05. John W. Harris	12. S. Dallas Simmons
06. Benjamin J. Lambert, III	13. Robert H. Spilman
07. Richard L. Leatherwood	14. David A. Wollard

WITHHOLD AUTHORITY to vote for all nominees listed above.

To withhold authority to vote for any individual nominee(s), write that nominee's number in the following space:

The Board of Directors recommends a vote "AGAINST" all proposals in Item 2.

Item 2 - Shareholder Proposals

Proposal No. 1 - Relating to renewable energy sources

Against For Abstain

Proposal No. 2 - Relating to poison pills

Against For Abstain

To access future proxy materials and annual reports via internet only, please check this block.

If you plan to attend the Annual Meeting of Shareholders on April 26, 2002, please check this box.

IF YOU ARE VOTING BY MAIL, please sign and date your proxy card on the reverse side and fold and detach card at perforation before mailing in the enclosed envelope.

ATTENDING THE MEETING

Shareholders who plan to attend the meeting this year will be asked to present valid picture identification, such as a driver's license or passport. Registered shareholders must bring a Dominion Direct statement or dividend check stub as proof of ownership. If you hold stock in a brokerage account ("street name"), you must bring a copy of a brokerage statement. If you are an authorized proxy, you must present the proper documentation. Registration will begin at 8:00 a.m., and seating will be available on a first come, first served basis. Cameras, recording devices and other electronic devices will not be permitted at the meeting.

DIRECTIONS AND PARKING

To obtain directions to the meeting, or for information about parking please call Shareholder Services at 1-800-552-4034.

THE 2002 PROXY INSTRUCTIONS

Your Control Number Is:

IMPORTANT: PLEASE SEE REVERSE SIDE FOR INFORMATION ABOUT YOUR VOTING CHOICES.

VOTE BY PROXY

Via Internet

Access the Website at: <http://www.votefast.com>

Via Telephone

Call toll-free:

1-800-542-1160 using a touch-tone phone

Via Mail

Return your proxy in the postage-paid envelope provided.

Voting instructions are solicited for the Annual Meeting of Shareholders, April 26, 2002 by Trustees for the various retirement plans sponsored by Dominion Resources, Inc.

I acknowledge receipt of the Notice of Annual Meeting, Proxy Statement and Annual Report for the Annual Meeting of Shareholders of Dominion Resources, Inc. I hereby instruct the Trustee to vote the shares of Dominion Common Stock relating to my Plan account at such Annual Meeting in the manner set forth on the reverse side.

This voting instruction card, when properly executed, will be voted as directed. If such card is returned executed with no direction given or is not returned at all, the Trustee will vote the shares according to each Plan's voting standards.

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

All voting instructions will be kept confidential.

, 2002

Signature

Date

Dominion Resources, Inc. P.O. Box 26532
Richmond, Virginia 23261

To Our Shareholders:

Dominion Resources, Inc. is pleased to offer you three ways to vote by proxy.

When voting by internet or telephone, you will be prompted to enter your control number. Simple prompts will be presented to you to record your vote. Internet and telephone votes must be received by 11:59 p.m. EDT on Tuesday, April 23, 2002 to be counted in the final tabulation.

If you vote by internet or telephone, do not return your instruction by mail.

If you choose to vote by mail, please mark, date and sign your proxy instruction. Please use the postage-paid envelope to return your proxy.

2002 PROXY INSTRUCTIONS

The Board of Directors recommends a vote "FOR" Item 1.

Item 1 - Election of Directors

FOR the following nominees:

- | | |
|------------------------------|-------------------------|
| 01. William S. Barrack, Jr. | 08. Margaret A. McKenna |
| 02. Ronald J. Calise | 09. Steven A. Minter |
| 03. Thos. E. Capps | 10. Kenneth A. Randall |
| 04. George A. Davidson, Jr. | 11. Frank S. Royal |
| 05. John W. Harris | 12. S. Dallas Simmons |
| 06. Benjamin J. Lambert, III | 13. Robert H. Spilman |
| 07. Richard L. Leatherwood | 14. David A. Wollard |

WITHHOLD AUTHORITY to vote for all nominees listed above.

To withhold authority to vote for any individual nominee(s), write that nominee's number in the following space:

=====

The Board of Directors recommends a vote "AGAINST" all proposals in Item 2.

Item 2 - Shareholder Proposals

Proposal No. 1 - Relating to renewable energy sources

[] Against [] For [] Abstain

Proposal No. 2 - Relating to poison pills

[] Against [] For [] Abstain

[] To access future proxy materials and annual reports via internet

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

only, please check this block.

[] If you plan to attend the Annual Meeting of Shareholders on April 26, 2002, please check this box.

IF YOU ARE VOTING BY MAIL, please sign and date
your instruction card on the reverse side and
fold and detach card at perforation before
mailing in the enclosed envelope.

The 2002 PROXY CARD

Dominion Resources, Inc.
P.O. Box 26532
Richmond, Virginia 23261

This proxy is solicited on behalf of the Board of Directors. The Board of Directors recommends a vote "FOR" Item 1 and "AGAINST" all proposals in Item 2.

This proxy when properly executed will be voted as directed by the signed shareholder. If no direction is made, this proxy will be voted "FOR" Item 1 and "AGAINST" all proposals in Item 2.

Please sign your name on the reverse side of this proxy exactly as it appears at left. When shares are held by joint tenants, both shareholders should sign.

When signing in a representative capacity, please give your representative title. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

PLEASE SEE THE REVERSE SIDE OF THIS CARD FOR IMPORTANT VOTING INFORMATION.

Please mark, sign and mail in the enclosed envelope.

The 2002 PROXY CARD

Dominion Resources, Inc.
P.O. Box 26532
Richmond, Virginia 23261

The Board of Directors recommends a vote "FOR" Item 1.

Item 1 - Election of Directors

[] FOR the following nominees:

-
- | | |
|------------------------------|-------------------------|
| 01. William S. Barrack, Jr. | 08. Margaret A. McKenna |
| 02. Ronald J. Calise | 09. Steven A. Minter |
| 03. Thos. E. Capps | 10. Kenneth A. Randall |
| 04. George A. Davidson, Jr. | 11. Frank S. Royal |
| 05. John W. Harris | 12. S. Dallas Simmons |
| 06. Benjamin J. Lambert, III | 13. Robert H. Spilman |
| 07. Richard L. Leatherwood | 14. David A. Wollard |

Edgar Filing: DOMINION RESOURCES INC /VA/ - Form DEF 14A

WITHHOLD AUTHORITY to vote for all nominees listed above.

To withhold authority to vote for any individual nominee(s), write that nominee's number in the following space:

The Board of Directors recommends a vote "AGAINST" all proposals in Item 2.

Item 2 - Shareholder Proposals

Proposal No. 1 - Relating to renewable energy sources

Against For Abstain

Proposal No. 2 - Relating to poison pills

Against For Abstain

In their discretion, the proxies are authorized to vote on any matters that properly come before the meeting. The undersigned appoints Kenneth A. Randall, Frank S. Royal, M.D., and Patricia A. Wilkerson, or any one of them, with the power of substitution, proxies to vote all shares of the undersigned at the Annual Meeting of Shareholders on April 26, 2002, and at any and all adjournments thereof.

_____, 2002

Signature

Date

_____, 2002

Signature (if held jointly)

Date