LARGE FILING SEPARATOR SHEET

CASE NUMBER 02-1757-GA-CRS

FILE DATE 5-29-2012

SECTION: 1 of 2

NUMBER OF PAGES: 200

DESCRIPTION OF DOCUMENT:
Application of Dominion Retail, Inc.
for Renewal Certification.

FILE

Gary A. Jeffries
Assistant General Counsel

Dominion Resources Services, Inc.
501 Martindale Street, Suite 400, Pittsburgh, PA 15212-5817
Phone: 412-237-4729, Fax: 412-237-4782
E-mail: Gary.A.Jeffries@dom.com

Web Address: www.dom.com

Dominion®

May 24, 2012

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PUCO

BY UPS OVERNIGHT MAIL

Public Utilities Commission of Ohio
Docketing Division, 13th Floor
180 East Broad Street
Columbus, Ohio 43215-3793

Re: Application of Dominion Retail, Inc. for Renewal Certification by the Public Utilities Commission of Ohio as a Competitive Retail Natural Gas Supplier and Motion for Protective Order; Case No. 02-1757-GA-CRS, Certificate No. 02-018G (5)

Dear Sir or Madam:

Enclosed are an original and ten (10) copies, with exhibits, of the "Renewal Certification Application – Competitive Retail Natural Gas Suppliers" pursuant to applicable provisions of the Ohio Administrative Code.

Please note that Exhibit C-3 and C-5 of the Application contain privileged and/or confidential information, and are being filed under separate cover this date pursuant to a motion for protective treatment under Rule 4901:1-1-24 of the Ohio Administrative Code. The referenced exhibits themselves contain the reasons in support of continuing confidential treatment.

Wherefore, pursuant to Rule 4901:1-1-24 of the Ohio Administrative Code, Dominion Retail, Inc. hereby respectfully moves the Public Utilities Commission of Ohio for a protective order to maintain the confidentiality of the information contained in Exhibits C-3 and C-5.

Thank you for your assistance. Should you have any questions, please contact me at 412-237-4729.

Very truly yours,

Gary A. Jeffries
Assistant General Counsel and Assistant Secretary
Ohio Bar #0071742

GAJ:kas
Enclosures

The Public Utilities Commission of Ohio

RENEWAL CERTIFICATION FILING INSTRUCTIONS
COMPETITIVE RETAIL NATURAL GAS SUPPLIERS

I. ***Where to File:*** Applications should be sent to: Public Utilities Commission of Ohio (PUCO or Commission), Docketing Division, 13th Floor, 180 East Broad Street, Columbus Ohio 43215-3793.

II. ***What to File:*** Applicant must submit one original notarized application signed by a principal officer and ten copies, including all exhibits, affidavits, and other attachments. All attachments, affidavits, and exhibits should be clearly identified. ***For example, Exhibit A-15 should be marked "Exhibit A-15 - Corporate Structure."*** All pages should be numbered and attached in a sequential order.

IMPORTANT REQUIREMENT: ***The renewal application must be docketed in the applicant's original GA-CRS case number.*** **Therefore, applicant should enter that number on the renewal application form when filing a renewal application.**

III. ***When to File:*** Pursuant to Rule 4901:1-27-09 of the Ohio Administrative Code, renewal applications shall be filed between 30 and 120 days from the prior certificate's expiration date.

IV. ***Renewal Application Form:*** The renewal application form is available on the PUCO Web site, ***www.puco.Ohio.gov*** or directly from the Commission located at: Public Utilities Commission of Ohio, Docketing Division, 13th Floor, 180 East Broad Street, Columbus, Ohio 43215-3793.

V. ***Confidentiality:*** If any of an applicant's answers require the applicant to disclose what the applicant believes to be privileged or confidential information not otherwise available to the public, the applicant should designate at each point in the application that the answer requires the applicant to disclose privileged and confidential information. Applicant must still provide that privileged and confidential information (***separately filed and appropriately marked***). Applicant must fully support any request to maintain the confidentiality of the information it believes to be confidential or proprietary in a motion for protective order, filed pursuant to Rule 4901:1-1-24 of the Ohio Administrative Code.

VI. ***Commission Process for Certification Renewal:*** An application for renewal shall be made on forms approved and supplied by the Commission. The applicant shall complete the appropriate renewal form in its entirety and supply all required attachments, affidavits, and evidence of capability specified by the form at the time an application is filed. The Commission renewal process begins when the Commission's Docketing Division receives and time/date stamps the application. An incomplete application may be suspended or rejected. An application that has been suspended as incomplete will cause delay in renewal.

The Commission may approve, suspend, or deny an application within 30 days. If the Commission does not act within 30 days, the renewal application is deemed automatically approved on the 31st day after the official filing date. If the Commission suspends the renewal application, the Commission shall notify the applicant of the reasons for such suspension and may direct the applicant to furnish additional information. The Commission shall act to approve or deny a suspended application within 90 days of the date that the renewal application was suspended. Upon Commission approval, the applicant shall receive notification of approval and a numbered, renewed certificate that specifies the service(s) for which the applicant is certified and the dates for which the certificate is valid. Unless otherwise warranted, the renewed certification designation will remain consistent with the previously granted certification. For example, a certified marketer will renew as a certified marketer.

Unless otherwise specified by the Commission, the competitive retail natural gas service (CRNGS) supplier's renewed certificate is valid for an additional period of two years, beginning and ending on the dates specified on the certificate. The applicant may renew its certificate in accordance with Rule 4901:1-27-09 of the Ohio Administrative Code.

CRNGS suppliers, which include marketers, shall inform the Commission of any material change to the information supplied in a renewal application within thirty (30) days of such material change in accordance with Rule 4901:1-27-10 of the Ohio Administrative Code.

VII. ***Contractual Arrangements for Capability Standards:*** If the applicant is relying upon contractual arrangements with a third-party, to meet any of the certification requirements, the applicant must provide with its application all of the following:

- The legal name of any contracted entity;
- A statement that a valid contract exists between the applicant and the third-party;
- A detailed summary of the contract(s), including all services provided thereunder; and
- The documentation and evidence to demonstrate the contracting entity's capability to meet the requirements as if the contracting entity was the applicant.

VIII. ***Governing Law:*** The certification/renewal of CRNGS suppliers is governed by Chapters 4901:1-27 and 4901:1-29 of the Ohio Administrative Code, and Section 4929.20 of the Ohio Revised Code.

PUCO USE ONLY - Version 1.07		
Date Received	Renewal Certification Number	ORIGINAL CRS Case Number
		02 - 1757 - GA-CRS

RENEWAL CERTIFICATION APPLICATION
COMPETITIVE RETAIL NATURAL GAS SUPPLIERS

Please **type or print** all required information. Identify all attachments with an exhibit label and title (***Example: Exhibit A-16 - Company History***). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division, 13th Floor, 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may directly input information onto the form. You may also download the form by saving it to your local disk.

SECTION A - APPLICANT INFORMATION AND SERVICES

A-1 Applicant intends to renew its certificate as: (check all that apply)

☑ **Retail Natural Gas Aggregator** ☑ **Retail Natural Gas Broker** ☑ **Retail Natural Gas Marketer**

A-2 Applicant information:

Legal Name Dominion Retail, Inc.

Address 120 Tredegar Street, Richmond, VA 23219

Telephone No. 412-237-4729 Web site Address www.dom.com/products

Current PUCO Certificate No. 02-018G(5) Effective Dates August 13, 2010 through August 13, 2012

A-3 Applicant information under which applicant will do business in Ohio:

Name Dominion Energy Solutions

Address 120 Tredegar Street, Richmond, VA 23219

Web site Address www.dom.com/products Telephone No. 412-237-4729

A-4 List all names under which the applicant does business in North America:

Dominion Energy Solutions

Dominion Retail

Nicor Electric

A-5 Contact person for regulatory or emergency matters:

Name Thomas J. Butler Title Director, Retail Business Development

Business Address 501 Martindale Street, Suite 400, Pittsburgh, PA 15212

Telephone No. 412-237-4765 Fax No. 412-237-4782 Email Address Thomas.j.butler@dom.com

A-6 Contact person for Commission Staff use in investigating customer complaints:

Name Kimberly A. Kujbus Title Director, Retail Customer Service

Business address 501 Martindale Street, Suite 400, Pittsburgh, PA 15212

Telephone No. 412-237-4759 Fax No. 866-756-0523 Email Address Retail_Customer_Concerns@dom.com

A-7 Applicant's address and toll-free number for customer service and complaints

Customer service address P. O. Box 298, Pittsburgh, PA 15230

Toll-Free Telephone No. 800-990-4090 Fax No. 866-756-0523 Email Address Retail_Customer_Concerns@dom.com

A-8 Provide "Proof of an Ohio Office and Employee," in accordance with Section 4929.22 of the Ohio Revised Code, by listing name, Ohio office address, telephone number, and Web site address of the designated Ohio Employee

Name William L. Barkas Title Manager, Retail State Government Relations

Business address 21 E. State Street, #911, Columbus, OH 43215

Telephone No. 614-221-3263 Fax No. 614-221-3307 Email Address William.L.Barkas@dom.com

A-9 Applicant's federal employer identification number 23-2889029

A-10 Applicant's form of ownership: (Check one)

☐ **Sole Proprietorship** ☐ **Partnership**

☐ **Limited Liability Partnership (LLP)** ☐ **Limited Liability Company (LLC)**

☑ **Corporation** ☐ **Other**

A-11 (Check all that apply) Identify each natural gas company service area in which the applicant is currently providing service or intends to provide service, including identification of each customer class that the applicant is currently serving or intends to serve, for example: *residential, small commercial, and/or large commercial/industrial (mercantile) customers.* (A mercantile customer, as defined in Section 4929.01(L)(1) of the Ohio Revised Code, means a customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within the state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside of this state. In accordance with Section 4929.01(L)(2) of the Ohio Revised Code, "Mercantile customer" excludes a not-for-profit customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within this state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside this state that has filed the necessary declaration with the Public Utilities Commission.)

✓	Columbia Gas of Ohio	✓ Residential	✓ Small Commercial	✓ Large Commercial / Industrial
✓	Dominion East Ohio	✓ Residential	✓ Small Commercial	✓ Large Commercial / Industrial
✓	Duke Energy Ohio	✓ Residential	✓ Small Commercial	✓ Large Commercial / Industrial
✓	Vectren Energy Delivery of Ohio	✓ Residential	✓ Small Commercial	✓ Large Commercial / Industrial

A-12 If applicant or an affiliated interest previously participated in any of Ohio's Natural Gas Choice Programs, for each service area and customer class, provide approximate start date(s) and/or end date(s) that the applicant began delivering and/or ended services.

☑ **Columbia Gas of Ohio**

✓	**Residential**	**Beginning Date of Service**	May, 2001	**End Date**	ongoing
✓	**Small Commercial**	**Beginning Date of Service**	May, 2001	**End Date**	ongoing
	Large Commercial	**Beginning Date of Service**		**End Date**	
	Industrial	**Beginning Date of Service**		**End Date**	

☑ **Dominion East Ohio**

✓	**Residential**	**Beginning Date of Service**	Fall, 1997	**End Date**	ongoing
✓	**Small Commercial**	**Beginning Date of Service**	Fall, 1997	**End Date**	ongoing
✓	**Large Commercial**	**Beginning Date of Service**	Fall, 1997	**End Date**	ongoing
✓	**Industrial**	**Beginning Date of Service**	Fall, 1997	**End Date**	ongoing

☐ **Duke Energy Ohio**

	Residential	**Beginning Date of Service**		**End Date**	
	Small Commercial	**Beginning Date of Service**		**End Date**	
	Large Commercial	**Beginning Date of Service**		**End Date**	
	Industrial	**Beginning Date of Service**		**End Date**	

☐ **Vectren Energy Delivery of Ohio**

	Residential	**Beginning Date of Service**		**End Date**	
	Small Commercial	**Beginning Date of Service**		**End Date**	
	Large Commercial	**Beginning Date of Service**		**End Date**	
	Industrial	**Beginning Date of Service**		**End Date**	

A-13 If not currently participating in any of Ohio's four Natural Gas Choice Programs, provide the approximate start date that the applicant proposes to begin delivering services:

☐	**Columbia Gas of Ohio**	**Intended Start Date**	
☐	**Dominion East Ohio**	**Intended Start Date**	
✓	**Duke Energy Ohio**	**Intended Start Date**	Unknown
✓	**Vectren Energy Delivery of Ohio**	**Intended Start Date**	Unknown

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

A-14 **Exhibit A-14 "Principal Officers, Directors & Partners,"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

A-15 **Exhibit A-15 "Corporate Structure,"** provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale natural gas or electricity to customers in North America.

A-16 **Exhibit A-16 "Company History,"** provide a concise description of the applicant's company history and principal business interests.

A-17 **Exhibit A-17 "Articles of Incorporation and Bylaws**, provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto, ***only if the contents of the originally filed documents changed since the initial application.***

A-18 **Exhibit A-18 "Secretary of State,"** provide evidence that the applicant is still currently registered with the Ohio Secretary of the State.

SECTION B - APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a current list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail natural gas service, or retail/wholesale electric services.

B-2 **Exhibit B-2 "Experience & Plans,"** provide a current description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4929.22 of the Revised Code and contained in Chapter 4901:1-29 of the Ohio Administrative Code.

B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise and current summary of the applicant's experience in providing the service(s) for which it is seeking renewed certification (e.g., number and types of customers served, utility service areas, volume of gas supplied, etc.).

B-4 **Exhibit B-4 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocations of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services for which it is seeking renewed certification since applicant last filed for certification.

B-5 **Exhibit B-5 "Disclosure of Consumer Protection Violations,"** disclose whether the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant has been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws since applicant last filed for certification.

☑ **No** ☐ **Yes**

If Yes, provide a separate attachment labeled as Exhibit B-5 "Disclosure of Consumer Protection Violations," detailing such violation(s) and providing all relevant documents.

B-6 **Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"** disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, or revoked, or whether the applicant or predecessor has been terminated from any of Ohio's Natural Gas Choice programs, or been in default for failure to deliver natural gas since applicant last filed for certification.

☑ **No** ☐ **Yes**

If Yes, provide a separate attachment, labeled as Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation," detailing such action(s) and providing all relevant documents.

SECTION C - APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

C-1 **Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information, labeled as Exhibit C-1, or indicate that Exhibit C-1 is not applicable and why.

C-2 **Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 whether the applicant is not required to file with the SEC and why.

C-3 **Exhibit C-3 "Financial Statements,"** provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer-certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer-certified financial statements covering the life of the business.

C-4 **Exhibit C-4 "Financial Arrangements,"** provide copies of the applicant's current financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.)

C-5 **Exhibit C-5 "Forecasted Financial Statements,"** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant's CRNGS operation, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.

C-6 **Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's current credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant.

C-7 **Exhibit C-7 "Credit Report,"** provide a copy of the applicant's current credit report from Experion, Dun and Bradstreet, or a similar organization.

C-8 **Exhibit C-8 "Bankruptcy Information,"** provide a list and description of any reorganizations, protection from creditors, or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or since applicant last filed for certification.

C-9 **Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant since applicant last filed for certification.

SECTION D – APPLICANT TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

D-1 **Exhibit D-1 "Operations,"** provide a current written description of the operational nature of the applicant's business. Please include whether the applicant's operations will include the contracting of natural gas purchases for retail sales, the nomination and scheduling of retail natural gas for delivery, and the provision of retail ancillary services, as well as other services used to supply natural gas to the natural gas company city gate for retail customers.

D-2 **Exhibit D-2 "Operations Expertise,"** given the operational nature of the applicant's business, provide evidence of the applicant's current experience and technical expertise in performing such operations.

D-3 **Exhibit D-3 "Key Technical Personnel,"** provide the names, titles, email addresses, telephone numbers, and background of key personnel involved in the operational aspects of the applicant's current business.

Applicant Signature and Title [signature], Ass't General Counsel and Ass't Secretary

Sworn and subscribed before me this 24th **day of** May **Month** 2012 **Year**

Karen Schnarrenberger

Signature of official administering oath

Karen Schnarrenberger, Notary Public

Print Name and Title

My commission expires on

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Karen Schnarrenberger, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires July 30, 2014
Member, Pennsylvania Association of Notaries

The Public Utilities Commission of Ohio

Competitive Retail Natural Gas Service
Affidavit Form
(Version 1.07)

In the Matter of the Application of	)	
Dominion Retail, Inc.	)	**Case No.** 02 - 1757 **-GA-CRS**
for a Certificate or Renewal Certificate to Provide	)	
Competitive Retail Natural Gas Service in Ohio.	)	

County of Allegheny
State of Pennsylvania

Gary A. Jeffries [Affiant], being duly sworn/affirmed, hereby states that:

(1) The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant.

(2) The applicant will timely file an annual report of its intrastate gross receipts and sales of hundred cubic feet of natural gas pursuant to Sections 4905.10(A), 4911.18(A), and 4929.23(B), Ohio Revised Code.

(3) The applicant will timely pay any assessment made pursuant to Section 4905.10 or Section 4911.18(A), Ohio Revised Code.

(4) Applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.

(5) Applicant will cooperate with the Public Utilities Commission of Ohio and its staff in the investigation of any consumer complaint regarding any service offered or provided by the applicant.

(6) Applicant will comply with Section 4929.21, Ohio Revised Code, regarding consent to the jurisdiction of the Ohio courts and the service of process.

(7) Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the certification or certification renewal application within 30 days of such material change, including any change in contact person for regulatory or emergency purposes or contact person for Staff use in investigating customer complaints.

(8) Affiant further sayeth naught.

Affiant Signature & Title [signature], Ass't General Counsel and Ass't Secretary

Sworn and subscribed before me this 24th **day of** May **Month** 2012 **Year**

[signature] Karen Schnarrenberger, Notary Public

Signature of Official Administering Oath **Print Name and Title**

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Karen Schnarrenberger, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires July 30, 2014
Member, Pennsylvania Association of Notaries

My commission expires on

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL NATURAL GAS SUPPLIER

<u>Exhibit A-14 "Principal Officers, Directors & Partners"</u>

Paul D. Koonce, President and Director
120 Tredegar Street, Richmond, VA 23219
804-819-2390

G. Scott Hetzer, Senior Vice President - Tax and Treasurer
100 Tredegar Street, Richmond, VA 23219
804-819-2113

Joseph G. O'Hare, Vice President – Financial Management
120 Tredegar Street, Richmond, VA 23219
804-819-2156

James P. Carney, Vice President and Assistant Treasurer
100 Tredegar Street, Richmond, VA 23219
804-819-2107

Carter M. Reid, Vice President, General Counsel & Secretary
100 Tredegar Street, Richmond, VA 23219
804-819-2144

Wesley Gregory, Controller
120 Tredegar Street, Richmond, VA 23219
804-819-2537

Becky C. Merritt, Vice President – Shared Services
120 Tredegar Street, Richmond, VA 23219
804-819-2377

Katheryn Curtis, Vice President, Retail
120 Tredegar Street, 4th Floor, Richmond, VA 23219
804-787-6266

Gary A. Jeffries, Assistant General Counsel and Assistant Secretary
501 Martindale Street, Suite 400, Pittsburgh, PA 15212
412-237-4729

Shāron Burr, Assistant Corporate Secretary and Authorized Representative
100 Tredegar Street, 2nd Floor, Richmond, VA 23219
804-819-2171

John L. Newman, Assistant Treasurer
100 Tredegar Street, 2nd Floor, Richmond, VA 23219
804-819-2120

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL NATURAL GAS SUPPLIER

Exhibit A-14 "Principal Officers, Directors & Partners" (Continued)

Linda F. Barnett, Authorized Representative
701 E. Cary Street, 20th Floor, Richmond, VA 23219
804-771-4031

David C. Holden, Authorized Representative
140 Tredegar Street, Richmond, VA 23219
804-787-5901

Carl D. Jenkins, Authorized Representative
707 E. Main Street, Richmond, VA 23219
804-775-5361

Thomas J. Butler, Director, Business Development and Authorized Representative
501 Martindale Street, Suite 400, Pittsburgh, PA 15212
412-237-4765

Jeffrey L. Jones, Director Retail Electric Commodity Operations and Authorized Representative
120 Tredegar Street, Richmond, VA 23219
804-787-6204

Kimberly A. Kujbus, Director, Retail Customer Service and Authorized Representative
501 Martindale Street, Suite 400, Pittsburgh, PA 15212
412-237-4759

Mark C. Reese, Director Retail Gas Operations and Authorized Representative
120 Tredegar Street, Richmond, VA 23219
804-787-6203

Richard A. Zollars, Director Information and Data and Authorized Representative
501 Martindale Street, Suite 400, Pittsburgh, PA 15212
412-237-4744

D. Michael Cornwell, Director, Retail Marketing and Authorized Representative
120 Tredegar Street, Richmond, VA 23219
804-787-6213

The names appearing in bold are those individuals with day-to-day responsibility for Dominion Retail.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL NATURAL GAS SUPPLIER

Exhibit A-15 "Corporate Structure"

Dominion Retail is a Delaware corporation and was incorporated on January 30, 1997, at which time it bore the legal name of CNG Retail Services Corporation. CNG Retail Services Corporation changed its legal name to Dominion Retail, Inc. effective September 5, 2000. Dominion Retail is a wholly-owned subsidiary of Dominion Resources, Inc.

The attached pages present the organizational layout of the Dominion Resources system. Dominion Retail is affiliated with two natural gas utility companies: The East Ohio Gas Company (Ohio) and Hope Gas, Inc. (West Virginia). Dominion Retail is affiliated with two electric utility companies: Virginia Electric & Power Company (Virginia) and North Carolina Power (North Carolina).

Dominion Resources, Inc.
- **Dominion Energy Holdings, Inc.**
  - Dominion Energy Technologies, Inc.
    - Power Tagging Technologies, Inc.
    - Microcell
  - Dominion Energy Technologies II, Inc.
  - Dominion Voltage, Inc.
- **Dominion Energy, Inc.**
  - Dominion Wholesale, Inc.
  - Dominion Wind Projects, Inc.
    - Dominion Virginia Wind Development, LLC
    - Dominion Fowler Ridge Wind, LLC
      - Fowler I Holdings LLC
        - Fowler Ridge Wind Farm LLC
    - Prairie Fork Wind Farm, LLC
  - Dominion State Line, LLC
    - State Line Energy, L.L.C.
  - Dominion Person, Inc.
  - Dominion Nuclear Projects, Inc.
    - Dominion Energy Kewaunee, Inc.
  - Dominion North Star Generation, Inc.
    - North Star Generation, LLC
  - CNG Power Services Corporation
    - Dominion Armstrong, LLC
  - Dominion Elwood, Inc.
    - Elwood Energy LLC
      - Elwood II Holdings, LLC
      - Elwood III Holdings, LLC
  - Dominion Elwood Services Company, Inc.
  - Dominion Elwood Expansion, Inc.
    - Elwood Expansion LLC
  - Dominion Cogen WV, Inc.
  - Dominion Mt. Storm Wind, LLC
    - NedPower Mount Storm LLC
  - Dominion Kincaid, Inc.
    - Kincaid Generation, L.L.C.[1]
  - Dominion Fairless Hills, Inc.
    - Fairless Energy, LLC
  - Dominion Equipment, Inc.
  - Dominion Equipment III, Inc.
  - Dominion Equipment II, Inc.
  - Dominion Energy Terminal Company, Inc.
  - Dominion Energy Services Company, Inc.
  - Dominion Energy Marketing, Inc.
    - Dominion Nuclear Connecticut, Inc.
  - Dominion Energy New England, LLC
    - Dominion Energy Salem Harbor, LLC
    - Dominion Energy Manchester Street, Inc.

[1] 99% interest held by Dominion Kincaid, Inc. and 1% interest held by Dominion Energy, Inc.

Dominion Energy Brayton Point, LLC
Niton US, Inc.
Dominion Field Services, Inc.
Dominion Greenbrier, Inc.
Greenbrier Pipeline Company, LLC
Greenbrier Marketing Company, LLC
Dominion Iroquois, Inc.
Iroquois Gas Transmission System L.P.
Dominion Keystone Pipeline Holdings, Inc.
Dominion Keystone Pipeline, LLC
Dominion Natrium Holdings, Inc.
Dominion Natrium, LLC
Dominion Capital, Inc.
Dominion Capital Ventures Corporation
First Dominion Capital, L.L.C.
Home Fragrance Holdings, Inc.
FFI Acquisition Corp.
Aerus Holdings, LLC
Dominion Capital REMIC, Inc.
Dominion First Source, LLC
Vidalia Gichner Holdings, Inc.
Dominion Systems Group, LLC
Catalyst Old River Hydroelectric Limited Partnership
Stonehouse Limited Liability Company
Stonehouse Communications, L.L.C.
NH Capital, Inc.
OptaCor Financial Services Company
Dominion Land Management Company - Williamsburg
Old North State Management Company
Wilshire Holdings, LLC
Wilshire Technologies, LLC
First Source Equity Holdings, Inc.
H-W Properties, Inc.
Dominion Lands, Inc.
Dominion Lands - Williamsburg, Inc.
Governor's Land Associates
Stonehouse Development Company, LLC
SREC, LLC
Old North I, LLC
Louisiana Hydroelectric Capital, LLC
Dominion CNG Capital Trust I
Dominion Cove Point, Inc.
Dominion Gas Projects Company, LLC
Dominion Cove Point LNG Company, LLC
Dominion Cove Point LNG, LP[2]
CNG Coal Company
Dominion Alliance Holding, Inc.

[2] 99% interest held by Dominion Gas Projects Company, LLC and 1% interest held by Dominion Cove Point LNG Company, LLC.

Alliance Participants Administrative and Start-up Activities Company LLC
Dominion Oklahoma Texas Exploration & Production, Inc.
Dominion Products and Services, Inc.
Dominion Home Protection Services, Inc.
Dominion Resources Capital Trust I
Dominion Resources Capital Trust II
Dominion Resources Capital Trust III
Dominion Resources Capital Trust IV
Dominion Resources Services, Inc.
Dominion Retail, Inc.
Cirro Group, Inc.
Cirro Energy Services, Inc.
Dominion South Holdings I, Inc.
Dominion South Holdings II, LLC
Dominion South Pipeline Company, LP[3]
Dominion Technical Solutions, Inc.
Dominion Transmission, Inc.
Dominion Brine, LLC
Tioga Properties, LLC
Farmington Properties, Inc.
NE Hub Partners, L.L.C.
NE Hub Partners, L.P.[4]
Dominion VPP Holdings, LLC
Hope Gas, Inc.
The East Ohio Gas Company
Virginia Electric and Power Company
PowerTree Carbon Company LLC
Virginia Power Services, LLC
Dominion Generation Corporation
Virginia Power Nuclear Services Company
Virginia Power Services Energy Corp., Inc.
VP Property, Inc.
Virginia Power Fuel Corporation
Virginia Capital, Limited Liability Company
Virginia Power Energy Marketing, Inc.

[3] 99% interest held by Dominion South Holdings II, LLC and 1% interest held by Dominion South Holdings I, Inc.

[4] 99.99% interest held by Tioga Properties, LLC and .01% interest held by NE Hub Partners, L.L.C.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL NATURAL GAS SUPPLIER

Exhibit A-16 "Company History"

Dominion Retail, Inc. ("Dominion Retail") has been engaged in the direct sale of natural gas – primarily to residential and small commercial consumers – under utility retail access programs in Ohio since 1997. On August 15, 2002, Dominion Retail was issued a certificate, #02-018(1), by the PUCO to operate as a Retail Natural Gas Supplier pursuant to Case #02-1757-GA-CRS. Dominion Retail is also engaged in the direct sale of electricity to consumers in Ohio.. On October 30, 2000, the PUCO issued Dominion Retail a certificate, #00-008(1), to operate as a Competitive Retail Electric Supplier in Ohio at Case #00-1781-EL-CRS.

Other Jurisdictions

In Pennsylvania, Dominion Retail obtained its interim license as an electric supplier from the Pennsylvania Public Utility Commission in January 1999. In October of that year, the PA PUC issued Dominion Retail a permanent license as a natural gas supplier.

In March 2000, Dominion Retail received electricity and natural gas supplier licenses from the New Jersey Board of Public Utilities.

In May 2000, Dominion Retail was licensed as an electricity supplier by the Maryland Public Service Commission, and in February 2004, received a license from that body to sell natural gas at retail.

In August of 2001, the Public Service Commission of the District of Columbia issued an electric supplier license to Dominion Retail and in November 2003, granted the company a natural gas supplier license.

In October 2001, Dominion Retail received permanent natural gas and electricity supplier licenses from the Virginia State Corporation Commission.

Also in 2001, Dominion Retail obtained authority as an electricity supplier from the Public Service Commissions in the following jurisdictions: Maine (April), Rhode Island (June), and Massachusetts (July).

In July 2002, the Illinois Commerce Commission licensed Dominion Retail to sell natural gas to residential customers in the state. In June 2003, the ICC extended the license to cover commercial customers. In May 2008, the Illinois Commerce Commission licensed Dominion Retail to sell electricity to all customer classes in the State of Illinois.

In October 2003, the Connecticut Department of Public Utility Control issued a license to Dominion Retail to sell natural gas in Connecticut. Dominion Retail received its electricity supplier license from the DPUC in September 2001.

Exhibit A-16 "Company History" Continued

In February 2006, Dominion Retail became authorized to serve residential and non-residential natural gas and electricity customers in the State of New York.

In September 2008, Dominion Retail purchased Cirro Group, Inc. ("Cirro"), a Texas retail electric provider. Cirro operates as a subsidiary of Dominion Retail in Plano, Texas.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL NATURAL GAS SUPPLIER

Exhibit A-17 "Articles of Incorporation and Bylaws"

The Articles of Incorporation and Bylaws were submitted previously and have not changed since the initial application.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL NATURAL GAS SUPPLIER

Exhibit A-18 "Secretary of State"

Attached are copies of the Certificate of registration and related documents issued by the Ohio Secretary of State on March 24, 1997 in connection with the registration of CNG Retail Services Corporation (now Dominion Retail, Inc.) to do business in Ohio.

Also attached is a copy of the Certificate issued by the Ohio Secretary of State on March 24, 2000, regarding applicant's use of the trade name "Dominion Retail", and a Certificate issued by the Ohio Secretary of State on September 27, 2000, reflecting the corporation's change of name from CNG Retail Services Corporation to Dominion Retail, Inc. and listing the company's corporate purposes in Ohio.

Finally, enclosed is a copy of a certificate issued by the Ohio Secretary of State on October 5, 2009, regarding applicant's use of the trade name "Dominion Energy Solutions", along with a Certificate of good standing issued to Dominion Retail by the Ohio Secretary of State on May 3, 2012.

05803-0103

The State of Ohio

Bob Taft

Secretary of State

FL973981

Certificate

It is hereby certified that the Secretary of State of Ohio has custody of the Records of Incorporation and Miscellaneous Filings; that said records show the filing and recording of: FLF PER of:

CNG RETAIL SERVICES CORPORATION

STATE OF INCORP: DE

TYPE OF LICENSE: PERMANENT
EXPIRATION DATE: VALID UNTIL CANCELLED FOR FAILURE TO FILE REPORTS

United States of America
State of Ohio
Office of the Secretary of State

Recorded on Roll 5803 at Frame 0104 of the Records of Incorporation and Miscellaneous Filings.

Witness my hand and the seal of the Secretary of State at Columbus, Ohio, this 24TH day of MARCH, A.D. 1997.

Bob Taft
Bob Taft
Secretary of State

Prescribed by
Bob Taft, Secretary of State 05803-0104

Form FLF (August 1992)

Approved [handwritten initials]
Date 3/21/97
Fee 50

97032504201

FOREIGN CORPORATION APPLICATION FOR LICENSE

1. The name of the corporation is CNG Retail Services Corporation.

2. The application is made to secure a ☒ permanent ☐ temporary license.

3. The corporation was incorporated on January 30 1997 (month) (day) (year) under the laws of the state of Delaware.

4. The corporation's principal office is located at CNG Tower 625 Liberty Avenue (street), Pittsburgh (city, village or township) PA (state) 15222-3199 (zip code).

~~5. The corporation's principal office within Ohio is to be located in~~ No office in Ohio. (city, village, or township)
in ______ County, Ohio ______ (zip code).
(If the corporation will not have an office in the state of Ohio, please state this fact in line 5. NOTE: "N/A" is not acceptable.)

6. The corporation hereby appoints the following as its statutory agent upon whom process against the corporation may be served in the state of Ohio. The name and complete address of the statutory agent is: (SEE INSTRUCTION NO. 4 ON SECOND PAGE)

CSC-Lawyers Incorporating Service (name) 16 East Broad Street (street)
Columbus (city, village, or township), Ohio 43215 (zip code)

(NOTE: P.O. Box addresses are not acceptable.)

7. The corporation irrevocably consents to service of process on the statutory agent listed above as long as the authority of the agent continues, and to service of process upon the SECRETARY OF STATE IF:
(a) the agent cannot be found, or
(b) the corporation fails to designate another agent when required to do so, or
(c) the corporation's license to do business in Ohio expires or is cancelled.

8. The corporation will exercise the following corporate purpose(s) in Ohio:
(Please provide a brief but specific description; a general purpose clause is not sufficient.)

sell energy and related products and services at retail.

9. Has the corporation obtained a license to transact business in Ohio at any time in the past? ☐ yes ☒ no.
If yes, prior License No. ______ issued ______ (date)

10. The date on which the corporation began transacting business in Ohio:

☐ Date ______
OR
☒ will begin business upon approval of application.

11. Is this application being made to enable the corporation to prosecute or defend a legal action? ☐ yes ☒ no.
(SEE INSTRUCTION NO. 5 ON SECOND PAGE)

12. The corporation has currently authorized 5,000 shares of stock and has issued 0 shares.

NOTARIZATION

STATE OF PENNSYLVANIA
COUNTY OF ALLEGHENY } ss. 05803-0105

I, Laura J. McKeown, being duly sworn, state that I am the

☐ President
☐ Vice President
☒ Secretary
☐ Treasurer of CNG Retail Service Corporation (name of corporation) and that the foregoing statements are true and correct to the best of my knowledge and belief.

Laura J. McKeown
(Signature)

SWORN TO AND SUBSCRIBED IN MY PRESENCE
THIS 21st DAY OF March, 1997.

NOTARY SEAL

NOTARIAL SEAL
CYNTHIA L. GOURLEY, Notary Public
PITTSBURGH, ALLEGHENY COUNTY, PA
My Commission Expires Nov. 15, 1999

Cynthia L. Gourley
(Signature of Notary)

My commission expires November 15, 1999

INSTRUCTIONS

1. This application must be accompanied by an original certificate of good standing from the state in which the applicant is incorporated, dated not more than 60 days prior to the filing of the application. (O.R.C. 1703.04(A))

2. The filing fee for a permanent license is $100.00 and for a temporary license is $125.00. (O.R.C. 1703.04 (C), 1703.13)

3. The application must be signed by the president, vice-president, secretary or treasurer of the corporation and must be notarized. (O.R.C. 1703.041)

4. In item 6, the agent for service of process may be (a) a natural person who is a resident of Ohio, or (b) an Ohio corporation or a foreign corporation licensed in Ohio which is explicitly authorized by its articles to act as statutory agent and which has a business address in Ohio. (O.R.C. 1703.041)

5. No foreign corporation which previously should have obtained a license to do business in Ohio shall maintain any action in any court until it has obtained such a license. Before the corporation shall maintain such action on any cause of action arising at the time when it was not licensed to transact business in this state, it shall pay to the Secretary of State a forfeiture of two hundred fifty dollars with this license application. (O.R.C. 1703.29). It is only under these circumstances that question no. 11 should be answered "yes". Under all other circumstances the answer to this question should be "no".

NOTE: Foreign corporations doing business in Ohio must file each year with the Secretary of State an Annual Statement of Proportion of Capital Stock (Form 7), showing activity in Ohio during the preceding calen- dar or fiscal year. This report is due March 31st, unless an extension has been requested in writing and has been granted. (O.R.C. 1703.07).

The report is separate and distinct from the Ohio Franchise Tax Report.

If the corporation has been doing business in Ohio prior to the date of licensing, it must submit a Form 7 for each of the years of unlicensed operation in Ohio, together with a certificate from the Ohio Department of Taxation showing that all applicable Franchise Taxes have been paid. For information on this certificate (D-4), call the Department of Taxation at 614-433-7636.

DATE	DOCUMENT NO	DESCRIPTION		FILING	EXPED	PENALTY	CERT	COPY
1 3/28/2000	200008700366	RNO TRADE NAME/ORIGINAL FILING		20.00	10.00	0.00	0.00	0.00
			TOTAL	20.00	10.00	0.00	0.00	0.00

Return To:
C T CORPORATION SYSTEM
ATTB A WEBSTER
17 S HIGH ST STE 1100
COLUMBUS, OH 45215-0000

cut along the dotted line

The State of Ohio
Certificate

Secretary of State - J. Kenneth Blackwell

1142964

It is hereby certified that the Secretary of State of Ohio has custody of the business records for DOMINION RETAIL and that said business records show the filing and recording of:

Document(s)
TRADE NAME/ORIGINAL FILING

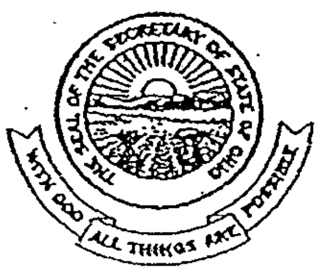
Document No(s):
200008700366

Date of First Use: 3/1/2000
Expiration Date: 3/24/2005

Applicant:
CNG RETAIL SERVICES CORPORATION
ONE CHATHAM CENTER STE 700
PITTSBURGH, PA 15219-0000

United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the Secretary of State at Columbus, Ohio, This 24th day of March, A.D. 2000



J. Kenneth Blackwell
J. Kenneth Blackwell
Secretary of State

200027900816

DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
10/05/2000	200027900816	FOREIGN/AMENDMENT (FAM)	50.00	.00	.00	.00	.00

Receipt

This is not a bill. Please do not remit payment.

C.T. CORPORATION SYSTEM
17 S. HIGH STREET
COLUMBUS, OH 43215

STATE OF OHIO

CERTIFICATE

Ohio Secretary of State, J. Kenneth Blackwell

973981

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

DOMINION RETAIL, INC.

and, that said business records show the filing and recording of:

Document(s):	Document No(s):
FOREIGN/AMENDMENT	**200027900816**

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 27th day of September, A.D. 2000.

J. Kenneth Blackwell

Ohio Secretary of State

THE SEAL OF THE SECRETARY OF STATE OF OHIO

United States of America
State of Ohio
Office of the Secretary of State

Prescribed by **J. Kenneth Blackwell**

Please obtain fee amount and mailing instructions from the Forms Inventory List (using the 3 digit form # located at the bottom of this form). To obtain the Forms Inventory List or for assistance, please call Customer Service:
Central Ohio: (614)-466-3910 Toll Free: 1-877-SOS-FILE (1-877-767-3453)

CERTIFICATE OF AMENDMENT TO FOREIGN CORPORATION APPLICATION FOR LICENSE

CNG Retail Services Corporation
(Name of Corporation - Including Assumed Name if Applicable)

P.A. Wilkerson, Vice President and Secretary, does hereby certify that the above named Foreign
(Authorized Officer and Title)
Corporation formed in the state of Delaware with license number 973981
has modified the information set forth in the original Application for License or any Amendment thereto with the following:

1. *The name of the corporation has been amended to*
   Dominion Retail, Inc.

2. The corporation's principal office shall be located in
   One Chatham Center, Suite 700
   (street address)
   Pittsburgh (city, township, or village) PA (state) 15219

RECEIVED
SEP 27 2000
J. KENNETH BLACKWELL
SECRETARY OF STATE

3. The corporation's principal office within Ohio shall be located in
   ______ (city, township, or village) ______ (county), Ohio ______ (zip code)

4. The corporation hereby appoints the following as the statutory agent upon whom process against the corporation may be served in the state of Ohio. *The name and complete address of the statutory agent is:*
   CT Corporation System (name of statutory agent) 1300 East 9th Street (street and number)
   Cleveland (city, village or township), Ohio 44114 (zip code)

5. The corporation will exercise the following corporate purpose(s) in Ohio:
   sale of natural gas and electricity

6. The corporation has currently authorized 5,000 shares of stock and has issued 600 shares.

7. This certificate of amendment supersedes the information currently on file with the Secretary of State of Ohio.

This Certificate of Amendment to the Foreign Corporation Application for License has been adopted in accordance with the laws of the state of domestication.

IN WITNESS WHEREOF, this Certificate of Amendment of a Foreign Corporation has been executed on 9/13/00 (date)

Signature: P.A. Wilkerson (Authorized Officer)
P.A. Wilkerson, Vice President and Secretary

200927900208

DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
10/06/2009	200927900208	FICTITIOUS NAME/ORIGINAL FILING (NFO)	50.00	200.00	.00	.00	.00

Receipt

This is not a bill. Please do not remit payment.

CT CORPORATION SYSTEM
4400 EASTON COMMONS WAY, SUITE 125
ATTN: TIMOTHY ROBERSON
COLUMBUS, OH 43219

STATE OF OHIO

CERTIFICATE

Ohio Secretary of State, Jennifer Brunner

1887327

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

DOMINION ENERGY SOLUTIONS

and, that said business records show the filing and recording of:

Document(s):	Document No(s):
FICTITIOUS NAME/ORIGINAL FILING	**200927900208**
Expiration Date: 10/05/2014	DOMINION RETAIL, INC. 120 TREDEGAR STREET RICHMOND, VA 23219

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 5th day of October, A.D. 2009.

THE SEAL OF THE SECRETARY OF STATE OF OHIO

United States of America
State of Ohio
Office of the Secretary of State

Jennifer Brunner

Ohio Secretary of State

United States of America
State of Ohio
Office of the Secretary of State

I, Jon Husted, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show DOMINION RETAIL, INC., a Delaware corporation, having qualified to do business within the State of Ohio on March 24, 1997 under License No. 973981 is currently in GOOD STANDING upon the records of this office.

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 3rd day of May, A.D. 2012

Jon Husted

Ohio Secretary of State

Validation Number: V2012123M8DB75

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL NATURAL GAS SUPPLIER

Exhibit B-1 "Jurisdictions of Operation"

Dominion Retail is actively engaged in the sale of natural gas to retail customers in Illinois, Ohio, Pennsylvania, New Jersey, New York and Virginia. Dominion Retail is also licensed to sell natural gas to retail customers in Connecticut, The District of Columbia, and Maryland.

Dominion Retail is actively engaged in the sale of electricity to retail customers in Connecticut, Illinois, Maine, Maryland, Massachusetts, New Jersey, New York, Ohio and Pennsylvania. Dominion Retail is also licensed to sell electricity to retail customers in The District of Columbia, Rhode Island, and Virginia.

Dominion Retail's Cirro Group, Inc. subsidiary is actively engaged in the sale of electricity to retail customers in the state of Texas.

Dominion Retail is also licensed by the Federal Energy Regulatory Commission to sell power at wholesale.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL NATURAL GAS SUPPLIER

<u>Exhibit B-2 "Experience & Plans"</u>

Dominion Retail maintains a "cancel anytime without penalty" practice for most of its existing natural gas and electricity retail sales contracts with Ohio residential and small commercial customers. Where cancellation fees apply, they are minimal. As is currently the case, Dominion Retail expects that billing for its services will be performed by the respective natural gas utilities. However, Dominion Retail may implement direct billing at some future point.

Dominion Retail follows a customer dispute resolution procedure whereby customer complaints, either written or telephonic, are first addressed by the company representative – typically, a Customer Care Center employee – receiving such a complaint. If the Customer Care representative is unable to satisfactorily resolve the customer's complaint, the matter will be referred to the Supervisor, Customer Care, or the Director, Retail Customer Service. Dominion Retail's Vice President, as well as its on-site legal counsel, may also be involved in the dispute resolution process.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL NATURAL GAS SUPPLIER

Exhibit B-3 "Summary of Experience"

Dominion Retail possesses extensive operational experience and expertise to reliably market natural gas to Ohio consumers under Ohio's natural gas retail choice programs. Dominion Retail has been engaged in the direct sale of natural gas to Ohio consumers since 1997. It currently has approximately 385,000 customers under contract.

Likewise, Dominion Retail is a major player in the Pennsylvania natural gas marketplace, having obtained its license to serve as a natural gas supplier from the Pennsylvania Public Utility Commission in October 1999. It serves approximately 127,000 natural gas customers in Pennsylvania. Likewise, Dominion Retail was licensed to supply natural gas in the State of Illinois in July 2002. It currently has approximately 37,000 natural gas customers under contract in that state. In addition, Dominion Retail obtained its license to sell natural gas in the State of New York in 2005, and currently serves approximately 230 customers in that State. In 2010, Dominion Retail began to market natural gas in New Jersey and currently serves approximately 6,000 customers. In addition, in 2011 Dominion Retail became active in the Virginia natural gas market, and is currently serving approximately 930 natural gas customers in Virginia. Dominion Retail is also a licensed natural gas supplier in Connecticut, The District of Columbia, and Maryland, although it is not currently active in those states.

At the present time, Dominion Retail is also heavily engaged in electricity retail sales in the states of Connecticut, Illinois, Maine, Maryland, Massachusetts, New Jersey, New York, Ohio and Pennsylvania.

Its Cirro Group, Inc. subsidiary is actively engaged in the sale of electricity in Texas. Dominion Retail is also a licensed electricity supplier in The District of Columbia, Rhode Island, and Virginia.

Dominion Retail is fully equipped to handle all aspects of the natural gas retail choice marketing process in Ohio, which includes such functions as management of wholesale gas supply acquisition, scheduling on pipeline transmission and distribution systems, data administration, and customer service.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL NATURAL GAS SUPPLIER

Exhibit B-4 "Disclosure of Liabilities and Investigations"

Not Applicable.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL NATURAL GAS SUPPLIER

Exhibit C-1 "Annual Reports"

Please find enclosed an original and ten copies of the 2011 Annual Report to shareholders of Dominion Retail's corporate parent company, Dominion Resources, Inc. Also enclosed are an original and ten copies of the 2012 proxy report to shareholders. Dominion Retail is also providing herewith the website references to those same reports.

2011 Annual Report website: http://www.dom.com/investors/sec-filings/annual-report.jsp

2012 Proxy Report website: http://www.dom.com/investors/sec-filings/proxy-statement.jsp

ON

Dominion Resources, Inc.
2011 Summary Annual Report

Dominion continues to execute its long-term, multibillion dollar growth plan to meet the demands of electric customers, natural gas customers and gas producers alike. We are building new infrastructure for America's energy future — and leveraging that infrastructure to ensure safety and superior customer service and promote environmental stewardship.

Headquartered in Richmond, Va., Dominion (NYSE: D) is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 28,000 megawatts of electric generation, 11,000 miles of natural gas transmission, gathering and storage pipeline and 63,100 miles of electric transmission and distribution lines. The company operates the largest natural gas storage system in the U.S. with 947 billion cubic feet of capacity, and serves nearly 6 million utility and retail energy customers in 15 states.* For more information about Dominion, visit the company's website at www.dom.com.

* All numbers are as of March 1, 2012.

Our statements about the future are subject to various risks and uncertainties. For factors that could cause actual results to differ from expected results, see Item 1A. Risk Factors, Forward-Looking Statements in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and Item 7A. Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the year ended Dec. 31, 2011.

Shareholders receiving this Summary Annual Report in connection with our 2012 Annual Meeting of Shareholders should read it together with our 2011 Annual Report on Form 10-K. This Summary Annual Report includes only financial and operating highlights and should not be considered a substitute for our full financial statements, inclusive of footnotes, and Management's Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report on Form 10-K. A copy of the Form 10-K, including the full financial statements, accompanies this Summary Annual Report and may also be obtained free of charge through our website at www.dom.com or by writing to our Corporate Secretary at P.O. Box 26532, Richmond, Virginia 23261-6532.

Contents

ONLINE

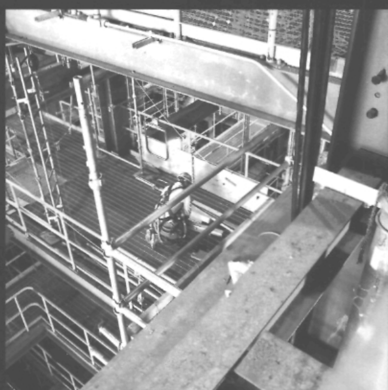
FOUR GAS AND ELECTRIC GROWTH PROJECTS CAME ONLINE IN 2011.

Bear Garden, a 590-megawatt, gas-fired facility in Central Virginia, began commercial operation in May 2011.

ONTIME

SIX MAJOR GAS AND ELECTRIC GROWTH PROJECTS ARE SLATED TO ENTER SERVICE ON TIME IN 2012.

Dominion Virginia Power energized the 500-kilovolt Meadow Brook-to-Loudoun transmission line serving Northern Virginia in April 2011.



ONTARGET

A MULTIBILLION DOLLAR SPENDING PLAN TARGETS DEMAND GROWTH.

The 585-megawatt, coal- and biomass-fired Virginia City Hybrid Energy Center in Southwest Virginia is expected to come online this summer.

ONWARD

THE COMPANY SET SAFETY RECORDS IN 2011.

The gathering enhancement project in West Virginia and Ohio aims at increasing efficiency in our gas gathering system.

ONTRACK

NEW GAS INFRASTRUCTURE ENCOURAGES U.S. GAS PRODUCTION.

Beverly Wood, an environmental specialist at Bear Garden, helps Dominion to keep its environmental commitments.

ONBUDGET

THREE SHALE-GAS PROJECTS ARE ANTICIPATED FOR 2012 COMPLETION.

Employees volunteered nearly 160,000 hours to their communities in 2011.

ONLINE

A number of projects entered service in 2011, including two major transmission lines in Virginia, a large gas-fired power station, uprates at existing generating facilities, a retrofitted gas pipeline and environmental upgrades. This new infrastructure will serve our customers for decades.

1

BEAR GARDEN
CENTRAL VIRGINIA

Bear Garden, located in Central Virginia's Buckingham County, entered service in May 2011. The state-of-the-art, 590-megawatt natural gas-fired facility is part of a generation buildout intended to meet growing demand in Virginia. PJM Interconnection, a regional transmission entity serving 13 states and the District of Columbia, projects that Dominion needs 4,000 megawatts of additional generating capacity by 2022, or enough to power 1 million new homes.

2

MEADOW BROOK TO LOUDOUN
NORTHERN VIRGINIA

Dominion energized the 500-kilovolt Meadow Brook-to-Loudoun transmission line, serving high-growth, high-tech Northern Virginia, in April 2011. Another 500-kilovolt line, Carson to Suffolk, came online in May 2011 and transports electricity into Southeastern Virginia. The two transmission lines help ease congestion on the electric grid. And they help supply power to several state and federal government facilities, military installations and data centers.

ONTIME

Constructing Lasting Energy Infrastructure

Dominion expects commercial operation in 2012 of a coal- and biomass-fired power station in Southwest Virginia and five natural gas infrastructure projects aimed at helping gas producers move their gas and liquid products to markets. All six are progressing on time and on budget.

3

HASTINGS EXTRACTION PLANT
NORTHERN WEST VIRGINIA

The company is expanding the Hastings Extraction Plant in West Virginia to increase processing and natural gas liquids storage capacity as part of the gathering enhancement project, designed to aid efficiency and reduce high pressures in Dominion Transmission's gathering system. Expansion at the Hastings plant, along with construction at Natrium, will help producers in the "wet" gas regions move their gas and liquid products to market.

4

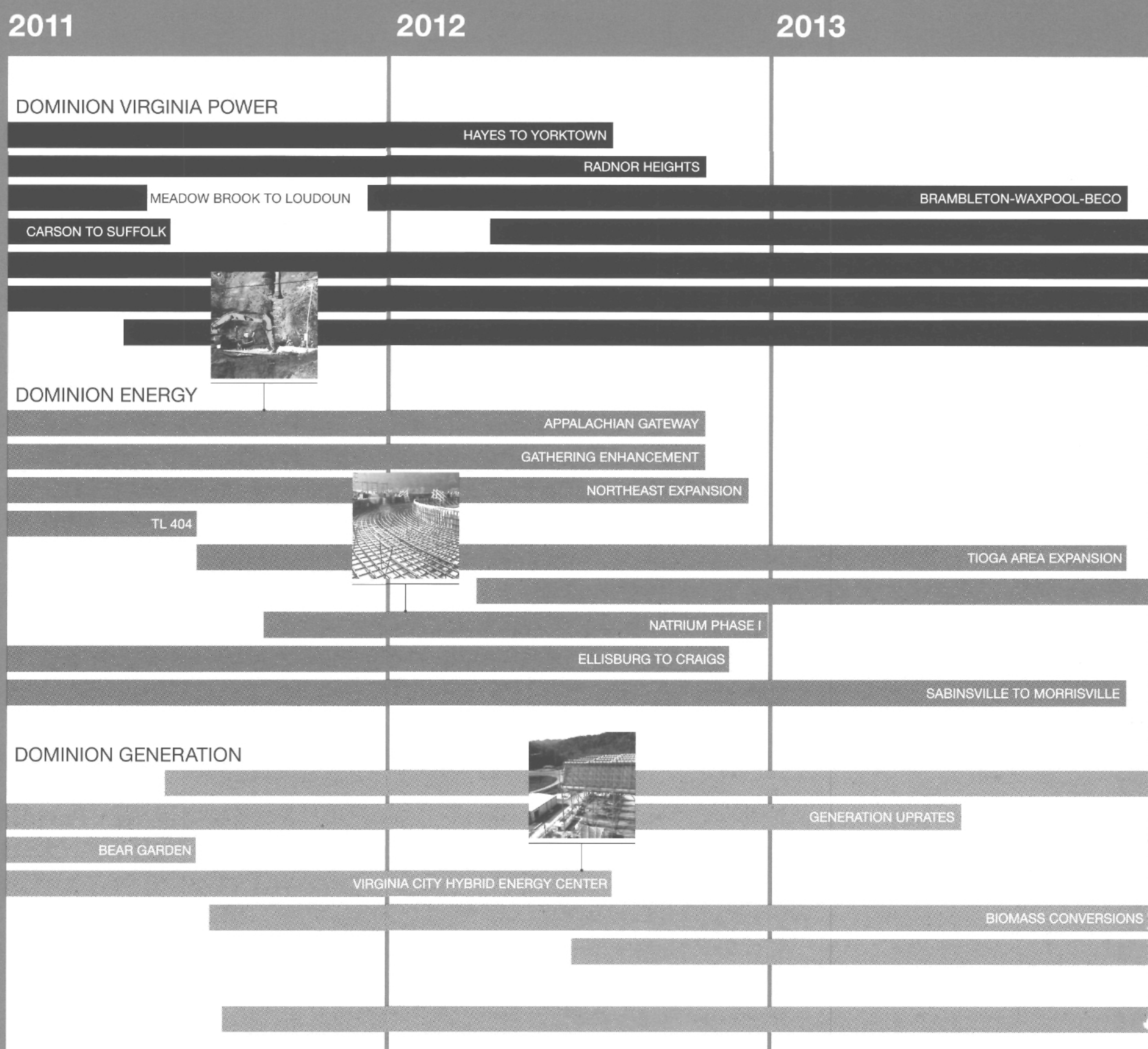
VIRGINIA CITY HYBRID ENERGY CENTER
SOUTHWEST VIRGINIA

The 585-megawatt Virginia City Hybrid Energy Center, located in Southwest Virginia's Wise County, is expected to begin operating in summer 2012. The facility, which will burn coal, waste coal and wood waste, is being built with advanced environmental controls to limit mercury, sulfur dioxide and nitrogen oxides emissions. It is part of an investment that is expected to support at least 750 new full-time jobs and more than $3 billion in economic benefits for Virginia.

ONTRACK

Providing Energy for the Next Generation

In 2011, Dominion's total shareholder return topped that of the major stock indices. Our long-term, multibillion dollar organic growth program—based on construction of new regulated electric and gas infrastructure—is expected to support earnings per share growth of 5–6 percent per year beginning in 2012. We expect our board of directors to



continue aligning dividend increases with our expected earnings per share growth, based on a dividend payout ratio of approximately 60–65 percent of operating earnings.* The following projects will help fuel this earnings and dividend growth.

2014 | 2015 | 2016

SKIFFES CREEK

MOUNT STORM TO DOUBS

CANNON BRANCH TO LIBERTY

DOOMS-SHERWOOD-BREMO

ALLEGHENY STORAGE

WARREN COUNTY

BRUNSWICK COUNTY

FUTURE COMBINED CYCLE FACILITY LATE 2018

BREMO GAS CONVERSION

Regulated Infrastructure Investment

Dollars in Billions

Cumulative Planned Growth Capital Expenditures 2012–2016**

DOMINION VIRGINIA POWER	$ 3.9
DOMINION ENERGY	3.4
DOMINION GENERATION	4.3
TOTAL	**$11.6**

** All planned expenditures are preliminary and may be subject to regulatory and/or Board of Directors approvals.

* All dividend declarations are subject to Board of Directors approval. See page 22 for GAAP Reconciliation of Operating Dividend Payout Ratio (non-GAAP) to Reported Dividend Payout Ratio (GAAP).

ONWARD

Building Dominion for the Future

Dear Investors,

A single electric service area seldom experiences an earthquake and a hurricane in the same year. Yet in 2011, our electric utility, Dominion Virginia Power, experienced both in the same week — only a few days apart.

We cannot find another instance in the past 100 years in which a particular area in the U.S. was hit by a significant earthquake and a major hurricane within a seven-day period.

The epicenter of the August 23 earthquake was just 11 miles from our nuclear-powered North Anna Power Station in Louisa County, Va. The quake, measuring a 5.8 magnitude on the Richter scale, triggered an automatic shutdown of both reactors, just as designed. For about three months, during which we replaced North Anna's electric output with our existing generation capacity and market purchases, company and Nuclear Regulatory Commission (NRC) teams worked together to test structures, pipes, valves, pumps and safety equipment. In the end, the NRC concluded that North Anna was able to sustain the extreme force of this quake safely and without serious damage. This finding supports our consideration of a third nuclear reactor on the site. We are awaiting a combined construction and operating license (COL) from the NRC, which could issue the COL as early as late 2014. At that time, we will decide whether to proceed to the construction phase.

Then, just three days after the earthquake, Hurricane Irene hit, battering North Carolina and Virginia for nearly 30 hours and inflicting massive damage on Dominion's electric transmission and distribution systems. About half of our electric utility customers — more than 1.2 million — lost electricity at some point during the storm. When it was over, thousands of line, patrol and support personnel, and crews from more than 20 different utilities and contract companies were deployed for nearly a week to restore essential services to all customers. It was the second-largest restoration effort in our utility's 102-year history.

A job safely and well done means reliable service to our customers and better returns for our owners.

The thousands of employees who worked tirelessly throughout these back-to-back disasters embody the "One Dominion" philosophy. They put their personal lives on hold to answer the call of duty. That selfless commitment to their community and our company ensured the safety of our customers and our system.

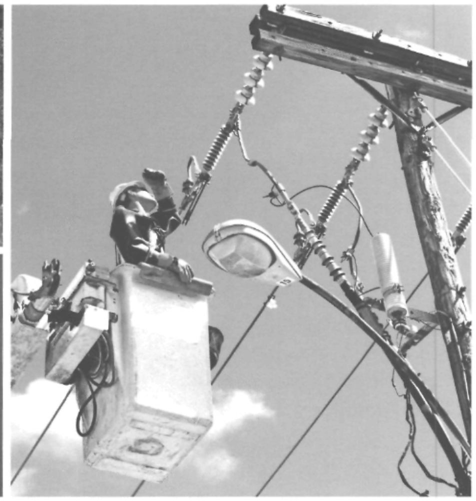
Safety: Priority No. 1

At Dominion, safety is our paramount concern. We want all our employees each day to return home to their families safe and sound. We aim high — one injury or accident is one too many. Safety is embedded in our culture. Safety is also essential to the financial health of our company.

Why?

Because when our people look out for each other, everyone performs more efficiently and effectively, accidents are reduced, creative solutions are found to problems and morale improves. A job safely and well done means reliable service to our customers and better returns for our owners.

In 2011, employees delivered on important safety measures. I was proud when Dominion ended the year with all-time bests in the U.S. Occupational Safety and Health Administration (OSHA) "recordable incident rate" and the "lost time/restricted duty incident rate." The recordable incident rate — the number of reported workplace injuries per 100 employees — dropped to 0.92, a 51 percent decline in the past five years. The lost time/restricted duty incident rate — the number of workplace injuries that resulted in lost workdays or reassignment of duties per 100 employees — fell to 0.42, a five-year, 55 percent decline.



ONCALL

In the wake of Hurricane Irene, thousands mobilized to restore power to 1.2 million customers.

During the late evening hours on Friday, August 26, Hurricane Irene made landfall in North Carolina and began winding its way through Dominion Virginia Power's service area, bringing down trees and power lines in its path. Over the next 30 hours the storm would take to exit our region, more than 1.2 million customers would lose electricity. In Dominion Virginia Power's 102-year history, only Hurricane Isabel in 2003 had a larger impact.

By mid-day Monday, Dominion had completed its damage assessment and had restored service to about half of the affected customers. The next six days would require the more arduous undertaking of returning electric service to areas with the most damage. In the Richmond area, for instance, which had sustained winds of 40-plus miles per hour for 17 hours, more than 75 percent of customers experienced power loss, as well as some of the most extreme damage.

Daniel K. Neighbors, Jr., a lineman based in East Richmond, answered the call of duty, putting in 14–16-hour days to ensure that all Dominion customers had their lights back on. "The biggest thing is helping someone," he said. "Giving back is what it's all about."

Neighbors was one of 7,000 line, patrol and support personnel, including 3,100 mutual aid and tree crews from more than 20 different utilities and contract companies, who joined the restoration effort. Overall, they repaired damage at 35,000 work locations and restored service to all customers in about a week.

"The biggest thing is helping someone. Giving back is what it's all about."

Dominion lineman
Daniel K. Neighbors, Jr.

Imagine the effort of our electric transmission employees, who — even with the huge power restoration effort from Hurricane Irene — went 164 straight days without a recordable incident in 2011. That safety performance sets the bar high. Employees at Sweeney Station in West Virginia, a part of our gas transmission business, were up to the task. They have completed more than five decades without a lost time incident.

Financial Year in Review

While Mother Nature wreaked havoc in Virginia this past year, the global financial system was rocked by problems in Europe. The precarious financial conditions of some European Common Market countries resulted in unprecedented market volatility. Low consumer confidence scores for most of the year reflected slow economic recovery in the U.S.

Our owners, however, continue to benefit from the fact that Virginia is the home base of our electric utility, which represents about half of our earnings. In 2011, Virginia's economy remained largely recession-resistant principally because of the presence of the U.S. military, the federal government, government contractors and several energy-intensive data centers.

Last year I wrote you that Dominion might experience its first year-over-year operating earnings per share decline since 2005. We anticipated this possibility because of (1) several major merchant power stations being taken offline for maintenance, refueling and environmental equipment tie-ins and (2) historically low commodity prices. Indeed, this is what happened. What we did not expect were the revenue losses from natural disasters and relatively mild weather that caused customers to use less air conditioning in the summer and heat in the winter.

In 2011, Dominion earned $3.05 per share in operating earnings, down from $3.34 per share in 2010, meeting the guidance range we anticipated in January 2011 of $3.00 per share to $3.30 per share.* Earnings under Generally Accepted Accounting Principles (GAAP) in 2011 were $2.45 per share, down from $4.76 per share in 2010.**

Be Safe Today

In late 2010 and early 2011, the Services company, which includes more than 2,500 employees, initiated the "Be Safe Today" campaign.

Services company executives sent a campaign kickoff letter to their employees reminding them to take safety personally and act to eliminate potential hazards. Monthly safety messages were emailed. And the employee intranet site was redesigned to feature the "Be Safe Today" campaign.

In 2011, Dominion Resources Services had just one OSHA recordable incident. In 2012, as always, we will strive for zero.

Higher Shareholder Return

Despite this drop in operating earnings per share, Dominion's total shareholder return — the combination of a share of common stock's price appreciation or depreciation over a year and its dividend payout — ended 2011 at 29.4 percent. This bested the returns of the major indices — the Dow Jones Industrial Average, at 8.3 percent, and the S&P 500, at 2.1 percent. In addition, we exceeded the returns of our peers in the Dow Jones Utility Average, the S&P 500 Utilities and the Philadelphia Utility Sector Index, which yielded 19.6 percent, 19.9 percent and 19.2 percent, respectively.

Last year, Dominion returned $1.97 per share in dividends to shareholders, a 7.7 percent increase from 2010. We paid out 64.6 percent of operating earnings per share, within the 60–65 percent payout target range set by the board in 2010.*** In addition, we repurchased about 13 million shares on the open market for approximately $600 million to offset the expected earnings per share impact from economic recovery tax provisions relating to accelerated asset depreciation.

* Based on Non-GAAP Financial Measures. See page 22 for GAAP Reconciliations.

** The principal difference between 2010 GAAP earnings of $4.76 per share and 2011 GAAP earnings of $2.45 per share was a one-time net benefit of $2.34 per share in 2010 resulting from the sale of our Appalachian gas exploration and production assets.

*** See page 22 for GAAP Reconciliation of Operating Dividend Payout Ratio (non-GAAP) to Reported Payout Ratio (GAAP).

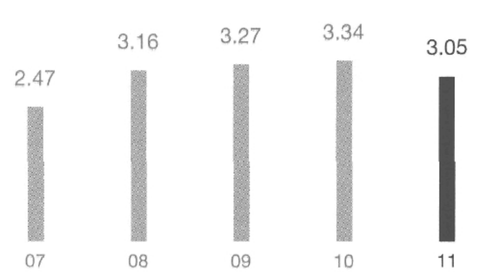
CONSOLIDATED FINANCIAL HIGHLIGHTS

Year ended December 31,	2011	2010	% Change
Financial Results (millions)			
Operating revenue	$ 14,379	$ 15,197	-5.4%
Operating expenses	11,518	11,964	-3.7%
Amounts attributable to Dominion:			
Income from continuing operations, net of tax	1,408	2,963	-52.5%
Loss from discontinued operations, net of tax	—	(155)	—
Reported earnings	1,408	2,808	-49.9%
Operating earnings*	1,754	1,971	-11.0%
Data per Common Share			
Reported earnings	$ 2.45	$ 4.76	-48.5%
Operating earnings*	$ 3.05	$ 3.34	-8.7%
Dividends paid	$ 1.97	$ 1.83	7.7%
Market value (intraday high)	$ 53.59	$ 45.12	18.8%
Market value (intraday low)	$ 42.06	$ 36.12	16.4%
Market value (year-end)	$ 53.08	$ 42.72	24.3%
Book value (year-end)	$ 20.09	$ 20.65	-2.7%
Market to book value (year-end)	2.64	2.07	27.5%
Financial Position (millions)			
Total assets	$ 45,614	$ 42,817	6.5%
Total debt	20,687	17,641	17.3%
Common shareholders' equity	11,446	11,997	-4.6%
Equity market capitalization	30,241	24,813	21.9%
Cash Flows (millions)			
Net cash provided by operating activities	$ 2,983	$ 1,825	
Net cash provided by (used in) investing activities	(3,321)	419	
Net cash provided by (used in) financing activities	378	(2,232)	
Other Statistics (shares in millions)			
Common shares outstanding — average, diluted	574.6	590.1	
Common shares outstanding — year-end	569.7	580.8	
Number of full-time employees	15,800	15,800	

*Based on Non-GAAP Financial Measures. See page 22 for GAAP Reconciliations.

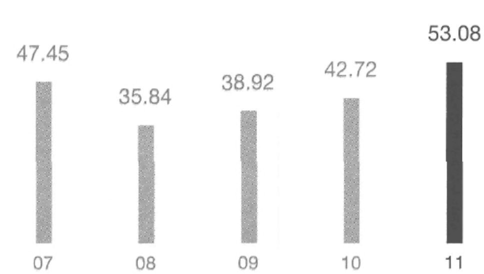
Operating Earnings*

Dollars Per Share



Year-End Stock Price

Dollars Per Share



* Based on Non-GAAP Financial Measures. See page 22 for GAAP Reconciliations.

Outlook for 2012
Our guidance for 2012 anticipates operating earnings in the range of $3.10 per share to $3.35 per share.* With rising energy demand, lower interest expense, construction and operation of new infrastructure in our regulated businesses and continued control over operating expenses, we expect 5–6 percent earnings per share growth in 2012. That growth should continue for the foreseeable future.

We expect that the dividend payout ratio will again be near the top end of our target range in 2012. In January 2012, the board increased the annual dividend rate by 14 cents per share, or 7.1 percent — to $2.11 per share, subject to quarterly declaration. We expect our directors to continue aligning dividend increases with our expected earnings per share growth of 5–6 percent.**

Strong Foundation Fuels Growth Plans
Over the past five years, your company sold commodity-based businesses to reduce earnings volatility and strengthen our balance sheet. Since then, we have targeted billions of dollars in investment in federally and state-regulated projects to meet the growing demand of our customers and maintain system reliability.

Investor confidence in our performance and earnings outlook is based on the fundamentals of our business model: investing in and maintaining energy infrastructure designed to last for generations. Our growth comes from a strong foundation of concrete and steel, reinforced by the values in our culture: working safely and responsibly, and respectfully looking out for one another.

The strength of this foundation was affirmed when our employees rallied to respond to two natural disasters in August. It was also affirmed when Dominion Resources took advantage of its strong credit metrics and balance sheet to raise $850 million in two separate debt issuances with terms of three and five years — selling at interest rates below 2 percent, among the lowest ever recorded for U.S. holding companies. These offerings were part of nearly $2 billion in senior notes that Dominion issued in 2011.

Since 2007, we have added more than 1,500 megawatts of generating capacity and about 300 miles of transmission lines.

Dominion did not issue any net common stock in 2011. And, with the exception of issuing approximately $320 million in equity through our employee savings plans, direct stock purchase and dividend reinvestment plan, and other employee and director benefit plans, we do not anticipate issuing common stock in 2012.

Building for Virginia
In 2011, we completed three major projects for our utility customers in Virginia and North Carolina on time and on budget. These included the $619 million, 590-megawatt gas-fired Bear Garden Power Station in Central Virginia, and two 500-kilovolt transmission lines in Northern Virginia and Southeastern Virginia, which cost $479 million combined. Bear Garden is now online and generating electricity. And the Meadow Brook-to-Loudoun and Carson-to-Suffolk transmission lines are transporting power that flows to consumers.

Since our utility growth program began in 2007, Dominion has added more than 1,500 megawatts of generating capacity and about 300 miles of transmission lines to serve Virginia and North Carolina customers.

Despite sluggish growth in the overall economy, weather-adjusted power usage at Dominion Virginia Power rose 1.6 percent in 2011. The utility set a new peak demand record of 20,061 megawatts on July 22, 2011, surpassing the previous record of 19,688 megawatts, set in August 2007. Load from data centers, each of which consumes as much electricity as 9,000 typical homes, is expected to nearly double over the next two years. To keep the Internet up and running 24/7, we must provide reliable electric service to data centers 24/7.

* See page 22 for GAAP Reconciliation of 2012 Operating Earnings Guidance.

** All dividend declarations are subject to Board of Directors approval.

As a result of continued demand growth, we expect to invest about $8 billion from 2012 through 2016 — to serve our customers. Here are some of the near-term projects:

- The $1.8 billion coal- and biomass-fired Virginia City Hybrid Energy Center in Southwest Virginia is expected to come online in summer 2012. The 585-megawatt facility is on budget and on time.
- A $1.1 billion, 1,300-megawatt gas-fired power station in Warren County, Va., is expected to be operational in late 2014. It is one of three large gas-fired plants that the company plans to construct over the next decade. We have proposed building one of them in Brunswick County, Va., and are seeking a location for the third facility.
- Another 500-kilovolt transmission line, the $350 million Mount Storm-to-Doubs modernization project that would increase line capacity by 67 percent, serving Northern Virginia, is planned for completion in 2015. It is one of 40 electric transmission projects totaling nearly $3 billion aimed at ensuring reliability in the Dominion Virginia Power system over the next five years.

These projects help sustain the economic vitality of local communities. According to Chmura Economics & Analytics, our growth plan will support more than 14,200 construction jobs in Virginia through 2015 and produce annual economic benefits of more than $290 million. When completed by 2015, these projects should add more than 750 new full-time local jobs.

Recovering Investments, Earning Fair Returns

The success of these projects depends in part on earning a fair return on these investments. At the end of 2011, the Virginia State Corporation Commission reviewed Dominion Virginia Power's earnings from 2009–2010 and set an authorized return on equity of 10.9 percent on base rates going forward — which, under Virginia law, allows the company to earn up to 11.4 percent before triggering any potential refunds or rate reductions. Equity for new nuclear or renewable generating stations would earn 12.4 percent; equity for new plants powered by coal or natural gas would earn 11.4 percent.

According to Chmura Economics & Analytics, our growth plan will support more than 14,200 construction jobs in Virginia through 2015.

The state's constructive regulatory environment is important in allowing our company to continue to access cost-effective capital for new and ongoing construction projects. We continue to work with our regulators to ensure that Dominion Virginia Power's rates remain responsible, competitive and fair. As of January 2012, our residential rates were about 10 percent below the national average and 19 percent below the East Coast average.

Renewed Focus on Natural Gas, Natural Gas Markets

As I wrote you last year, we are benefiting from our past experience in E&P in the Appalachian Basin — not as producers, but as a developer of infrastructure, a business with which we have had substantial success. To take advantage of significant natural gas finds and production in the Marcellus and Utica Shale formations, we are investing in new transmission pipelines, gathering, storage and processing facilities, and are reconfiguring existing pipes. We are working with customers who need our pipelines to transport the natural gas they produce to diverse markets and with those who need our processing plants to prepare the gas for transport.

Overall, we are planning to spend $2.2 billion on natural gas transmission infrastructure over the next five years, with the potential for an additional $1 billion.

The Utica Shale and the western portions of the Marcellus Shale formations produce "wet" gas, meaning the natural gas contains heavy hydrocarbons or natural gas liquids that can be

ONFOR 30 YEARS

Our hallmark EnergyShare program is a success because of a shared responsibility to help those in need.

It began 30 years ago with a bright idea: that our electric utility ought to help the state's most vulnerable citizens — the unemployed, the working poor and families facing a financial crisis with no other place to turn — meet their heating needs during the winter freeze.

That idea became our signature energy-assistance program, EnergyShare, which has distributed $52 million to aid 250,000 families — or more than a half-million people — so they may remain comfortable in their homes during the coldest and hottest times of the year.

We now partner with more than 110 agencies to administer the program in Virginia, North Carolina and Ohio. Dominion has directly supported the campaign with more than $20 million; our employees have kicked in an additional $1.4 million through payroll deductions.

To recognize EnergyShare's 30th anniversary, we developed and unveiled a new TV and print advertising campaign. And we challenged employees in the three states to contribute in honor of the program's anniversary.

2011 Highlights

Dominion contributed $4.5 million to EnergyShare, aiding more than 20,000 families.

Our customers contributed more than $1.1 million and employees donated $81,000 to the program.

The company partnered with more than 110 agencies in three states.

Virginia Gov. Robert F. McDonnell attended a special ceremony commemorating the 30th anniversary of EnergyShare in the state and called this observance to the attention of all Virginia citizens.

The program received the 2011 National Fuel Funds Network Corporate Excellence Award, which recognizes outstanding achievement by a company on behalf of its low-income customers.

ONDUTY

Giving back to the communities where we live and work is essential to our success.

From planting tree seedlings and marsh grasses to filling and distributing care packages for U.S. troops overseas, Dominion and its 15,800 employees are committed to the communities they serve.

Through Dominion and The Dominion Foundation, the company's philanthropic arm, we gave more than $21.6 million in 2011 to meet essential human needs and support environmental stewardship, education and community vitality in the states where we do business. And our employee volunteers donated nearly 160,000 hours of their time mentoring children, clearing trails at parks, and refurbishing shelters and the homes of elderly poor citizens, among other worthy causes.

This proven and shared belief in community investment was evident for the second straight year in 2011, when United Way Worldwide recognized your company with the Summit Award for Community Impact. Dominion was one of only four companies nationally to receive this prestigious honor. In 2010, Dominion accepted a national Summit Award for Community Volunteerism.

Ours is a lasting commitment to serving our communities.

2011 Highlights

Our employees volunteered almost 160,000 hours.

We contributed more than $300,000 to organizations assisting tornado, earthquake and hurricane victims in four states.

The foundation gave more than $1.35 million in K-12 and higher education grants to 34 colleges and community colleges and 70 schools and other educational institutions in 12 states.

We contributed $250,000 to 10 organizations in six states lending aid to homeless veterans, wounded veterans and military families.

Dominion assisted food banks in 13 states and the District of Columbia with $435,000 in donations.





separated into propane, butane, iso-butane and natural gasoline. Before this gas is delivered to market through pipelines, it must be sent to processing plants that separate the liquids from the gas stream, such as the $500 million Natrium natural gas processing plant we are building in West Virginia. Strategically situated on the Ohio River to cost-effectively transport gas and liquid products to nearby markets, the plant is scheduled to begin operations at the end of 2012. It will process gas from both the Marcellus and Utica Shale regions. A proposed second phase at Natrium would be expected to nearly double gas and liquids processing capabilities, if completed.

In 2011, Dominion retrofitted a gas pipeline to deliver wet gas to processing facilities such as Natrium. This $23 million project was completed on budget and on time. We will continue to invest in other Marcellus and Utica Shale pipeline projects in 2012 and beyond.

Dominion is also planning almost $1 billion in investments in our conventional gas gathering, storage and transportation businesses. First, our Gathering Enhancement project, being phased into service in 2011 and 2012, will increase efficiency in Dominion Transmission's gathering system. Second, Appalachian Gateway is expected to add pipelines and compressor stations to deliver Appalachian gas production into Southwest Pennsylvania. We expect it to enter service in September 2012. Both projects are on budget and on time.

Longtime investors know that in 2002 we acquired Cove Point on the Chesapeake Bay to import liquefied natural gas (LNG). Today, with a supply-heavy natural gas market in the U.S., Appalachian gas producers are exploring the possibility of selling into higher-priced gas markets in Europe and Asia. We are in discussions with producers and potential customers to evaluate the merits of liquefying natural gas for export at Cove Point. Of course, any decision to move forward would require firm contracts from producers and end users and permission from the U.S. Department of Energy to export LNG to both free trade and non-free trade agreement countries. We will keep you posted on these developments.

We are planning to spend more than $2 billion on natural gas transmission infrastructure over the next five years.

Investing in the Environment, Alternative Energy

Because of the sound decision to spend about $3 billion on environmental upgrades since 1998, Dominion is in relatively good position to comply with new, more stringent federal regulations of air pollutants.

To keep our environmental commitments and ensure compliance with new federal regulations, we made a series of decisions that we believe will minimize our impact on the environment by reducing mercury, sulfur dioxide, nitrogen oxides and particulate matter emissions.

In Virginia, our environmental compliance strategy is expected to require $1.8 billion in capital expenditures by 2016 to (a) retire coal units, as necessary, (b) convert some units to utilize an alternate fuel source, (c) retrofit others with environmental equipment and (d) build new generation and transmission capacity. We made these decisions based on the most reasonable cost options and our obligation to reliably serve our customers, asking: Do the benefits of improving a power station outweigh the costs to the company and our customers and continue providing reliable service?

Using this analysis, beginning in 2014, we expect to close coal units at Chesapeake and Yorktown. And we plan to convert three coal-fired units to burn biomass and several other units from coal to natural gas. In all, we expect a net loss of more than 750 megawatts that would be replaced by new, cleaner generating capacity and new, high-voltage transmission lines.

Using a cost-benefit analysis in assessing our merchant power business — are the costs of adding environmental equipment justified for our company and our shareholders? — we have announced plans to retire Salem Harbor in Massachusetts and State Line in Indiana, both coal-fired generating stations. The company began deactivating these units in 2011. We are also investing in added environmental controls at two other coal-fired plants — Brayton Point in Massachusetts and Kincaid in Illinois.

We are also doing our part to invest in alternative energy solutions and energy efficiency. Dominion's Alternative Energy Solutions group is reviewing investments in such energy technologies as offshore wind, solar photovoltaic, distributed generation, fuel cells, battery storage and smart microgrids, among other things. A Dominion Virginia Power pilot program helps electric vehicle owners who utilize off-peak charging of their vehicles by providing favorable rate structures.

Thank You

Although, as expected, 2011 brought about the first year-over-year operating earnings decline since 2005, Dominion had a successful year.

Our employees did their jobs safely and well, helping to set new companywide OSHA recordable incident records along the way. The Fossil & Hydro and nuclear business units, Dominion East Ohio and Dominion Hope and our Services company all had best-on-record safety performance in 2011.

Our growth investment program moved full steam ahead, on budget and on time.

We continued to work constructively with our regulators.

Our total shareholder return outpaced that of the major market indices and of our peers.

In addition, our employees volunteered almost 160,000 hours of community service. These efforts were recognized by United Way Worldwide, which presented Dominion with one of four national Summit Awards, the only utility to receive such an honor.

The company and its philanthropic arm gave more than $21 million to support essential human needs, environmental stewardship, education and community vitality in 14 states.

What makes me especially proud is Dominion's leadership in hiring military veterans. Coming from a military family, I am keenly aware of the challenges faced by combat veterans returning home. At Dominion, we recruit veterans for careers as line workers, nuclear security officers, power station operators and other vital jobs because they are disciplined, safety-conscious and civic-minded. We launched the Troops to Energy Jobs program to fulfill this mission. In 2011, we hired about 100 veterans.

Economic conditions and the August "hurriquake" reminded us to expect the unexpected. The work of Dominion's 15,800 employees in 2011 — building on our foundation of safety, ethical behavior, excellence and teamwork — gives me confidence we can overcome just about any obstacle that Mother Nature and, yes, also human nature might throw in our way in 2012.

Thank you for investing your hard-earned money in Dominion and putting your trust in us to build necessary energy infrastructure for the future.

Sincerely,

Tom Farrell

Thomas F. Farrell II
Chairman, President
and Chief Executive Officer

ON THE FRONT LINES

Our Troops to Energy Jobs program is looking for a few good men and women to swap their helmets for hardhats.

A workforce challenge awaits the utility industry, a recent survey commissioned by the Center for Energy Workforce Development (CEWD) has found. The figures are alarming: The CEWD says that nearly 200,000 workers, or more than one-third of the utility workforce, may retire in the next five years.

Electricity is the most important product Americans consume — and it is critical to national security, economic development and the American way of life. Facing a potential workforce crunch, our industry must keep the lights on and the data flowing.

And, who better to protect national security and our way of life than those transitioning from military to civilian life?

First, veterans are more likely than the average American to be unemployed. In 2010 alone, the federal government spent almost $1 billion on unemployment benefits for veterans — "a national disgrace," CEO Tom Farrell says. Second, a steady supply of transitioning veterans exists; the U.S. Department of Labor estimates about 200,000 men and women will be leaving the service annually over the next decade. Third, veterans possess the skills that we need — a focus on safety, discipline and commitment to community.

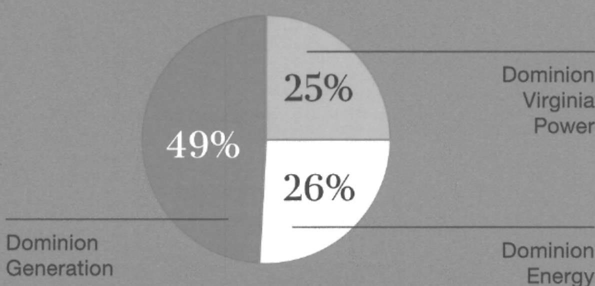
Enter Troops to Energy Jobs, a program joining with other utilities, institutions of higher education, unions, the military and federal and state agencies to help place those leaving the military into good, high-wage energy jobs.

The Dominion pilot project began in March 2011. The company hired about 100 veterans in 2011 and employs nearly 1,300 veterans in 14 states.

Veterans possess the skills that we need — a focus on safety, discipline and a commitment to community.

Dominion's three principal operating segments are based in the energy-intensive mid-Atlantic, Northeast and Midwest regions of the U.S.

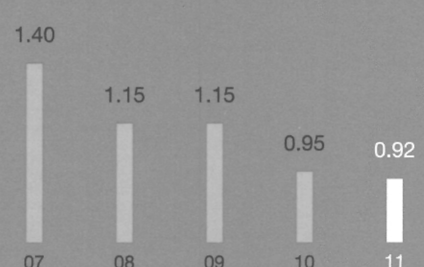
2011 Primary Operating Segment Earnings Percentages[1,2]



1 Excludes Corporate and Other Segment

2 See page 22 for GAAP Reconciliation of 2011 Segment Operating Earnings Proportion (non-GAAP) to Reported Earnings Proportion (GAAP).

Dominion's 5-Year OSHA Recordable Incident Rates*



* Dominion Incident Rate = Number of Recordables x 200,000/Man-Hours Worked

DOMINION VIRGINIA POWER

Operates regulated electric transmission and distribution franchises in Virginia and northeastern North Carolina, providing electric service to about 2.4 million customer accounts in the two-state area. Dominion Retail, serving approximately 2.1 million customer accounts in 15 retail-choice states, is part of this segment.

Business Lines

- Electric transmission
- Electric distribution
- Non-regulated retail energy marketing (electric, gas and energy-related products and services)

2011 Highlights

- Connected more than 24,000 new franchise customer accounts.
- Energized two 500-kilovolt transmission lines — Meadow Brook to Loudoun and Carson to Suffolk.
- Began a pilot program providing favorable rate structures for electric vehicle owners who utilize off-peak charging of their vehicles.

2012 Outlook

- Maintain a superior safety record.
- Continue on time and on budget work to rebuild the Mount Storm-to-Doubs transmission line, scheduled for completion in 2015.
- File an application with the Virginia State Corporation Commission (SCC) to construct two transmission lines that would help offset the loss of generating capacity from the closure of coal units at Yorktown and Chesapeake.

DOMINION ENERGY

Operates the nation's largest natural gas storage system; a network of 11,000 miles of natural gas transmission, gathering and storage pipelines; a natural gas distribution system serving 1.3 million customer accounts in West Virginia and Ohio; and a liquefied natural gas terminal in Maryland. It also includes the producer services function.

Business Lines

- Natural gas transmission and storage
- Natural gas distribution
- Producer services

2011 Highlights

- Began constructing the $500 million Natrium processing facility in Marshall County, W.Va., expected to be completed in late 2012.
- Moved forward on time and on budget with gathering enhancements in Ohio and West Virginia, the Appalachian Gateway project and expansion of the Hastings processing facility, also in West Virginia.
- Applied for U.S. Department of Energy permission to operate the Cove Point liquefied natural gas (LNG) facility in Lusby, Md., both as an importer and exporter of LNG.

2012 Outlook

- Maintain a superior safety record.
- Continue to invest in infrastructure in the Marcellus and Utica Shale regions to meet the needs of the producer community and the marketplace and complete Natrium Phase I.
- Complete gathering enhancements and Appalachian Gateway, including 110 miles of pipeline and four compressor stations.

DOMINION GENERATION

Operates the company's fleet of regulated power stations serving its electric utility franchise, as well as a merchant power fleet supplying wholesale markets in the Northeast and Midwest. Together they account for approximately 28,000 megawatts of generation.

Business Lines

- Utility power production
- Merchant power production

2011 Highlights

- Completed the 590-megawatt Bear Garden natural gas-fired combined-cycle power station in Central Virginia on budget and on time.
- Completed uprates at two coal units at Mount Storm and Chesterfield.
- Began operation of a new scrubber at Virginia's Chesterfield Power Station to reduce emissions from three coal-fired units.

2012 Outlook

- Maintain a superior safety record.
- Bring online the 585-megawatt coal- and biomass-fired Virginia City Hybrid Energy Center in Southwest Virginia.
- Begin construction on the 1,300-megawatt, gas-fired combined-cycle facility in Warren County, Va., and, once Virginia SCC approvals are obtained, begin converting three small units at Altavista, Southampton and Hopewell from coal to biomass.

DOMINION'S OPERATING AND SERVICE AREAS

DOMINION VIRGINIA POWER

As of December 31

- Regulated Electric Distribution (VA and NC)
- Electric Transmission Lines (Bulk Delivery)
- Electric Transmission Lines (Bulk Delivery) Under Construction

Does not reflect 2.2 million nonregulated retail customer accounts in 15 states.

DOMINION ENERGY

As of December 31

- Natural Gas Transmission Pipelines
- Natural Gas Transmission Pipelines (Partnership)
- Natural Gas Underground Storage Pools
- Regulated Natural Gas Distribution (OH and WV)
- Natrium (under construction)
- Cove Point LNG Facility
- Hastings
- Utica Shale boundary
- Marcellus Shale boundary

DOMINION GENERATION

As of December 31

Generation Stations in Operation

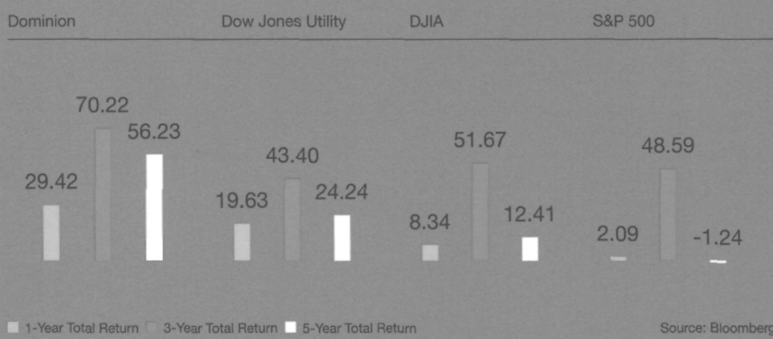
- Coal
- Hydro
- Natural Gas
- Nuclear
- Oil/Gas
- Biomass
- Wind

New Generation Stations Planned/Under Development

- Coal
- Natural Gas
- Biomass
- Wind

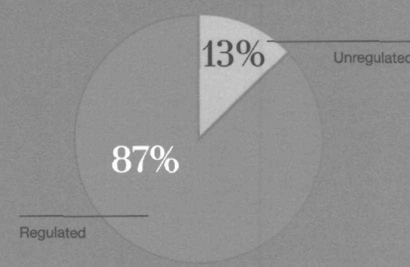
DOMINION
FINANCIAL CHARTS

Total Return Comparison Percent / Through December 31, 2011



Source: Bloomberg

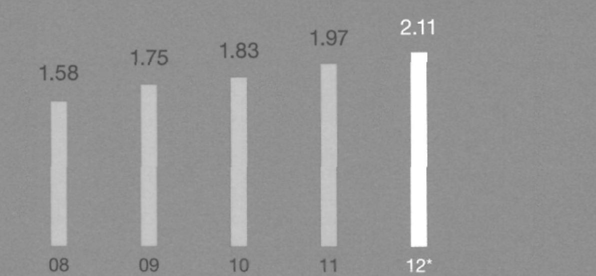
2011 Operating Earnings Mix*



* See page 22 for GAAP Reconciliation of Regulated and Unregulated Operating Earnings Mix (non-GAAP) to Reported Earnings Mix (GAAP).

Targeted Dividend Increase*

Dollars Per Share

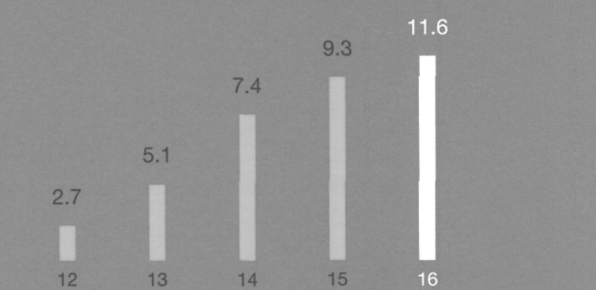


* All dividend declarations are subject to Board of Directors approval.

Regulated Infrastructure Investment

Dollars in Billions

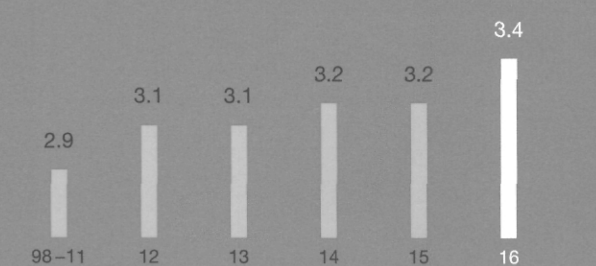
Cumulative Planned Growth Capital Expenditures*



*All planned expenditures are preliminary and may be subject to regulatory and/or Board of Directors approvals.

Projected Environmental Spending (Cumulative)*

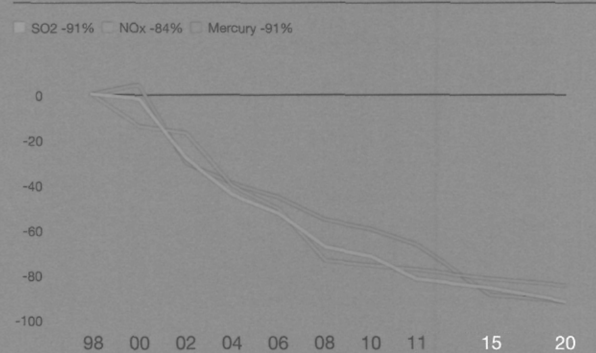
Dollars in Billions



* All planned expenditures are preliminary and may be subject to regulatory and/or Board of Directors approvals.

Cleaner Air in Virginia Percent

Projected emissions reduction



Reconciliation of Operating Earnings (non-GAAP) to Reported Earnings (GAAP)

(Millions, Except Per Share Amounts)	2007	2008	2009	2010	2011
Operating Earnings (non-Gaap)*	$1,619	$1,837	$1,942	$1,971	$1,754
Items excluded from operating earnings (after-tax):					
Impairment of generation assets	(270)	—	—	(127)	(178)
Hurricane costs	—	—	—	—	(59)
Net benefit related to the sale of Appalachian E&P operations	—	—	—	1,383	—
Work force reduction program	—	—	—	(206)	—
Income (loss) from discontinued operations	36	190	26	(155)	—
Reserve for rate settlement	—	—	(435)	—	—
Impairment of gas and oil properties	—	—	(281)	—	—
Net gain on sale of U.S. non-Appalachian E&P business	2,080	(26)	—	—	—
Charges related to the E&P divestitures	(506)	—	—	—	—
Charges related to early retirement of debt	(148)	—	—	—	—
Extraordinary item related to the reapplication of accounting guidance for cost-based regulation	(158)	—	—	—	—
Termination of power purchase and sales contracts	(137)	—	—	—	—
Other items	23	(167)	35	(58)	(109)
Total after-tax items	920	(3)	(655)	837	(346)
Reported Earnings (GAAP)	$2,539	$1,834	$1,287	$2,808	$1,408
Earnings per common share — diluted:					
Operating Earnings*	$ 2.47	$ 3.16	$ 3.27	$ 3.34	$ 3.05
Items excluded from operating earnings	1.41	—	(1.10)	1.42	(0.60)
Reported Earnings	$ 3.88	$ 3.16	$ 2.17	$ 4.76	$ 2.45

* Dominion uses operating earnings as the primary performance measurement of its earnings outlook and results for public communications with analysts and investors. Dominion management believes operating earnings provide a more meaningful representation of the company's fundamental earnings power.

Reconciliation of 2011 Segment Operating Earnings Proportion (non-GAAP) to Reported Earnings Proportion (GAAP)

	Operating Earnings* Millions	%	Reported Earnings Millions	%
Dominion Virginia Power	$ 501	25	$ 501	36
Dominion Generation	1,003	49	1,003	71
Dominion Energy	521	26	521	37
Primary operating segments	$2,025	100	$2,025	144
Corporate and Other	(271)		(617)	(44)
Consolidated*	$1,754		$1,408	100

* See Reconciliation of Operating Earnings to Reported Earnings

Reconciliation of Regulated and Unregulated Operating Earnings Mix (non-GAAP) to Reported Earnings Mix (GAAP)

	2011 Operating Earnings*		2011 As-Reported Earnings	
	Millions	%	Millions	%
Regulated	$1,522	87	$1,264	90
Unregulated & Other	232	13	144	10
Consolidated*	$1,754		$1,408	

* See Reconciliation of Operating Earnings to Reported Earnings

Reconciliation of Operating Dividend Payout Ratio (non-GAAP) to Reported Dividend Payout Ratio (GAAP)

	2011	
	Data per Common Share	%
Total dividends paid per common share	$1.97	
Operating Earnings — Twelve months ended*	$3.05	
Dividend payout ratio — operating		65%
Reported Earnings — Twelve months ended	$2.45	
Dividend payout ratio — reported		80%

* See Reconciliation of Operating Earnings to Reported Earnings

GAAP Reconciliation of 2012 Operating Earnings Guidance

In providing its full-year 2012 operating earnings guidance, the company notes that there could be differences between expected reported earnings and estimated operating earnings for matters such as, but not limited to, divestitures or changes in accounting principles. At this time, Dominion management is not able to estimate the aggregate impact, if any, of these items on reported earnings. Accordingly, the company is not able to provide a corresponding GAAP equivalent for its operating earnings guidance.

DIRECTORS*

WILLIAM P. BARR
Former Attorney General
of the United States and
Retired Executive Vice President
and General Counsel,
Verizon Communications, Inc.

PETER W. BROWN, M.D.
Physician,
Virginia Surgical Associates, P.C.

GEORGE A. DAVIDSON, JR.
Retired Chairman,
Dominion Resources, Inc.

HELEN E. DRAGAS
President and Chief Executive Officer,
The Dragas Companies
(real estate development firm)

THOMAS F. FARRELL II
Chairman, President and Chief Executive
Officer, Dominion Resources, Inc.

JOHN W. HARRIS
President and Chief Executive Officer,
Lincoln Harris LLC
(real estate consulting firm)

ROBERT S. JEPSON, JR.
Chairman and Chief Executive Officer,
Jepson Associates, Inc.
(private investments)

MARK J. KINGTON
Managing Director,
X-10 Capital Management, LLC
(investments)

MARGARET A. MCKENNA
Retired President,
The Wal-Mart Foundation

FRANK S. ROYAL, M.D.
Healthcare Professional
and Physician

ROBERT H. SPILMAN, JR.
President and Chief Executive Officer,
Bassett Furniture Industries

DAVID A. WOLLARD
Founding Chairman of the Board,
Emeritus, Exempla Healthcare

* As of February 15, 2012

EXECUTIVE LEADERSHIP*

Thomas F. Farrell II*
Chairman, President and
Chief Executive Officer

Mark F. McGettrick*
Executive Vice President and
Chief Financial Officer

Paul D. Koonce*
Executive Vice President
and Chief Executive Officer,
Dominion Virginia Power

David A. Christian*
Executive Vice President
and Chief Executive Officer,
Dominion Generation

Gary L. Sypolt*
Executive Vice President
and Chief Executive Officer,
Dominion Energy

Robert M. Blue*
Senior Vice President,
Law, Public Policy
and Environment

Mary C. Doswell
Senior Vice President,
Alternative Energy Solutions,
Dominion Resources Services

Thomas P. Wohlfarth
Senior Vice President,
Regulatory Affairs,
Dominion Resources Services

Steven A. Rogers*
Senior Vice President and
Chief Administrative Officer

Carter M. Reid
Vice President, General
Counsel, Chief Compliance
Officer and Corporate
Secretary

* Executive Officers pursuant to Securities and Exchange Commission rules, as of February 15, 2012.

OTHER SENIOR LEADERS

David A. Heacock*
President and
Chief Nuclear Officer,
Dominion Nuclear

M. Stuart Bolton, Jr.
Senior Vice President,
Dominion Resources Services

G. Scott Hetzer
Senior Vice President,
Tax and Treasurer

M.E. "Lyn" McDermid
Senior Vice President and
Chief Information Officer,
Dominion Resources Services

Charles E. Roberts
Senior Vice President,
Producer Services,
Dominion Resources Services

Daniel G. Stoddard
Senior Vice President,
Nuclear Operations
Dominion Nuclear

Ashwini Sawhney*
Vice President, Accounting
and Controller

Anne E. Bomar
Senior Vice President and
General Manager,
Dominion East Ohio

Diane Leopold
Senior Vice President,
Business Development and
Generation Construction,
Dominion Generation

J. David Rives
Senior Vice President,
Fossil and Hydro,
Dominion Generation

Paul E. Ruppert
Senior Vice President,
Dominion Transmission

Fred G. Wood, III
Senior Vice President,
Financial Management,
Dominion Generation

SHAREHOLDER INFORMATION

Dominion Resources Services, Inc. is the transfer agent and registrar for Dominion's common stock. Our Shareholder Services staff provides personal assistance for any inquiries Monday through Friday from 9 a.m. to noon and from 1 p.m. to 4 p.m. (ET). In addition, automated information is available 24 hours a day through our voice-response system.

1 (800) 552-4034 (toll-free)   1 (804) 775-2500

Major press releases and other company information may be obtained by visiting our website at www.dom.com. Registered shareholders also may obtain account-specific information by visiting this site. To sign up for this service, visit www.dom.com, click "Investors" and then "Access Your Account Online." Once you have accessed the sign-in page, click "First Time Visitor" in the upperleft corner of the screen and follow the directions for "New Member Sign Up." After you have signed up, you will be able to monitor your account, make changes and review your Dominion Activity Statements at your convenience.

Direct Stock Purchase Plan

You may buy Dominion common stock through Dominion Direct®. Please contact Shareholder Services for a prospectus and enrollment form or visit www.dom.com and click "Investors," and then select "Dominion Direct."

Common Stock Listing

New York Stock Exchange Trading symbol: D

Common Stock Price Range

	2011		2010	
	High	Low	High	Low
First Quarter	$ 46.56	$ 42.06	$ 41.61	$ 36.12
Second Quarter	48.55	43.27	42.56	38.05
Third Quarter	51.44	44.50	44.94	38.59
Fourth Quarter	53.59	48.21	45.12	41.13
Year	$ 53.59	$ 42.06	$ 45.12	$ 36.12

Dividends on Dominion common stock are paid as declared by the board. Dominion paid 49.25 cents per share in each quarter of 2011. Dividends are typically paid on the 20th of March, June, September and December. Dividends may be paid by check or electronic deposit, or they may be reinvested.

Annual Meeting

This year's Annual Meeting of Shareholders of Dominion Resources, Inc., will be held Tuesday, May 8, 2012, at 9:30 a.m. (ET) at the Fairmont Pittsburgh, 510 Market Street, Pittsburgh, PA 15222.

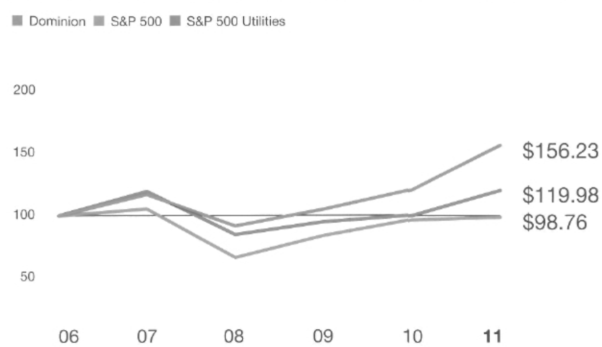
Performance Graph

The table and graph below show the five-year cumulative total returns based on an initial investment of $100.00 in Dominion common stock with all dividends reinvested compared with the S&P 500 Index, and the S&P 500 Utilities Index.

Indexed Returns

	Value of Investment at December 31					
	2006	2007	2008	2009	2010	2011
Dominion	100.00	116.98	91.78	105.11	120.71	156.23
S&P 500	100.00	105.49	66.46	84.05	96.71	98.76
S&P 500 Utilities	100.00	119.38	84.78	94.88	100.06	119.98

Comparison of Cumulative Five Year Total Return Dollars



Source: Standard & Poor's

Photo Captions

Front Cover: The natural gas-fired Bear Garden Power Station in Central Virginia entered service in May 2011 and can power about 148,000 homes and businesses.

Page 4: **Top:** The Appalachian Gateway project will include 110 miles of pipeline and four compressor stations and is expected to begin operations in September 2012. **Middle:** Construction on the Natrium processing and fractionation plant is under way in Marshall County, W.Va. The first phase is expected to cost $500 million and come online by the end of 2012. Strategically situated on the Ohio River, gas liquids processed there may be transported via rail, barge, truck or pipeline. **Bottom:** Dominion expects the Virginia City Hybrid Energy Center to open for business in summer 2012 and generate electricity for 146,000 homes and businesses.

Page 5: **Top:** Construction has begun to rebuild the vital, 500-kilovolt Mount Storm-to-Doubs transmission line that serves Northern Virginia. The rebuilt line would increase capacity by two-thirds and be completed in 2015. **Middle:** The Allegheny Storage project would increase storage capacity for Dominion, which already operates the nation's largest natural gas storage system. The project is targeted for completion in 2014. **Bottom:** This spring, we expect to begin constructing the 1,300-megawatt, gas-fired combined-cycle facility in Warren County, Va., that should enter service by the end of 2014. The generating facility would help Dominion Virginia Power meet demand growth, projected by PJM Interconnection to be 4,000 megawatts by 2022.

Page 8: About 7,000 line, patrol and support personnel, including 3,100 mutual aid and tree crews from more than 20 different utilities and contract companies, joined an effort to restore power to more than 1.2 million customers in the aftermath of Hurricane Irene.

Page 13: Throughout its 30-year history, our hallmark energy-assistance program, EnergyShare, has distributed $52 million to help more than a half-million of our most vulnerable citizens remain comfortable in their homes during the summer and winter months.

Page 14: Thirty Dominion employee volunteers donated their time to trim trees and rebuild a walkway, among other things, at Williams Wharf Landing in Mathews County, Va. In 2011, employees volunteered about 160,000 hours of their time to various causes.

Page 17: **Left:** Shelby L. Vessels is a groundsman for Dominion Virginia Power based in the Richmond, Va.-area's Midlothian District. Shown with Kevin F. Henderson, a Dominion lineman, Vessels served in the Virginia Air National Guard before coming to Dominion. **Top right:** W. Ryan Crabtree, a Marine, is supervisor of fossil & hydro operations and maintenance at Chesterfield Power Station. **Bottom right:** Robert D. Sharpe is an engineer at Chesterfield Power Station. He also served in the U.S. Marine Corps prior to joining the company. Vessels, Sharpe and Crabtree work in jobs for which there is a critical need. All three exemplify the candidates that Dominion is seeking through the Troops to Energy Jobs program — those who are safety-conscious, disciplined and civic-minded.

Credits

Design
Ideas On Purpose,
New York, New York
www.ideasonpurpose.com

Printing
The Hennegan Company,
Florence, Kentucky

Photography:
Ted Kawalerski, front cover, page 1 (first row; second row, left; third row; fourth row, right), page 2 (top), page 3 (top and bottom), page 4 (top and bottom). Doug Buerlein, page 1 (fourth row, left); page 6; page 8 (top, left); page 8 (bottom); page 14; page 17. Cameron Davidson, page 1 (second row, right), page 2 (bottom), page 5 (top); page 8 (top, center; right, large). Tim Greenier, page 4 (middle). Artist rendering, page 5, (middle and bottom). iStock photo, page 9. Chip Mitchell, page 13.

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Dominion®

WWW.DOM.COM

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Richmond, Virginia
23261-6532

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120 Tredegar Street
Richmond, Virginia 23219

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

Independent Registered Public Accounting Firm
Deloitte & Touche LLP
Richmond, Virginia

Additional Information

Copies of Dominion's Summary Annual Report, Proxy Statement and reports on Form 10-K, Form 10-Q and Form 8-K are available without charge. These items may be viewed by visiting www.dom.com, or requests for these items can be made by writing to:

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

Dominion®

2012

Proxy Statement

2012 Proxy Statement Contents

Important Notice Regarding the Availability of Proxy Materials for Dominion's 2012 Annual Meeting of Shareholders to be Held on May 8, 2012

Dominion's Notice of Annual Meeting, 2012 Proxy Statement, 2011 Summary Annual Report and 2011 Annual Report on Form 10-K are available on our website at www.dom.com/proxy

Dominion®

Notice of Annual Meeting

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

March 23, 2012

Dear Fellow Shareholder:

On Tuesday, May 8, 2012, Dominion Resources, Inc. will hold its 2012 Annual Meeting of Shareholders at the Fairmont Pittsburgh, 510 Market Street, Pittsburgh, PA 15222. The meeting will begin at 9:30 a.m. Eastern Time. Only shareholders who owned stock at the close of business on March 2, 2012 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 10 director nominees named in this Proxy Statement;
- Ratification of the appointment of Deloitte & Touche LLP as our independent auditors for 2012;
- An advisory vote on approval of executive compensation ("say on pay");
- 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 of Internet Availability of Proxy Materials narrative on page 4.

This Proxy Statement, our 2011 Summary Annual Report and Dominion's Annual Report on Form 10-K will be made available to shareholders electronically on or around March 23, 2012, or mailed to those shareholders who have previously requested written materials. For information on voting your shares and attending the meeting, please see pages 4-7. 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 pages 6-7.

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

Carter M. Reid
Vice President, General Counsel, Chief Compliance Officer
and Corporate Secretary

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

- Time and Date: May 8, 2012, 9:30 a.m.
- Place: Fairmont Pittsburgh, 510 Market Street, Pittsburgh, PA 15222
- Record date: March 2, 2012
- 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 2012 Annual Meeting.
- Admission: We strongly encourage you to request an Admission Ticket to attend the 2012 Annual Meeting by emailing shareholder.services@dom.com or by contacting Dominion Shareholder Services at 1-800-552-4034. See page 6 for additional information. Admission Tickets are not transferrable.

Voting Matters

	Board Vote Recommendation	Page Reference (for more detail)
Election of Directors	FOR each director nominee	Page 18
Ratification of the appointment of Deloitte & Touche as our independent auditors for 2012	FOR	Page 25
Advisory Vote on Approval of Executive Compensation	FOR	Page 59
All Shareholder Proposals	AGAINST	Page 60

Board Nominees

The following table provides summary information about each director nominee. Each director nominee is elected annually by a majority of votes cast.

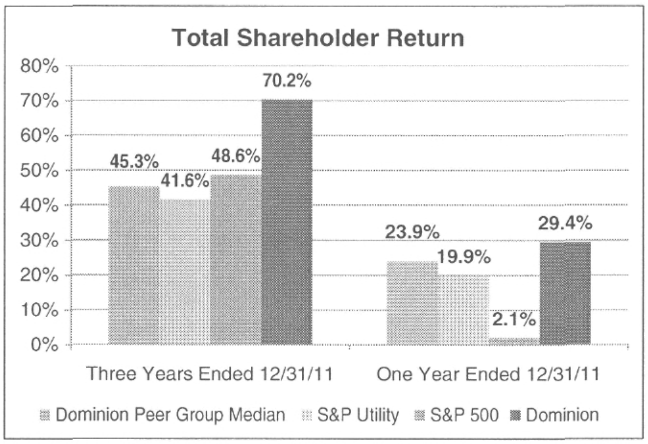
Nominee	Age	Director Since	Principal Occupation	Committees
William P. Barr	61	2009	Former Executive Vice President and General Counsel of Verizon Communications, Inc.; Former 77th Attorney General of the United States	A; F
Peter W. Brown, M.D.	69	2002	Physician in private practice at Virginia Surgical Associates, P.C.	F
Helen E. Dragas	50	2010	President and CEO of The Dragas Companies	A
Thomas F. Farrell II	57	2005	Chairman, President & CEO of Dominion	
John W. Harris	64	1999	President and CEO of Lincoln Harris, LLC	F^; C
Robert S. Jepson, Jr.	69	2003	Chairman and CEO of Jepson Associates, Inc.	A; C
Mark J. Kington	52	2005	Managing Director of X-10 Capital Management, LLC	C; F
Frank S. Royal, M.D.	72	1994	Physician	C^; L
Robert H. Spilman, Jr.	55	2009	President and CEO of Bassett Furniture Industries, Inc.	A; F
David A. Wollard	74	1999	Founding Chairman, Emeritus, Exempla Healthcare; Former President of Bank One Colorado, N.A.	A^; C

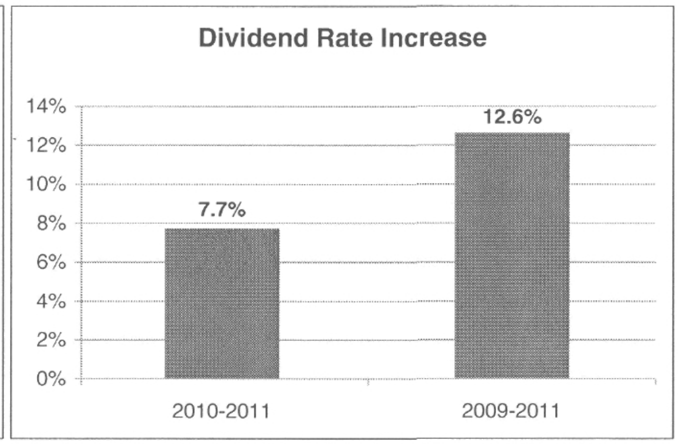
A=Audit; C=Compensation, Governance and Nominating; F=Finance and Risk Oversight; L=Lead Director; ^ Denotes Chairman of Committee

2011 Business Highlights

- Our total shareholder return (TSR) for 2011 was 29.4% and our three-year TSR was 70.2%. Our one- and three-year TSR ranked fifth and seventh, respectively, relative to the peer group of 16 companies used for compensation analysis. Both our one- and three-year TSR outperformed the S&P 500, Dow Jones Industrial, the S&P Utility and Dow Jones Utility Indices.
- The Board increased the annual dividend rate from $1.83 per share for 2010 to $1.97 per share for 2011.
- Our market capitalization increased from $24.8 billion as of December 31, 2010 to $30.2 billion as of December 31, 2011.
- The strength of our leadership and the operational excellence of our employees were apparent as Dominion met the unprecedented challenges of an earthquake and hurricane occurring in the same week. The 5.8 magnitude earthquake occurred near our North Anna nuclear power station which shut down automatically and safely on August 23. Following a program of inspections, testing and analysis that involved more than 100,000 man-hours of work, the power station was safely restarted on November 11.

  In the same week as the earthquake, Hurricane Irene made landfall on August 26 and inflicted significant damage to Dominion's service territory that left more than 1.2 million customers without power. Restoration of power to virtually all homes and businesses was completed in slightly over a week.





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 (NEO). 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, the elements of the program and how performance is measured, evaluated and rewarded.

Compensation Highlights

- All of our NEOs received a 2% base salary increase for 2011. For our CEO, Thomas F. Farrell II, this marked the first base salary increase since 2008.
- The company disclosed $3.05 consolidated operating earnings per share for the year ended December 31, 2011, which included the expense of 75% funding for the 2011 Annual Incentive Plan (AIP).*
- The company exceeded its target goal payout under the 2010 Performance Grants, primarily due to first quartile TSR performance versus our peer group over the two-year performance period. Dominion's two-year TSR for the period ended December 31, 2011 was 48.6%. Payout of the 2010 Performance Grant was 175.7% of target, taking into account our other performance metric of return on invested capital (ROIC). Our strong performance reflects continued focus on long-term shareholder value and achievement of expected levels of return on the company's investments.

*See ***Reconciliation of 2011 Consolidated Operating Earnings to Reported Earnings*** on page 29.

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 2, 2012, and are therefore eligible to vote at Dominion's Annual Meeting of Shareholders to be held on May 8, 2012 (the 2012 Annual Meeting). These materials allow you to exercise your right to vote at the 2012 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 of Internet Availability of Proxy Materials instead of printed proxy materials?
Most shareholders received a Notice of Internet 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 March 23, 2012, we began mailing the Notice to certain shareholders of record as of March 2, 2012, and posted 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 2012 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 is solicited by your Board of Directors (the Board) for the 2012 Annual Meeting. By signing and returning it, you will be designating two non-employee members of the Board of Directors and Dominion's Corporate Secretary as proxies to vote your shares at the 2012 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 2, 2012 (the record date) may vote. Each share of Dominion common stock is entitled to one vote on each matter properly brought before the 2012 Annual Meeting. There were 570,622,921 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 10 director nominees named in this Proxy Statement
- Ratification of the appointment of Deloitte & Touche LLP as our independent auditors for 2012
- An advisory vote on approval of executive compensation (say on pay)
- Six shareholder proposals, if presented
- Other business properly presented at the meeting

Your Board of Directors is soliciting this proxy for the 2012 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 2012 and **FOR** approving, on an advisory basis, the executive compensation of those officers named in this Proxy Statement.

Your Board recommends that you vote **AGAINST** the six 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 2012 Annual Meeting.
- If you attend the 2012 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 Annual Meeting?*
- You may revoke your proxy and change your vote before the 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 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 specify how you want your shares voted, but do not properly sign your proxy card.

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 2012 Annual Meeting, you must present a valid picture identification and a legal proxy provided by the institution that holds your shares.
- Please see *What is discretionary voting by brokers?* below.

Dominion Employee Savings Plan Participants

If your shares are held under one of the company's Employee Savings 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.

- 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 2, 2012. Only the Trustee can vote your plan shares, even if you attend the meeting in person.
- 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 and will keep your vote confidential.
- If you do not vote your Employee Savings Plan shares or if you return your vote 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) 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 Annual Meeting?
In order for us to conduct the 2012 Annual Meeting, a majority of the shares outstanding on the record date of March 2, 2012 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 2012 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. Because there are 10 seats on our Board of Directors, this means that if there are more than 10 persons properly nominated for election, the 10 nominees receiving the most votes will be elected, even if the number of votes cast for the director do not exceed those cast against him or her. All of the other items on the agenda 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 Annual Meeting?
Management and the Board are not aware of any matters that may properly be brought before the 2012 Annual Meeting other than the matters disclosed in this Proxy Statement, except that management has received notice from a shareholder that she intends to present herself for nomination as a director at the 2012 Annual Meeting. If this shareholder does properly present herself as a nominee at the 2012 Annual Meeting, the number of nominees for director will exceed the number of directors to be elected, and directors will be elected by a plurality of the votes cast, rather than by majority vote. In this situation, the person or persons voting the proxies solicited by the Board for the meeting will vote as directed by you with respect to the election of the 10 directors named in this Proxy Statement and will withhold or abstain from voting on the shareholder's director nominee. If any other matters not disclosed in this Proxy Statement are properly presented at the 2012 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 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 Annual Meeting?
We strongly encourage you to request an Admission Ticket by emailing shareholder.services@dom.com or by contacting Dominion Shareholder Services at 1-800-552-4034. 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 2012 Annual Meeting. For purposes of admission to the 2012 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.

Cameras, cell phones, recording devices and other electronic devices will not be permitted to be in use 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.

Will seating be limited at the Annual Meeting?
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 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 2012 Annual Meeting.

Can I access the Notice of Annual Meeting, 2012 Proxy Statement, 2011 Summary Annual Report and 2011 Annual Report on Form 10-K over the Internet?
Yes. These documents may be viewed at www.dom.com/proxy.

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 e-mail notice when future proxy materials are available to view online. By opting 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 phoning us at 1-800-552-4034; or by emailing us at shareholder.services@dom.com.

If you hold your shares in street name, 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?
For Shareholders of Record who received printed proxy materials, a single copy of the 2012 Proxy Statement, 2011 Summary Annual Report and 2011 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. Shareholders who hold their shares in street name should contact the institution that holds the shares regarding combined mailing.

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 Compensation, Governance and Nominating (CGN) Committee regularly reviews our Corporate Governance Guidelines and recommends modifications to these guidelines to the Board when appropriate and when NYSE and Securities and Exchange Commission (SEC) regulations require changes.

Our Corporate Governance Guidelines, which include our director independence standards, 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
- 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 website address.

You can 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 phoning us at 1-800-552-4034.

Director Independence

Our Corporate Governance Guidelines and NYSE listing standards require that our Board must be composed of a majority of independent directors. To assist it 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 to not be 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 the 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 at least two members of the committee must meet the requirements to be considered outside directors under Section 162(m) of the Internal Revenue Code (the Code).

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, Davidson, Harris, Jepson, Kington, Spilman and Wollard, Drs. Brown and Royal and Mses. Dragas and McKenna. The Board determined that Mr. Farrell is not independent because he is a current Dominion employee.

In determining the independence of Mr. Harris, the CGN Committee considered the employment of an adult, financially independent immediate family member during 2011 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 law department 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 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 nor is his compensation 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 2011 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.

The CGN Committee also reviewed the benefits provided to Mr. Davidson in accordance with his retirement agreement from his previous service as chief executive officer (CEO) of Consolidated Natural Gas Company (CNG) and in connection with CNG's merger with Dominion in 2000. The CGN Committee recommended and the Board concurred that the retirement agreement does not affect Mr. Davidson'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 also among the factors considered in determining the significance of the information to the 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 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 only approve or ratify related party transactions that are in, or are not inconsistent with, the best interests of Dominion and its shareholders and are in compliance with our Code of Ethics and Business Conduct.

Other than as described below, since January 1, 2011, there have been no related party transactions that were required either to be approved under Dominion's related party transactions guidelines or reported under the SEC related party transaction rules.

During 2011, 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 2011 was approximately $138,000, 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 ratified by the CGN Committee 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 region's energy demands, financial and economic issues, and environmental and regulatory challenges of the future.

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 is 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 Mr. Farrell are independent and all committees of the Board are made up of entirely 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. 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; and
- In consultation with the Board, being authorized to retain independent advisors 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 provide 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 committee's charter, 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 11 times in 2011. Each Board member attended at least 75% of all Board and committee meetings on which he or she served. All of our directors attended the 2011 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, George A. Davidson, Jr., Helen E. Dragas, Robert S. Jepson, Jr., Margaret A. McKenna 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. Davidson, Jepson, Spilman and Wollard and Mses. Dragas and McKenna 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 23-24. In 2011, this committee met nine times.

Compensation, Governance and Nominating Committee

The members of the CGN Committee are Frank S. Royal (chairman), John W. Harris, Robert S. Jepson, Jr., 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, Pearl Meyer & Partners (PM&P), 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 PM&P 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 PM&P 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 26. In 2011, this committee met 10 times.

Finance and Risk Oversight Committee

The members of the Finance and Risk Oversight Committee are John W. Harris (chairman), William P. Barr, Peter W. Brown, Mark J. Kington and Robert H. Spilman, Jr. Each member of the Finance and Risk Oversight Committee has been determined independent by the Board in accordance with NYSE listing standards 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 2011, this committee met four times.

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 to 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 Board of 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.

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 Exchange Act for the fiscal year ended December 31, 2011 except as previously reported in Dominion's 2011 Proxy Statement.

Shareholder Proposals and Director Nominations

Under SEC rules, if a shareholder wishes to submit a proposal for possible inclusion in the 2013 Proxy Statement, Dominion's Corporate Secretary must receive it no later than 5 p.m., Eastern Time, on November 23, 2012. Shareholders should refer to Rule 14a-8 of the Securities Exchange Act of 1934, as amended, 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 2013 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 2013 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 this year's Annual Meeting. This means that for the 2013 Annual Meeting, your notice must be delivered, or mailed and received, between January 8, 2013 and February 7, 2013, 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 2013 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 2013 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.

NON-EMPLOYEE DIRECTOR COMPENSATION

As provided in 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. 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 stock. From time to time, the CGN Committee will discuss with PM&P, its independent compensation consultant, trends in director compensation.

Upon completion of its annual review, the CGN Committee recommended, and the Board approved, the following changes to non-employee director compensation, effective May 2011: the annual stock retainer, to be paid in Dominion common stock, was increased from $90,000 to $100,000; the Finance and Risk Oversight Committee Chairman fee was increased from $7,500 to $10,000; and a new annual retainer in the amount of $20,000 for the Lead Director was established.

There have been no increases in the annual cash retainer, Board and committee meeting fees, or Audit and CGN Committee chairmen retainers since 2007. The annual cash retainer for directors is $60,000. All Board and committee meeting fees are $2,000 per meeting. The Audit and CGN Committees' chairmen each receive an additional annual cash retainer of $15,000.

The following tables and footnotes reflect the compensation and fees received in 2011 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	$ 110,000	$ 100,017	—	$ 210,017
Peter W. Brown, M.D.	92,000	100,017	$ 42,925	234,942
George A. Davidson, Jr.	102,000	100,017	42,320	244,337
Helen E. Dragas	98,000	100,017	—	198,017
John W. Harris	120,000	100,017	64,726	284,743
Robert S. Jepson, Jr.	122,000	100,017	33,920	255,937
Mark J. Kington	110,000	100,017	5,000	215,017
Margaret A. McKenna	98,000	100,017	—	198,017
Frank S. Royal, M.D.	139,000	100,017	69,726	308,743
Robert H. Spilman, Jr.	102,000	100,017	—	202,017
David A. Wollard	135,000	100,017	68,726	303,743
All directors	$1,228,000	$1,100,187	$327,343	$2,655,530

(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, Mr. Kington and Dr. Royal deferred all fees to stock unit accounts in lieu of cash for their 2011 meeting fees and annual cash retainer. Mr. Spilman received stock in lieu of cash for 50 percent of his 2011 meeting fees.

(2) Each non-employee director who was elected in May 2011 received an annual stock retainer valued at approximately $100,000, which was equal to 2,099 shares, valued at $47.65 per share based on the closing price of Dominion common stock on May 11, 2011. Directors may defer all or a portion of this stock retainer. (See the *Director and Officer Share Ownership* table for March 2, 2012 balances). A total of 23,089 shares of stock, in aggregate, were distributed to directors, or to a trust account for deferrals, for their annual stock retainers.

No options have been granted to directors since 2001. No directors had options outstanding as of December 31, 2011.

(3) *All Other Compensation* amounts for 2011 are as follows:

Director	Dividends[a]	Matching Gift Donations[b]	Other	Total
Brown	$37,925	$5,000	—	$42,925
Davidson	—	—	$42,320[c]	42,320
Harris	64,726	—	—	64,726
Jepson	33,920	—	—	33,920
Kington	—	5,000	—	5,000
Royal	64,726	5,000	—	69,726
Wollard	64,726	4,000	—	68,726

(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.

(c) This amount represents the costs of benefits arising from the CNG merger with Dominion and in accordance with Mr. Davidson's retirement agreement as CEO of CNG for financial planning, office space, nominal clerical help, downtown office parking space, telephone service and laptop. These benefits were deemed deferred compensation payable with respect to past services provided by Mr. Davidson to CNG as an executive and were part of an overall agreement relating to his retirement as an executive. Effective January 1, 2008, the form of payment of the company's obligation for Mr. Davidson's benefits was changed to an annual payment of $40,000 per year, to be adjusted annually for any increase in the average consumer price index. There was no annual increase from 2010 to 2011.

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 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 retainer and meeting fees into stock unit or cash accounts. Stock unit accounts are credited quarterly with additional stock units equal in value to dividends paid on Dominion common stock, and cash accounts are credited monthly with interest at an annual rate established for the Fixed Rate Fund (which was 3.35% in 2011) 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. In addition, this plan provides a means for the Board to receive grants of restricted stock awards and stock options. No stock options 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). 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 (currently Messrs. Harris and Wollard and Dr. Royal) 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 retainer within four years of their election to the Board. All of our non-employee directors who have been a member 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.

Share Ownership

DIRECTOR AND OFFICER SHARE OWNERSHIP

Name of Beneficial Owner	Beneficial Share Ownership of Common Stock as of March 2, 2012			
	Shares	Deferred Stock Accounts(1)	Restricted Shares	Total(2)
William P. Barr	17,201	—	—	17,201
Peter W. Brown, M.D.	57,005	10,290	—	67,295
George A. Davidson, Jr.	220,961	5,912	—	226,873
Helen E. Dragas	15,016	6,000	—	21,016
Thomas F. Farrell II	573,018	—	347,424	920,442
John W. Harris	18,919	36,841	—	55,760
Robert S. Jepson, Jr.	168,857	2,574	—	171,431
Mark J. Kington	93,648	29,774	—	123,422
Margaret A. McKenna	7,797	31,840	—	39,637
Frank S. Royal, M.D.	12,289	37,543	—	49,832
Robert H. Spilman, Jr.	3,349	4,327	—	7,676
David A. Wollard	21,206	10,069	—	31,275
David A. Christian	78,569	—	37,406	115,975
Paul D. Koonce	106,323	—	40,581	146,904
Mark F. McGettrick	159,919	—	68,067	227,986
Gary L. Sypolt	66,131	—	35,227	101,358
All directors and executive officers as a group (20 persons)(3)	1,762,316	175,170	582,418	2,519,904

(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 March 2, 2012. 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. Kington, 58,430 (shares held in joint tenancy) and 28,000 (shares held in a grantor annuity trust); and all directors and executive officers as a group, 102,542.

(3) Neither any individual director or executive officer, nor all of the directors or executive officers as a group, own more than one percent of the shares outstanding at March 2, 2012.

SIGNIFICANT SHAREHOLDERS

Name and address of Beneficial Owner	Beneficial Ownership of Common Stock (based on 13G filing)	Percentage of Common Shares Outstanding
BlackRock, Inc. (1) 40 East 52nd Street New York, NY 10022	39,395,766	6.9%
Capital Research Global Investors (2) 333 South Hope Street Los Angeles, CA 90071	32,722,226	5.7%
State Street Corporation (3) One Lincoln Street Boston, MA 02111	28,741,155	5.0%

(1) According to its Schedule 13G filing for December 31, 2011, this shareholder has sole voting power and sole dispositive power for shares reported.
(2) According to its Schedule 13G filing for December 31, 2011, this shareholder has sole voting power over 28,172,226 shares and sole dispositive power over 32,722,226 shares.
(3) According to its Schedule 13G filing for December 31, 2011, this shareholder has shared voting power and shared dispositive power for the shares reported.

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, a current member of the Board, a member 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 13.

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. Other attributes also considered 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 of Directors.

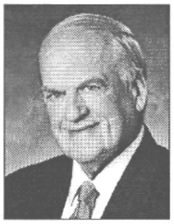
Our Bylaws and Corporate Governance Guidelines require that directors be elected by a majority of the votes cast unless the election is contested. A majority of votes cast means that the number of shares voted for a director exceeds the number of votes cast against the director. In a contested election, 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 of Directors. 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 on the following pages was recommended by the CGN Committee and nominated by the Board. All of the director nominees were elected by shareholders at the 2011 Annual Meeting and are standing for re-election. Two current directors, Ms. McKenna and Mr. Davidson, will not be standing for re-election in 2012. 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. Management has received notice from a shareholder that she intends to present herself for nomination as a director at the 2012 Annual Meeting. If this shareholder does properly present herself as a nominee at the 2012 Annual Meeting, the number of nominees for director will exceed the number of directors to be elected, and directors will be elected by a plurality of the votes cast, rather than by majority vote. In this situation, the person or persons voting the proxies solicited by the Board for the meeting will vote as directed by you with respect to the election of the 10 directors named in this Proxy Statement and will withhold or abstain from voting on the shareholder's director nominee. 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 of Directors nominates one.

William P. Barr
Director since 2009
Age: 61

Mr. Barr served as Executive Vice President and General Counsel of Verizon Communications Inc. from 2000 to 2008. Prior to that, he 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., Selected Funds, Holcim US and Aggregate Industries Management, Inc. He 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 Finance and Risk Oversight Committee.

Mr. Barr's qualifications to serve as a director include his extensive legal experience with service as an attorney with a public company and 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 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: 69

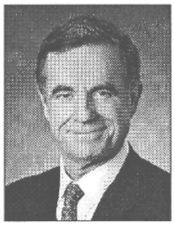
Dr. Brown has been a physician in private practice at Virginia Surgical Associates, P.C. since 1978. He is a director of Bassett Furniture Industries, Incorporated. Dr. Brown serves on the Bon Secours St. Mary's Healthcare Foundation and the Medical College of Virginia Foundation. He received his undergraduate 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: 50

Ms. Dragas has served as president and chief executive officer of The Dragas Companies, a diversified real estate concern, since 1996. She is rector of the University of Virginia Board of Visitors. 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 degrees and an MBA from the University of Virginia. Ms. Dragas serves on the Audit Committee.

Ms. Dragas' qualifications to serve as a director include more than 15 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 chief executive officer and demonstrated through her varied community service and gubernatorial appointments. Ms. Dragas also serves on the Audit Committee at the University of Virginia.



Thomas F. Farrell II
Director since 2005
Age: 57

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 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 16 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 Edison Electric Institute and vice chairman of the Institute of Nuclear Power Operations 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.

John W. Harris
Director since 1999
Age: 64

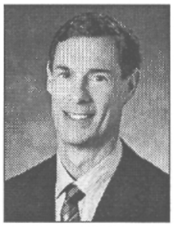
Mr. Harris has been president and chief executive officer of Lincoln Harris, LLC (formerly The Harris Group), a real estate consulting firm, since 1999 and is a former president of The Bissell Companies, Inc., a commercial real estate and investment management company. He is a director of Piedmont Natural 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.

Robert S. Jepson, Jr.
Director since 2003
Age: 69

Mr. Jepson has been chairman and chief executive officer of Jepson Associates, Inc., a private investment firm, since 1989. Mr. Jepson is vice-chairman of the board of the Georgia Ports Authority and serves on the boards of Savannah College of Art and Design, Lees-McRae College, Georgia Historical Society and the Lucas Theatre for the Arts. He received his undergraduate and graduate degrees in business and commerce from the University of Richmond. Mr. Jepson is the principal contributor and founder of the University of Richmond's Jepson School of Leadership Studies. Mr. Jepson serves on the Audit Committee and Compensation, Governance and Nominating Committee.

Mr. Jepson's qualifications to serve as a director include his more than 28 years of experience as chief executive officer or chairman of public and private companies. He has previous public company board experience relevant to Dominion's industry and has had directorships with numerous other public and nonpublic entities. Mr. Jepson also brings capital markets, banking and investment management experience to Dominion's Board.



Mark J. Kington
Director since 2005
Age: 52

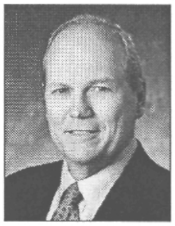
Mr. Kington has been managing director of X-10 Capital Management, LLC since 2004. He is and has been the principal officer and investor in several communications firms and was a founding member of Columbia Capital, LLC, a venture capital firm specializing in the communications and information technology industries. Mr. Kington is vice-rector of the University of Virginia Board of Visitors and serves on the boards of the Colonial Williamsburg Foundation and the INOVA Health System Investment Committee. 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.

Frank S. Royal, M.D.
Director since 1994
Age: 72

Dr. Royal has been a physician since 1969. He is a director of SunTrust Banks, Inc. and Smithfield Foods, Inc. Dr. Royal also served as a director of Chesapeake Corporation (1990 to 2007), CSX Corporation (1994 to 2008) and HCA Inc. (1994 to 2006). Dr. Royal received his undergraduate degree from Virginia Union University and his medical degree from Meharry Medical College, where he serves on the Board of Trustees. Dr. Royal serves on the Compensation, Governance and Nominating Committee.

Dr. Royal's qualifications to serve as a director include significant experience and knowledge of the requirements, rules, issues and concerns that a public company faces. He has extensive public company board experience with significant leadership positions on the various boards that he has served. Dr. Royal has previously served on the boards of several Fortune 500 companies. He currently serves on the Audit Committee and Governance and Nominating Committee of SunTrust Banks, Inc. and is chairman of the Compensation Committee and member of the Audit Committee and Nominating and Governance Committee of Smithfield Foods. Dr. Royal is also an expert on healthcare matters, benefit plan issues and other relevant matters pertinent to his position on the CGN Committee.



Robert H. Spilman, Jr.
Director since 2009
Age: 55

Mr. Spilman has been president and chief executive officer of Bassett Furniture Industries, Incorporated, a furniture manufacturer and distributor, since 2000. He is a director of Ruddick Corporation and Bassett Furniture Industries, Incorporated. Mr. Spilman serves on the Virginia Foundation for Independent Colleges and is also 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 lead director of Ruddick Corporation, Mr. Spilman brings additional public company board experience and leadership to Dominion's Board.

David A. Wollard
Director since 1999
Age: 74

Mr. Wollard is founding chairman of the board, emeritus, Exempla Healthcare (1997 to 2001). He is a director of Vectra Bank Colorado. Mr. Wollard has previously served as chairman of the Denver Chamber of Commerce and Downtown Denver Partnership. 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 faces growing 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.

The Audit Committee Report

Our Committee operates under a written charter that was most recently revised in December 2011. Our charter may be found on the company's website at http://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 fees, and other issues that we, management and the independent auditors feel should be addressed more closely.

During 2011, 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 relative to documentation, 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 and Dominion Energy's construction programs;
- Rate structure and regulatory overview;
- Dominion's ethics and compliance program; 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 2011, sessions focused on: cyber security; Dominion's environmental compliance program and related regulations; and crisis communications protocols.

Throughout 2011, 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 internal controls and the overall quality of Dominion's financial reporting. At four 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 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 Public Company Accounting Oversight Board 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.

2011 Consolidated Financial Statements

Relying on these reviews and discussions, we recommended to the Board of Directors, 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, 2011, for filing with the SEC.

INDEPENDENT AUDITORS FOR 2012

Our Committee discussed with management and reviewed with the independent auditors their plans and proposed fees for auditing the 2012 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 2012, 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'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
George A. Davidson, Jr.
Helen E. Dragas
Robert S. Jepson, Jr.
Margaret A. McKenna
Robert H. Spilman, Jr.

Auditors

Fees and Pre-Approval Policy

The Audit Committee has a pre-approval policy for Deloitte & Touche'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. At its December 2011 and January 2012 meetings, the Audit Committee approved the schedule of services and fees for 2012. 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 for the fiscal years ended December 31, 2011 and 2010, all of which were pre-approved by the Audit Committee.

Type of Fees (millions)	2011	2010
Audit fees	$ 5.13	$ 5.13
Audit-related fees	0.41	1.84
Tax fees	—	0.02
All other fees	—	—
Total	$ 5.54	$ 6.99

Audit Fees. These amounts represent fees of Deloitte & Touche 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.

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 will be present at the 2012 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

Our Audit Committee has retained Deloitte & Touche LLP, an independent registered public accounting firm, as Dominion's independent auditors for 2012. Although ratification is not required by our Bylaws or otherwise, the Board is submitting the selection of Deloitte & Touche LLP to our shareholders for ratification as a matter of good corporate governance.

Your Board of Directors recommends that you vote FOR ratification of the Audit Committee's action.

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, 2011. This report was prepared by the following independent directors who compose the CGN Committee:

Frank S. Royal, *Chairman*
John W. Harris
Robert S. Jepson, Jr.
Mark J. Kington
David A. Wollard

Compensation Discussion and Analysis

This CD&A provides a detailed explanation of the objectives and principles that underlie 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 played an important role in the company's success in 2011 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 NEOs. During 2011, Dominion's NEOs were:

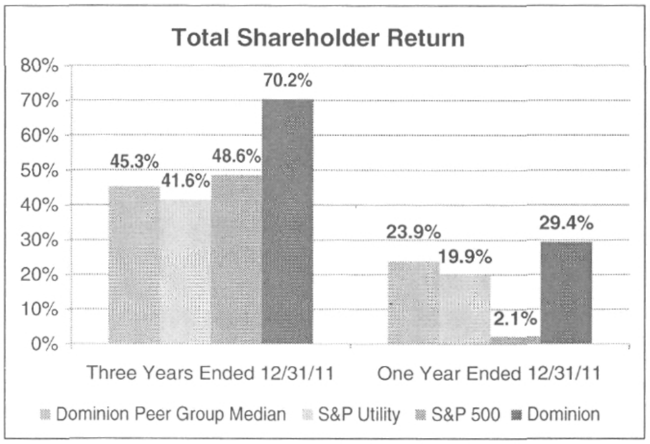
- Thomas F. Farrell II, Chairman, President and CEO
- Mark F. McGettrick, Executive Vice President and Chief Financial Officer (CFO)
- David A. Christian, Executive Vice President and CEO – Dominion Generation
- Paul D. Koonce, Executive Vice President and CEO – Dominion Virginia Power
- Gary L. Sypolt, Executive Vice President and CEO – Dominion Energy

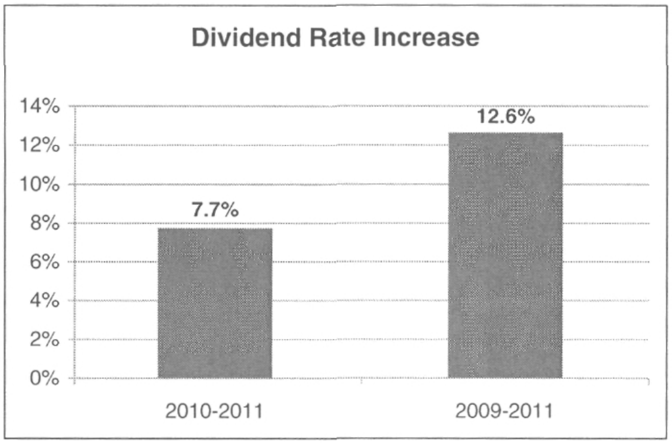
Executive Summary

2011 Business Highlights

Despite the continued uncertainty in the global economy and financial markets in 2011, Dominion's performance was strong and continued to reflect our strong embrace of our four core values: safety, ethics, excellence and one Dominion – our term for teamwork. This is evident in our business highlights of 2011 as described below:

- Our total shareholder return (TSR) for the year was 29.4% which ranked fifth relative to our peer companies. Our TSR outperformed the S&P 500, S&P Utility and the Dow Jones Utility indices. Our superior one-year TSR performance contributed to the strong performance achievement for the 2010 Performance Grant.
- The Board increased our annual dividend rate from $1.83 per share for 2010 to $1.97 per share for 2011.





- Our consolidated operating earnings for the year ended December 31, 2011 were $1.75 billion or $3.05 per share. Our consolidated reported earnings in accordance with GAAP for the year ended December 31, 2011 were $1.41 billion or $2.45 per share.* Our 2011 results reflect a decrease of 11.0% and 8.7% in consolidated operating earnings and operating earnings per share, respectively, over 2010 results. Our operating earnings results for 2011 were within our guidance range of $3.05 -$3.20 per share and allowed us to fund our 2011 AIP at a 75% level.
- Our market capitalization as of December 31, 2011 was $30.2 billion, up from $24.8 billion as of December 31, 2010.
- The strength of our leadership and the operational excellence of our employees were apparent as Dominion met the unprecedented challenges of an earthquake and hurricane occurring in the same week. The 5.8 magnitude earthquake occurred near Mineral, Virginia shaking Central Virginia and much of the East Coast. The epicenter was about 11 miles from our North Anna nuclear power station and several miles underground. The 1,800-megawatt twin reactors at North Anna shut down automatically and safely on August 23. Following a program of inspections, testing and analysis that involved more than 100,000 man-hours of work, the power station was safely restarted on November 11.

  In the same week as the earthquake, Hurricane Irene made landfall on August 26 and inflicted significant damage to Dominion's service territory that left more than 1.2 million customers without power. Restoration of power to virtually all homes and businesses was completed in slightly over a week.
- For the year ended December 31, 2011, our overall Occupational Safety and Health Administration (OSHA) recordable incident rate for Dominion, including all of its business units, was 0.92, our lowest since we have been recording incident rates at Dominion and a 51% percent decline in the past five years.

*See ***Reconciliation of 2011 Consolidated Operating Earnings to Reported Earnings*** on page 29.

- We continue to move forward in each of our principal operating segments on our multi-billion dollar, long-term infrastructure growth plan that was announced in 2010. Several major projects were completed and others begun in 2011 as highlighted below:

Dominion Generation	Dominion Virginia Power	Dominion Energy
• The 590-megawatt Bear Garden combined cycle plant began commercial operation in May 2011 and was completed on time and on budget. • The 585-megawatt Virginia City Hybrid Energy Center is on target to begin operations in the summer of 2012. • We announced, subject to regulatory approval, the conversion of the coal-fired Altavista, Hopewell and Southampton stations to biomass, a renewable energy source.	• In early 2011, we announced that we would spend more than $1.7 billion over about a two-year period to strengthen Dominion Virginia Power's electric grid, support growing demand for electricity and improve service reliability for its 2.4 million customers. • Both of our major 500 kV transmission line projects, Meadow Brook to Loudoun and Carson to Suffolk, were energized on or ahead of schedule and within budget. Work has commenced on our next major transmission project, the rebuild of the Mt. Storm-to-Doubs line. • We have more than 40 additional transmission projects planned, all of which are necessary to keep up with growing demand and maintain high levels of reliability.	• We began construction on our Natrium processing facility located in West Virginia which is scheduled to be completed by late 2012. • Pipeline construction has started at Appalachian Gateway and is expected to be in service in 2012. • Our Cove Point Liquefaction Project continued to move forward with the receipt of the Department of Energy approval to export liquefied natural gas to Free Trade Agreement countries.

2011 Compensation Highlights

Significant executive compensation decisions made, and goals achieved, in 2011 that affected our NEOs are highlighted below and discussed in more detail in the upcoming sections of this CD&A.

- All of our NEOs received a 2% base salary increase for 2011. For our CEO, Mr. Farrell, this marked the first base salary increase since 2008.
- The company disclosed $3.05 consolidated operating earnings per share for the year ended December 31, 2011, with 75% funding for the 2011 AIP. *
- The company exceeded its target goal payout under the 2010 Performance Grants, primarily due to first quartile TSR performance versus our peer group over a two-year period. Dominion's two-year TSR for the period ended December 31, 2011 was 48.6%. Payout of the 2010 Performance Grant was 175.7% of target, taking into account our other performance metric of ROIC. Our strong performance reflects continued focus on long-term shareholder value and achievement of expected levels of return on the company's investments.
- For 2011, there were no increases in the annual incentive plan target award percentages for any NEOs.
- Messrs. Christian, McGettrick and Sypolt each received an increase in their performance-based compensation target award levels for their long-term incentive plan grants, primarily due to recent promotion or job rotation, and the additional responsibilities associated with these moves.

*See ***Reconciliation of 2011 Consolidated Operating Earnings to Reported Earnings*** on page 29.

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, PM&P, is retained directly by the CGN Committee and performs no other consulting or other services for Dominion.
- Since 2009, our annual incentive plan and long-term incentive plan performance grants have included 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 Chief Risk Officer performs an annual risk assessment of our incentive compensation plans, the results of which are provided to the CGN Committee.
- Our officers do not receive tax gross-ups on the limited perquisites provided to them. Tax gross-ups are also not provided on imputed income to our non-employee directors.

* ***Reconciliation of 2011 Consolidated Operating Earnings to Reported Earnings.*** *The following items, which are net of tax, are included in Dominion's 2011 reported earnings, but are excluded from consolidated operating earnings: $178 million impairment charge related to certain utility and merchant coal-fired power stations; $59 million of restoration costs associated with Hurricane Irene; $39 million net loss from operations at our Kewaunee nuclear merchant power station, which is being marketed for sale; $34 million impairment of excess emission allowances resulting from a new EPA air pollution rule; $21 million of severance costs and other charges resulting from expected closings of our Salem Harbor and State Line merchant generation plants; $19 million net charge in connection with the Virginia State Corporation Commission's final ruling associated with its biennial review of Virginia Power's base rates for 2009-2010 test years; $13 million of earthquake-related costs, largely related to inspections following the safe shutdown of reactors at our North Anna nuclear power station; $14 million benefit related to litigation with the Department of Energy for spent nuclear fuel-related costs at Millstone nuclear power station; and $3 million net benefit related to other items.*

Reconciliation of 2010 Consolidated Operating Earnings to Reported Earnings. *The following items, which are net of tax, are included in Dominion's 2010 reported earnings, but are excluded from consolidated operating earnings: $1.4 billion net benefit from the sale of Appalachian E&P operations; $206 million charge related to our workforce reduction program; $155 million net loss from the discontinued operations and loss on sale of The Peoples Natural Gas Company; $127 million impairment charge related to certain merchant generation facilities; $57 million charge related to health care legislation change; and $1 million net expense related to other items.*

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 2011 performance indicates that the design of our compensation program is meeting these objectives. Our NEOs have service with Dominion ranging from 13 to 36 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. We are performing well relative to our internal goals and as compared to our peers.

In 2011, our shareholders voted on our executive compensation program (also known as "Say on Pay") for the first time and approved it by 94%. The CGN Committee considered the very strong shareholder endorsement of the CGN Committee's decisions and policies and Dominion's overall executive compensation program in continuing the pay-for-performance program that is currently in place without any specific changes for 2012 based on the vote.

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 our independent compensation consultant. 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 the share ownership guidelines and executive officer compliance with the guidelines, and establishes compensation programs designed to achieve Dominion's objectives.

The Role of the Independent Compensation Consultant

The CGN Committee's practice has been to retain an independent compensation consultant, PM&P, to advise the committee on executive and director compensation matters. PM&P does not provide any services to Dominion other than its consulting services to the CGN Committee related to executive and director compensation. Our PM&P consultant participates in meetings with the CGN Committee, either in person or by teleconference, and communicates directly with the chairman of the committee outside of the committee meetings as requested by the chairman of the committee. PM&P also reviewed meeting materials for the CGN Committee and provided the following services related to our 2011 executive compensation program:

- Provided independent advice to the CGN Committee regarding the appropriateness of our peer group;
- Participated in CGN Committee executive sessions without management present to discuss CEO compensation and any other relevant matters, including the appropriate relationship between pay and performance and emerging trends, to answer technical questions, and to review and comment on management proposals and analyses of peer group compensation data; and
- Generally reviewed and offered 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.

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 the Corporate Secretary, 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. The CEO, CFO and Corporate Secretary, 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 committee meeting.

On an annual basis, the CEO is responsible for reviewing with the CGN Committee his succession plans for his own position and for the company's senior officers. He is also responsible for reviewing the performance of his 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 counsel as appropriate or as requested by the CGN Committee, but all decisions are ultimately made by the CGN Committee.

The Peer Group and Peer Group Comparisons

Each year, the CGN Committee approves a peer group of companies. In selecting our peer group, we use a methodology recommended by PM&P to identify 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 and market capitalization. We also consider the geographic locations and the regulatory environment in which potential peer companies operate.

Dominion's peer group is generally consistent from year to year, with merger and acquisition activity being the primary reason for any changes. With the announced mergers of Duke Energy Corporation with Progress Energy, Inc. and Exelon Corporation with Constellation Energy Group, Inc. two companies were added to Dominion's 2011 peer group: CMS Energy Corporation and Xcel Energy Inc. The members of Dominion's peer group are as follows:

Ameren Corporation	FirstEnergy Corp.
American Electric Power Company, Inc.	NextEra Energy, Inc. (formerly FPL Group, Inc.)
CMS Energy Corporation	NiSource, Inc.
Constellation Energy Group, Inc.	PPL Corporation
DTE Energy Company	Progress Energy, Inc.
Duke Energy Corporation	Public Service Enterprise Group Inc.
Entergy Corporation	Southern Company
Exelon Corporation	Xcel Energy Inc.

The CGN Committee, PM&P and management use peer company data to: (i) compare Dominion's stock and financial performance against its 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 Employment Continuity Agreements and other benefits. 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 larger size compared with the median of the peer group. As of year-end 2011, Dominion ranked second in market capitalization, seventh in assets and seventh in revenues in comparison to the peer group.

Survey Data

We do not benchmark or otherwise use broad-based market data as the basis for compensation decisions for our NEOs. Survey compensation data 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 peer company data in establishing compensation opportunities. The CGN Committee believes that this emphasis better reflects the company'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 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: the balance of our overall program design, including the mix of cash and equity compensation; the mix of fixed and variable compensation; the balance of short-term and long-term objectives of our incentive compensation; the performance metrics, performance targets, threshold performance requirements and capped payouts related to our incentive compensation; our clawback provision on incentive compensation; our share ownership guidelines, including share ownership levels and retention practices; prohibitions on hedging, pledging, and other derivative transactions related to Dominion stock; and internal controls and oversight structures in place at Dominion.

Management reviewed and provided the results of this 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 showing 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 peer companies. These tools are used as part of the overall process to ensure that the 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 • Attract and retain talent	• Generally targeted at or slightly above peer median, with individual and company-wide considerations • 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 • Align short-term compensation with our annual budget, earnings goals, business plans and core values	• Cash payments based on achievement of annual financial and individual operating and stewardship goals • 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 combination of performance-based cash and restricted stock awards (for 2011, a 50/50 mix) • 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 us 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 us 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 that are not given any specific weighting in setting each element of compensation for each NEO, 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 and total direct compensation opportunities against peer group data to ensure the compensation levels are appropriately competitive, but does not target these compensation levels at a particular percentile or range of the peer group data. As part of its analysis, the CGN Committee also takes into account Dominion's larger size and complexity compared to Dominion peer companies.

In setting compensation for 2011, due to continued economic uncertainty, we provided a modest increase in base salary for all officers, including all NEOs, and made adjustments to performance-based compensation target levels for certain officers. Based on our review of peer company compensation data, each NEO's job performance, recent promotions and internal pay equity considerations such as scope and complexity of the position relative to other positions at the company, we determined it was appropriate to increase the target levels under the long-term incentive plan for Messrs. McGettrick, Christian and Sypolt as described below in *Long-Term Incentive Program.*

CEO Compensation Relative to Other NEOs

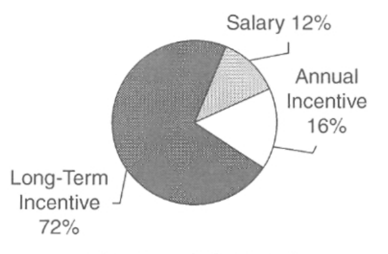
Mr. Farrell participates in the same compensation programs and receives compensation based on the same philosophy and factors as other NEOs. Application of the same philosophy and factors to Mr. Farrell's position results in overall CEO compensation that is significantly higher than the compensation of the other NEOs. His 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 our ratios to that of our peers to confirm that our ratios are consistent with practices at our peer companies. There is no particular targeted ratio or goal, but instead the CGN Committee considers 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 in 2011.

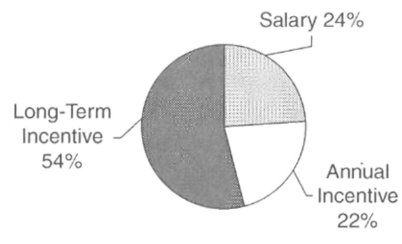
Allocation of Total Direct Compensation in 2011

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. Total direct compensation is the sum of base salary, targeted annual incentive plan compensation and targeted long-term incentive compensation. Approximately 88% of Mr. Farrell's targeted 2011 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 72% to 80% of targeted 2011 total direct compensation. This compares to an average of approximately 54% 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.

The charts below illustrate the elements of total direct compensation opportunities in 2011 for Mr. Farrell and the other NEOs as a group and the allocation of such compensation among base salary, targeted 2011 annual incentive plan award and targeted 2011 long-term incentive compensation.



Allocation of Mr. Farrell's
Total Direct Compensation Opportunities



Allocation of Average Total Direct Compensation
Opportunities for other NEOs

Base Salary

Base salary compensates our officers, along with the rest of our workforce, for committing significant time to working on Dominion's behalf. Annual salary reviews achieve two primary purposes: (i) an annual adjustment, as appropriate, to keep salaries in line and competitive with the peer group and to reflect changes in responsibility, including promotions; and (ii) 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 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 peer group median in 2011 in terms of revenues, assets and market capitalization, 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 peer group median. Although individual and company performance would have supported merit increases, most officers, including our NEOs, have received modest or no increases in their base salaries since 2009 due to the uncertain market conditions and economic climate. For 2009, the CGN Committee capped base salary increases for most officers at 2.5%, except for Mr. Farrell whose base salary was maintained at the same level as 2008. The CGN Committee froze base salaries for most officers for 2010, but did authorize a one-time 2% merit lump sum for all non-union employees in the fall of 2010. The 2% merit lump sum was paid to all NEOs, except for Mr. Sypolt who received a mid-year compensation increase to begin transitioning his compensation to be more in line with other business unit CEOs. For 2011, the CGN Committee approved a 2% base salary increase for most officers, including all NEOs. The 2011 increase was Mr. Farrell's first increase in base salary since 2008.

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 and other operating and stewardship goal success;
- Emphasize teamwork by focusing on common goals;
- Appropriately balance risk and reward; and
- Provide a competitive total compensation opportunity.

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 a participant achieves a score of 100% for the goals established at the beginning of the year and the plan is funded at the full funding target set for the year. 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 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, nor was survey data used in setting AIP target award levels for 2011. Annual incentive target award levels are also consistent with our intent to have a significant portion of NEO compensation at risk. The 2011 AIP targets for all NEOs were the same as the 2010 AIP targets and are shown below.

Name	2011 AIP Target Award*
Thomas F. Farrell II	125%
Mark F. McGettrick	100%
Paul D. Koonce	90%
David A. Christian	85%
Gary L. Sypolt	85%

* As a % of base salary

Funding of the 2011 AIP

Funding of the 2011 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.

The 2011 AIP had a full funding target of $3.05 consolidated operating earnings per share, which was at the lower end of our 2011 earnings guidance announced in January 2011 and our revised earnings guidance that was announced in October 2011. Funding is based on a formula where funding begins for all eligible employees, including all of the NEOs, when Dominion is able to report $3.05 consolidated operating earnings per share, exclusive of AIP funding expense. Additional earnings are then used to fund the AIP up to a 100% funding level. Once operating earnings support $3.05 consolidated operating earnings per share with all employees's AIP funded at 100%, then any additional consolidated operating earnings above the full funding target of $3.05 operating earnings per share are shared equally between AIP participants and shareholders, up to the maximum AIP funding level of 200% at $3.16 operating earnings per share.

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%, participants 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, 2011 were $1.75 billion, or $3.05 per share, as compared to its consolidated reported earnings in accordance with GAAP of $1.41 billion or $2.45 per share with enough earnings above $3.05 operating earnings to support 75% funding.*

How We Determine AIP Payouts

For most officers other than the NEOs, payout of their funded AIP awards for 2011 was subject to the accomplishment of business unit financial and operating and stewardship goals, including a safety goal. The percentage allocated to each category of 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%.

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 AIP is designed so that AIP payouts earned by the NEOs will qualify as tax deductible "performance-based" compensation under Section 162(m) of the Internal Revenue Code (the Code). To preserve the tax deduction for payouts made to the NEOs whose compensation is subject to Code Section 162(m), their payout, if any, is contingent solely on the achievement of the consolidated financial goal (weighted 100%). If the consolidated financial goal is met, the CGN Committee has the authority to exercise negative discretion to lower payouts if additional discretionary goals are adopted and these discretionary goals are not achieved.

*See ***Reconciliation of 2011 Consolidated Operating Earnings to Reported Earnings*** on page 29.

For the 2011 AIP, all of the NEOs adopted a discretionary safety goal. Messrs. Koonce, Christian and Sypolt also adopted discretionary business unit financial goals. These goals are described under *2011 AIP Payouts.* The table below shows the goal weightings applied to the NEOs' discretionary goals.

Name	Consolidated Financial Goal	Business Unit Financial Goals	Operating/ Stewardship Goals*
Thomas F. Farrell II	95%	0%	5%
Mark F. McGettrick	95%	0%	5%
David A. Christian	65%	30%	5%
Paul D. Koonce	65%	30%	5%
Gary L. Sypolt	65%	30%	5%

*For 2011, the operating and stewardship goal for each NEO was a safety goal.

2011 AIP Payouts

The formula for calculating an award is: Base Salary x Target Award Percentage x Funding Percentage x Total Payout Score Percentage = Actual Award

The 2011 discretionary business unit financial goals and accomplishment levels for Mr. Koonce (Dominion Virginia Power), Mr. Christian (Dominion Generation) and Mr. Sypolt (Dominion Energy) were as follows:

Business Unit	Goal Threshold (Net Income)	Goal 100% Payout (Net Income)	Actual 2011 Net Income	Actual 2011 Net Income Excluding AIP Expense	2011 Approved Accomplishment
(Million/$)					
Dominion Virginia Power	$409	$511	$501	$512	100%
Dominion Generation	802	1,003	1,003	1,034	100%
Dominion Energy	409	511	521	531	100%

For 2011, amounts for the AIP expense were not included in all business units' budgets and are not reflected in the goal threshold and goal for 100% payout amounts shown above. The CGN Committee considered each business unit's net income amount, including and excluding the expense for the AIP, and determined it was appropriate to approve 100% accomplishment of the business unit financial goals.

Both Messrs. Farrell and McGettrick met their target safety goal of four or less OSHA recordable incidents with an incident rate of 0.15 or less for the Dominion Services business unit. Mr. Christian met his target safety goal of an OSHA incident rate ranging from 0.23 to 2.0 for certain operating units and recordable incident of 1 or less for another operating unit in the Dominion Generation business unit. Mr. Sypolt met his target safety goal of an OSHA incident rate of 1.80 and lost time/restricted duty rate of 0.75 for the Dominion Energy business unit. For Mr. Koonce, Dominion Virginia Power's OSHA incident rate and lost time/restricted duty rate exceeded the target rates of 1.24 and 0.75, respectively, which resulted in a 52% accomplishment of his safety goal.

Mr. Koonce's payout score was calculated as follows:

Consolidated Financial Goal Accomplishment		Goal Weighting		Business Unit Financial Goal Accomplishment		Goal Weighting		Operating/ Stewardship Goal Accomplishment		Goal Weighting		Total Payout Score
100%	X	65%	+	100%	X	30%	+	52%	X	5%	=	97.6%

Amounts earned under the 2011 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 %		2011 AIP Payout
Thomas F. Farrell II	$1,224,000	X	125%	X	75%	X	100%	=	$1,147,500
Mark F. McGettrick	663,918	X	100%	X	75%	X	100%	=	497,939
David A. Christian	564,876	X	85%	X	75%	X	100%	=	360,108
Paul D. Koonce	507,858	X	90%	X	75%	X	97.6%	=	334,577
Gary L. Sypolt	501,228	X	85%	X	75%	X	100%	=	319,533

* As a % of base salary.

Long-Term Incentive Program

Overview

Our long-term incentive program focuses on Dominion's longer-term strategic goals and retention of our executives. Since 2006, 50% of our long-term incentives have been full value equity awards in the form of restricted stock with time-based vesting and the other 50% have been performance-based awards. We believe restricted stock serves as a strong retention tool and also creates a focus on Dominion's stock price to further align the interests of officers with the interests of our shareholders and customers. For those officers who have made substantial progress toward their share ownership guidelines, 50% of their long-term award is in the form of a cash performance grant. Officers who have not achieved 50% of their targeted share ownership guideline receive goal-based stock performance grants instead of a cash performance grant. Dividend equivalents are not paid on any performance-based grants. Because officers are expected to retain ownership of shares upon vesting of restricted stock awards, as explained in *Share Ownership Guidelines,* the long-term cash performance grant balances the program and allows a portion of the long-term incentive award to be accessible to our NEOs during the course of their employment.

The CGN Committee approves long-term incentive awards in January each year with a grant date established in early February. This process ensures incentive-based awards are made at the beginning of the performance period and shortly after the public disclosure of Dominion's earnings for the prior year. Like the AIP target award levels discussed above, long-term incentive 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 peer group data to ensure the appropriate competitiveness of an NEO's total direct compensation opportunity. However, as discussed above, long-term incentive target award levels are not targeted at a specific percentile or range of the peer group data, nor was market survey data a factor in setting long-term incentive target award levels for 2011.

For 2011, the CGN Committee approved increases to Messrs. McGettrick, Christian and Sypolt's target long-term incentive target awards as discussed below.

McGettrick. Among the factors considered by the CGN Committee in determining the amount of Mr. McGettrick's award were Mr. McGettrick's performance as CFO, his increased responsibilities as a result of his promotion from CEO of the Dominion Generation business unit to CFO of Dominion in 2009 and his experience and long tenure with the company. The CGN Committee determined it was appropriate to approve an 11% increase in Mr. McGettrick's target long-term incentive award, which resulted in a 7% increase in total direct compensation at target.

Christian. For Mr. Christian, the CGN Committee considered, among other factors, Mr. Christian's performance as CEO of the Dominion Generation business unit, increased responsibility as a result of his promotion from President and Chief Nuclear Officer of the Dominion Nuclear unit in 2009 to his current position and his experience and long tenure with the company. The CGN Committee also considered the size of the Dominion Generation business unit, which is the largest of our three business units, relative to Dominion's other business units in determining his long-term incentive target award and the continued transition of Mr. Christian's compensation to a business unit CEO level. The CGN Committee determined it was appropriate to approve a 32% increase in Mr. Christian's target long-term incentive award, which resulted in a 16% increase in total direct compensation at target.

Sypolt. Among the factors considered by the CGN Committee in determining the amount of Mr. Sypolt's award were his performance as CEO of Dominion Energy, his increased responsibilities as a result of his promotion from president of a Dominion Energy subsidiary to his current position in 2009 and the continued transition of his compensation to a business unit CEO level. The CGN Committee determined it was appropriate to approve a 31% increase in Mr. Sypolt's long-term incentive award, which resulted in a 14% increase in total direct compensation at target.

Information regarding the fair value of the 2011 restricted stock grants and target cash performance grants for the NEOs is provided in the *Grants of Plan-Based Awards* table.

2011 Restricted Stock Grants

All officers received a restricted stock grant on February 1, 2011 based on a stated dollar value. The number of shares awarded was determined by dividing the stated dollar value by the closing price of Dominion's common stock on January 31, 2011. The grants have a three-year vesting term, with cliff vesting at the end of the restricted period on February 1, 2014. Dividends are paid to officers during the restricted period. The grant date fair value and vesting terms of the 2011 restricted stock grant awards made to the NEOs are disclosed in the *Grants of Plan-Based Awards* table and related footnotes.

2011 Performance Grants

Most officers, including the NEOs, received cash performance grants on February 1, 2011. The performance period commenced on January 1, 2011 and will end on December 31, 2012. The 2011 grants are denominated as a target award, with potential payouts ranging from 0-200% of the target based on Dominion's TSR relative to the peer group of companies selected by the CGN Committee and ROIC, weighted equally. The CGN Committee regularly reviews the design of the long-term incentive program. As part of its annual review of the compensation peer group, the CGN Committee also considers the relevance of the compensation peer group for measuring relative TSR under performance-based awards.

The TSR metric was selected to focus our officers on long-term shareholder value when developing and implementing their strategic plans and in turn, reward management based on the achievement of TSR levels as measured relative to our peer companies. The ROIC metric was selected to reward officers for the achievement of expected levels of return on the company's investments. We believe an ROIC measure encourages management to choose the right investments, and with those investments, to achieve the highest returns possible through prudent decisions, management and control of costs. The target award and vesting terms of 2011 performance grants made to the NEOs are disclosed in the *Grants of Plan-Based Awards* table and related footnotes.

Payout Under 2010 Performance Grants

In February 2012, final payouts were made to officers who received 2010 performance grants, including the NEOs. The 2010 performance grants were based on two goals: TSR for the two-year period ended December 31, 2011 relative to Dominion's peer group of companies (weighted 50%) and ROIC for the same two-year period (weighted 50%).

- *Relative TSR (50% weighting).* TSR is the difference between the value of a share of common stock at the beginning and end of the two-year performance period, plus dividends paid as if reinvested in stock. For this metric, Dominion's TSR is compared to TSR levels at its peer companies for the same two-year period. The peer group for the TSR metric for the 2010 performance grant is the same group of companies described above in *The*

Peer Group and Peer Group Comparisons, excluding CMS Energy Corporation and Xcel Energy Inc. The relative TSR targets and corresponding payout scores are as follows:

Relative TSR Performance	Percentage Payout of TSR Percentage*
Top Quartile – 75% to 100%	150% – 200%
2nd Quartile – 50% to 74.9%	100% –149.9%
3rd Quartile – 25% to 49.9%	50% – 99.9%
4th Quartile – below 25%	0%

*TSR weighting is interpolated between the top and bottom of the percentages within a quartile. A minimum payment of 25% of the TSR percentage will be made if the TSR performance is at least 10% on a compounded annual basis for the performance period, regardless of relative performance.

Actual relative TSR performance for the 2010-2011 period was in the top quartile. Dominion's TSR for the two-year period ended December 31, 2011 was 48.6%, which ranked fourth relative to the peer group and placed Dominion ahead of 11 of the 14 peer companies.

- *ROIC (50% weighting).* ROIC reflects the company's total return divided by average invested capital for the performance period. The ROIC goal at target is consistent with the strategic plan/annual business plan as approved by the Board. For this purpose, total return is the company's consolidated operating earnings plus its after-tax interest and related charges, plus preferred dividends. We designed our 2010 ROIC goals to provide 100% payout if we achieved an average ROIC of 8.00% over the two-year performance period. The ROIC performance targets and corresponding payout scores are as follows:

ROIC Performance	Percentage Payout of ROIC Percentage*
8.20% and above	200%
8.10% – 8.19%	150% –199.9%
8.00% – 8.09%	100% –149.9%
7.90% – 7.99%	50% – 99.9%
Below 7.90%	0%

*ROIC percentage payout is interpolated between the top and bottom of the percentages for any range.

Actual ROIC performance for the 2010-2011 period was 8.18%.

Based on the achievement of the performance criteria, the CGN Committee approved a 175.7% payout for the 2010 performance grants. The following table summarizes the achievement of the 2010 performance criteria:

Measure	Goal Weight%		Goal Achievement%		Payout%
Relative TSR	50%	X	157.0%	=	78.5%
ROIC	50%	X	194.4%	=	97.2%
			Combined Overall Performance Score		175.7%

The resulting payout amounts for the NEOs for the 2010 performance grants are shown below and are also reflected in the *Non-Equity Incentive Plan Compensation* column of the *Summary Compensation Table.*

Name	2010 Performance Grant Award		Overall Performance Score		Calculated Performance Grant Payout
Thomas F. Farrell II	$3,500,000	X	175.7%	=	$6,149,500
Mark F. McGettrick	900,000	X	175.7%	=	1,581,300
David A. Christian	425,000	X	175.7%	=	746,725
Paul D. Koonce	562,500	X	175.7%	=	988,313
Gary L. Sypolt	325,000	X	175.7%	=	571,025

Employee and Executive Benefits
Benefit plans and limited perquisites compose the fourth element of our compensation program. These benefits serve as a retention tool and reward long-term employment.

Retirement Plans

We sponsor two types of tax-qualified retirement plans for eligible non-union employees, including our NEOs: a defined benefit pension plan (the Pension Plan) and a defined contribution 401(k) savings plan (the 401(k) Plan). The NEOs, as employees hired before 2008, are eligible for a pension benefit upon attainment of retirement age based on a formula that takes into account final compensation and years of service. They also receive a cash retirement benefit under which the company contributes 2% of each participant's compensation to a special retirement account, which may be paid in a lump sum or added to the annuity benefit upon retirement. The company began funding the special retirement account for eligible employees in January 2001. The formula for the Pension Plan is explained in the narrative following the *Pension Benefits* table. The change in Pension Plan value for 2011 for the NEOs is included in the *Summary Compensation Table.*

Officers whose matching contributions under our 401(k) Plan are limited by the Code receive a cash payment to make them whole for the company match lost as a result of these limits. These cash payments are currently taxable. The company matching contributions to the 401(k) Plan and the cash payments of company matching contributions above the Code limits for the NEOs are included in the *All Other Compensation* column of the *Summary Compensation Table* and detailed in the footnote for that column.

We also maintain two nonqualified retirement plans for our executives, the Retirement Benefit Restoration Plan (BRP) and the Executive Supplemental Retirement Plan (ESRP). Unlike the Pension Plan and 401(k) Plan, these plans are unfunded, unsecured obligations of the company. These plans keep us competitive in attracting and retaining officers. Due to the Code limits on Pension Plan benefits and because a more substantial portion of total compensation for our officers is paid as incentive compensation than for other employees, the Pension Plan and 401(k) Plan alone will produce a lower percentage of replacement income in retirement for officers than these plans will for other employees. The BRP restores benefits that will not be paid under the Pension Plan due to Code limits. The ESRP provides a benefit that covers a portion (25%) of final base salary and target annual incentive compensation to partially make up for this gap in retirement income. The BRP and ESRP do not include long-term incentive compensation in benefit calculations and, therefore, a significant portion of the potential compensation for our officers is excluded from calculation in any retirement plan benefit. As consideration for the benefits earned under the BRP and ESRP, all officers agree to comply with confidentiality and one-year non-competition requirements set forth in the plan documents following their retirement or other termination of employment. The present value of accumulated benefits under these retirement plans is disclosed in the *Pension Benefits* table and the terms of the plans are fully explained in the narrative following that table.

In individual situations and primarily for mid-career changes or retention purposes, the CGN Committee has granted certain officers additional years of credited age and service for purposes of calculating benefits under the BRP. Age and service credits granted to the NEOs are described in *Dominion Retirement Benefit Restoration Plan* under *Pension Benefits.* Additional age and service may also be earned under the terms of an officer's Employee Continuity Agreement in the event of a change in control, as described in *Change in Control* under *Potential Payments Upon Termination or Change in Control.* No additional years of credit were granted to the NEOs during 2011.

Other Benefit Programs

Dominion's officers participate in all of the benefit programs available to other Dominion employees. The core benefit programs generally include medical, dental and vision benefit plans, a health savings account, health and dependent care flexible spending accounts, group-term life insurance, travel accident coverage, long-term disability coverage and a paid time off program.

We also maintain an executive life insurance program for officers to replace a former company-wide retiree life insurance program that was discontinued in 2003. The plan is fully insured by individual policies that provide death benefits at a fixed amount depending on an officer's salary tier. This life insurance coverage is in addition to the group-term insurance that is provided to all employees. The officer is the owner of the policy and the company makes premium payments until the later of 10 years from enrollment date or the date the officer attains age 64. Officers are taxed on the premiums paid by the company. The premiums for these policies are included in the *All Other Compensation* column of the *Summary Compensation Table.*

Perquisites

We provide a limited number of perquisites for our officers to enable them to perform their duties and responsibilities as efficiently as possible and to minimize distractions. The CGN Committee annually reviews the perquisites to ensure they are an effective and efficient use of corporate resources. We believe the benefits we receive from offering these perquisites outweigh the costs of providing them. In addition to incidental perquisites associated with maintaining an office, we offer the following perquisites to all officers:

- An allowance of up to $9,500 a year to be used for health club memberships and wellness programs, comprehensive executive physical exams and financial and estate planning. Dominion wants officers to be proactive with preventive healthcare and also wants executives to use professional, independent financial and estate planning consultants to ensure proper tax reporting of company-provided compensation and to help officers optimize their use of Dominion's retirement and other employee benefit programs.
- A vehicle leased by Dominion, up to an established lease-payment limit (if the lease payment exceeds the allowance, the officer pays for the excess amount on the vehicle). The costs of insurance, fuel and maintenance for company-leased vehicles are paid by the company.
- In limited circumstances, use of company aircraft for personal travel by executive officers. For security and other reasons, the Board has directed Mr. Farrell to use the aircraft for all travel, including personal travel, whenever it is feasible to do so. His family and guests may accompany Mr. Farrell on any personal trips. The use of company aircraft for personal travel by other executive officers is limited and usually related to (i) travel with the CEO or (ii) personal travel to accommodate business demands on an executive's schedule. With the exception of Mr. Farrell, personal use of aircraft is not available when there is a company need for the aircraft. Use of company aircraft saves substantial time and allows us to have better access to our executives for business purposes. During 2011, 97% of the use of Dominion's aircraft was for business purposes. Other than Mr. Farrell, none of the NEOs or other executive officers used company aircraft for personal travel in 2011.

Other than costs associated with comprehensive executive physical exams (which are exempt from taxation under the Internal Revenue Code), these perquisites are fully taxable to officers. There is no tax gross-up for imputed income on any perquisites.

Employment Continuity Agreements

Dominion has entered into Employment Continuity Agreements with all officers to ensure continuity in the event of a change in control of the company. While Dominion has determined these agreements are consistent with the practices of its peer companies, the most important reason for these agreements is to protect the company in the event of an anticipated or actual change in control of Dominion. In a time of transition, it is critical to protect shareholder value by retaining and continuing to motivate the company's core management team. In a change in control situation, workloads typically increase dramatically, outside competitors are more likely to attempt to recruit top performers away from the company, and officers and other key employees may consider other opportunities when faced with uncertainties at their own company. Therefore, the Employment Continuity Agreements provide security and protection to officers in such circumstances for the long-term benefit of the company and its shareholders.

In determining the appropriate multiples of compensation and benefits payable upon a change in control, the company evaluated peer group and general practices and considered the levels of protection necessary to retain officers in such situations. The Employment Continuity Agreements are double-trigger agreements that require both a change in control and a qualifying termination of employment to trigger a benefit. The specific terms of the Employment Continuity Agreements are discussed in *Potential Payments Upon Termination or Change in Control.*

Other Agreements

Dominion does not have comprehensive employment agreements or severance agreements for its NEOs. Although the CGN Committee believes the compensation and benefit programs described in this CD&A are appropriate, Dominion, as one of the nation's largest producers and transporters of energy, is part of a constantly changing and increasingly competitive environment. In recognition of their valuable knowledge and experience and to secure and retain their services, we have entered into letter agreements with certain of our NEOs to provide certain benefit enhancements or other protections, as described in *Dominion Retirement Benefit Restoration Plan, Dominion Executive Supplemental Retirement Plan* and *Potential Payments Upon Termination or Change in Control.*

OTHER RELEVANT COMPENSATION PRACTICES

Share Ownership Guidelines

We require officers to own and retain significant amounts of Dominion stock during their careers to align their interests with those of our shareholders by promoting a long-term focus through long-term share ownership. The guidelines ensure that management maintains a personal stake in the company through significant equity investment in the company. Targeted ownership levels are the lesser of the following value or number of shares:

Position	Value/# of Shares
Chairman, President & Chief Executive Officer	8 x salary/145,000
Executive Vice President – Dominion	5 x salary/35,000
Senior Vice President – Dominion & Subsidiaries/President – Dominion Subsidiaries	4 x salary/20,000
Vice President – Dominion & Subsidiaries	3 x salary/10,000

The levels of ownership reflect the increasing level of responsibility for that officer's position. Shares owned by an officer and his or her immediate family members as well as shares held under company benefit plans contribute to the ownership targets. Restricted stock, goal-based stock and shares underlying stock options do not contribute to the ownership targets until the shares vest or the options are exercised. We prohibit certain types of transactions related to Dominion stock, including owning derivative securities, hedging transactions, using margin accounts and pledging shares as collateral.

With limited exceptions, officers are expected to retain ownership of their Dominion stock, including restricted stock and goal-based shares that have vested, as long as they remain employed by the company. We refer to shares held by an officer that are more than 15% above his or her ownership target as qualifying excess shares. Officers may sell up to 50% of their qualifying excess shares at any time, subject to insider trading rules and other policy provisions, and may sell all qualifying excess shares during the one-year period preceding retirement. Qualifying excess shares may also be gifted to a charitable organization or put into a trust outside of the officer's control for estate planning purposes at any time.

At least annually, the CGN Committee reviews the share ownership guidelines and monitors compliance by executive officers, both individually and by the officer group as a whole. The NEOs' ownership is shown in the *Director and Officer Share Ownership* table; each NEO exceeds his ownership target.

Recovery of Incentive Compensation

Consistent with standards established by the Sarbanes-Oxley Act of 2002, Dominion's Corporate Governance Guidelines authorize the Board to seek recovery of performance-based compensation paid to officers who are found to be personally responsible for fraud or intentional misconduct that causes a restatement of financial results filed with the SEC. Beginning in 2009, the CGN Committee approved a broader clawback provision for inclusion in our AIP and long-term incentive performance grant documents. This clawback provision authorizes the CGN Committee, in its discretion and based on facts and circumstances, to recoup AIP and performance grant payouts from any employee whose fraudulent or intentional misconduct (i) directly causes or partially causes the need for a restatement of a financial statement or (ii) relates to or materially affects the company's operations or the employee's duties at the company. The company reserves the right to recover a payout by seeking repayment from the employee, by reducing the amount that would otherwise be payable to the employee under another company benefit plan or compensation program to the extent permitted by applicable law, by withholding future incentive compensation, or any combination of these actions. The clawback provision is in addition to, and not in lieu of, other actions the company may take to remedy or discipline misconduct, including termination of employment or a legal action for breach of fiduciary duty, and any actions imposed by law enforcement agencies.

Tax Deductibility of Compensation

Section 162(m) of the Code generally disallows a deduction by publicly held corporations for compensation in excess of $1 million paid to the CEO and next three most highly compensated officers other than the CFO. If certain requirements are met, performance-based compensation qualifies for an exemption from the Code Section 162(m) deduction limit. We intend to provide competitive executive compensation while maximizing Dominion's tax deduction. While the CGN Committee considers Code Section 162(m) tax implications when designing annual and long-term compensation programs and approving payouts under such programs, it reserves the right to approve, and in some cases has approved, non-deductible compensation when corporate objectives justify the cost of being unable to deduct such compensation. Dominion's tax department has advised the CGN Committee that the cost of any such lost tax deductions is not material to the company.

Accounting for Stock-Based Compensation

We measure and recognize compensation expense in accordance with the Financial Accounting Standards Board (FASB) guidance for share-based payments, which requires that compensation expense relating to share-based payment transactions be recognized in the financial statements based on the fair value of the equity or liability instruments issued. The CGN Committee considers the accounting treatment of equity and performance-based compensation when approving awards.

Executive Compensation

SUMMARY COMPENSATION TABLE – AN OVERVIEW

The Summary Compensation Table provides information in accordance with SEC requirements regarding compensation earned by our NEOs, stock awards made to our NEOs, as well as amounts accrued or accumulated during years reported with respect to retirement plans and other items. The NEOs include our CEO, our CFO, and our three most highly compensated executive officers other than our CEO and CFO.

The following highlights some of the disclosures contained in this table for our NEOs. Detailed explanations regarding certain types of compensation paid to an NEO are included in the footnotes to the table.

Salary. The amounts in this column are the base salaries earned by the NEOs for the years indicated. All NEOs received a 2% base salary increase effective March 1, 2011. For 2010, this amount also includes a 2% merit lump sum payment to all NEOs except for Mr. Sypolt who received a base salary increase due to promotion to CEO of the Dominion Energy business unit.

Stock Awards. The amounts in this column reflect the full grant date fair value of the stock awards for accounting purposes for the respective year. Stock awards are reported in the year in which the awards are granted regardless of when or if the awards vest or are exercised.

Non-Equity Incentive Plan Compensation. This column includes amounts earned under two performance-based programs: the AIP and cash-based performance grant awards under our long-term incentive programs. These performance programs are based on performance criteria established by the CGN Committee at the beginning of the performance period, with actual performance scored against the pre-set criteria by the CGN Committee at the end of the performance period.

Change in Pension Value and Nonqualified Deferred Compensation Earnings. This column shows any year-over-year increases in the annual accrual of pension and supplemental retirement benefits for our NEOs. These are accruals for future benefits that may be earned under the terms of our retirement plans, and are not actual payments made during the year to our NEOs. The amounts disclosed reflect the annual change in the actuarial present value of benefits under defined benefit plans sponsored by the company, which include the company's tax-qualified pension plan and the nonqualified plans described in the narrative following the *Pension Benefits* table. The annual change equals the difference in the accumulated amount for the current fiscal year and the accumulated amount for the prior fiscal year, generally using the same actuarial assumptions used for the company's audited financial statements for the applicable fiscal year. Accrued benefit calculations are based on assumptions that the NEOs would retire at the earliest age at which they are projected to become eligible for full, unreduced pension benefits (including the effect of future service for eligibility purposes), instead of their unreduced retirement age based on current years of service. The application of these assumptions results in a greater increase in the accumulated amount of pension benefits for certain NEOs than would result without the application of these assumptions. This method of calculation does not increase actual benefits payable at retirement but only how much of that benefit is allocated to the increase during the years presented in the Summary Compensation Table. Please refer to the footnotes to the *Pension Benefits* table and the narrative following that table for additional information related to actuarial assumptions used to calculate pension benefits.

All Other Compensation. The amounts in this column disclose compensation that is not classified as compensation reportable in another column, including perquisites and benefits with an aggregate value of at least $10,000, the value of company-paid life insurance premiums, company matching contributions to an NEO's 401(k) Plan account, and company matching contributions paid directly to the NEO that would be credited to the 401(k) Plan if Internal Revenue Code contribution limits did not apply. For 2010 and 2011, dividends paid on outstanding restricted stock are not included in All Other Compensation in accordance with SEC rules as the value of the dividends is factored into the grant date fair value of the restricted stock.

Total. The number in this column provides a single figure that represents the total compensation either earned by each NEO for the years indicated or accrued benefits payable in later years and required to be disclosed by SEC rules in this table. It does not reflect actual compensation paid to the NEO during the year, but is the sum of the dollar values of each type of compensation quantified in the other columns in accordance with SEC rules.

SUMMARY COMPENSATION TABLE

The following table presents information concerning compensation paid or earned by our NEOs for the years ended December 31, 2011, 2010 and 2009 as well as the grant date fair value of stock awards and changes in pension value.

Name and Principal Position	Year	Salary(1)	Stock Awards(2)	Non-Equity Incentive Plan Compensation(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(4)	All Other Compensation(5)	Total
Thomas F. Farrell II	**2011**	**$1,220,000**	**$3,500,006**	**$7,297,000**	**$1,815,468**	**$160,854**	**$13,993,328**
Chairman, President and Chief Executive Officer	2010	1,224,000	7,731,000	5,838,000	1,970,849	160,536	16,924,385
	2009	1,200,000	3,000,010	5,532,000	1,591,777	649,754	11,973,541
Mark F. McGettrick	**2011**	**661,748**	**1,000,027**	**2,079,239**	**1,654,680**	**70,026**	**5,465,720**
Executive Vice President and Chief Financial Officer	2010	663,918	900,014	1,829,206	3,458,328	72,350	6,923,816
	2009	648,250	750,002	1,665,292	1,872,269	181,413	5,117,226
David A. Christian	**2011**	**563,030**	**562,537**	**1,106,833**	**1,242,801**	**95,989**	**3,571,190**
Executive Vice President (CEO–Dominion Generation)	2010	564,876	425,021	1,045,478	1,248,164	92,478	3,376,017
	2009	551,550	325,028	924,726	1,252,716	144,334	3,198,354
Paul D. Koonce	**2011**	**506,198**	**562,537**	**1,322,890**	**830,222**	**58,906**	**3,280,753**
Executive Vice President (CEO–Dominion Virginia Power)	2010	507,858	562,537	1,174,667	755,323	47,907	3,048,292
	2009	495,883	450,023	1,088,608	383,988	119,481	2,537,983
Gary L. Sypolt *Executive Vice President*	**2011**	**499,590**	**425,037**	**890,558**	**1,042,104**	**61,514**	**2,918,803**
(CEO–Dominion Energy)	2010	437,020	625,035	813,225	1,513,956	59,156	3,448,392

(1) All NEOs received a 2% base salary increase effective on March 1, 2011. For 2010, this amount also includes a 2% merit lump sum payment to all NEOs except for Mr. Sypolt who received a base salary increase due to promotion to CEO of the Dominion Energy business unit.

(2) The amounts in this column reflect the full grant date fair value of stock awards for the respective year grant in accordance with FASB ASC Topic 718—guidance for share-based payments. Dominion did not grant any stock options in 2011. See also Note 20 to the Consolidated Financial Statements in Dominion's 2011 Annual Report on Form 10-K for more information on the valuation of stock-based awards, the *Grants of Plan-Based Awards* table for stock awards granted in 2011, and the *Outstanding Equity Awards at Fiscal Year-End* table for a listing of all outstanding equity awards as of December 31, 2011.

(3) The 2011 amounts in this column include the payout under Dominion's 2011 AIP and 2010 Performance Grant Awards. All of the named executive officers received 75% funding of their 2011 AIP target awards and 100% payout for accomplishment of their goals except Mr. Koonce who achieved 97.6% payout. The 2011 AIP payout amounts were as follows: Mr. Farrell: $1,147,500; Mr. McGettrick: $497,939; Mr. Christian: $360,108; Mr. Koonce: $334,577; and Mr. Sypolt: $319,533. See CD&A for additional information on the 2011 AIP and the *Grants of Plan-Based Awards* table for the range of each NEO's potential award under the 2011 AIP. The 2010 Performance Grant Award was issued on February 1, 2010 and the payout amount was determined based on achievement of performance goals for the performance period ended December 31, 2011. Payouts can range from 0% to 200%. The actual payout was 175.7% of the target amount. The payout amounts were as follows: Mr. Farrell: $6,149,500; Mr. McGettrick: $1,581,300; Mr. Christian: $746,725; Mr. Koonce: $988,313; and Mr. Sypolt: $571,025. The 2010 amounts reflect both the 2010 AIP and the 2009 Performance Grant payouts, and the 2009 amounts reflect both the 2009 AIP and 2008 Performance Grant payouts.

(4) All amounts in this column are for the aggregate change in the actuarial present value of the NEO's accumulated benefit under our qualified Pension Plan and nonqualified executive retirement plans. There are no above-market earnings on nonqualified deferred compensation plans. These accruals are not directly in relation to final payout potential, and can vary significantly year over year based on (i) promotions and corresponding changes in salary; (ii) other one-time adjustments to salary or incentive target for market or other reasons; (iii) actual age versus predicted age at retirement; and (iv) other relevant factors.

(5) *All Other Compensation* amounts for 2011 are as follows:

Name	Executive Perquisites[(a)]	Life Insurance Premiums	Employee 401(k) Plan Match[(b)]	Company Match Above IRS Limits[(c)]	Total All Other Compensation
Thomas F. Farrell II	$85,054	$29,448	$7,350	$39,002	$160,854
Mark F. McGettrick	29,614	13,941	9,800	16,671	70,026
David A. Christian	33,370	40,097	9,800	12,722	95,989
Paul D. Koonce	30,912	12,808	7,350	7,836	58,906
Gary L. Sypolt	23,350	18,180	9,800	10,184	61,514

(a) Unless noted, the amounts in this column for all NEOs are comprised of the following: personal use of company vehicle and financial planning and health and wellness allowance. For Mr. Farrell, the amounts in this column also include personal use of the corporate aircraft. The value of Mr. Farrell's personal use of the aircraft during 2011 was $59,640. For personal flights, all direct operating costs are included in calculating aggregate incremental cost. Direct operating costs include the following: fuel, airport fees, catering, ground transportation and crew expenses (any food, lodging and other costs). The fixed costs of owning the aircraft and employing the crew are not taken into consideration, as more than 97% of the use of the corporate aircraft is for business purposes. The CGN Committee has directed Mr. Farrell to use corporate aircraft for all personal travel whenever it is feasible to do so.

(b) Employees initially hired before 2008 who contribute to the 401(k) Plan receive a matching contribution of 50 cents for each dollar contributed up to 6% of compensation (subject to Internal Revenue Service (IRS) limits) for employees who have less than 20 years of service, and 67 cents for each dollar contributed up to 6% of compensation (subject to IRS limits) for employees who have 20 or more years of service.

(c) Represents each payment of lost 401(k) Plan matching contribution due to IRS limits.

Grants of Plan-Based Awards

The following table provides information about stock awards and non-equity incentive awards granted to our NEOs during the year ended December 31, 2011.

Name	Grant Date(1)	Grant Approval Date(1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards: Threshold	Target	Maximum	All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Options Award(1)(4)
Thomas F. Farrell II							
2011 Annual Incentive Plan(2)			$0	$1,530,000	$3,060,000		
2011 Cash Performance Grant(3)				3,500,000	7,000,000		
2011 Restricted Stock Grant(4)	2/1/2011	1/20/2011				80,386	$3,500,006
Mark F. McGettrick							
2011 Annual Incentive Plan(2)				663,918	1,327,836		
2011 Cash Performance Grant(3)				1,000,000	2,000,000		
2011 Restricted Stock Grant(4)	2/1/2011	1/20/2011				22,968	1,000,027
David A. Christian							
2011 Annual Incentive Plan(2)				480,145	960,290		
2011 Cash Performance Grant(3)				562,500	1,125,000		
2011 Restricted Stock Grant(4)	2/1/2011	1/20/2011				12,920	562,537
Paul D. Koonce							
2011 Annual Incentive Plan(2)				457,072	914,144		
2011 Cash Performance Grant(3)				562,500	1,125,000		
2011 Restricted Stock Grant(4)	2/1/2011	1/20/2011				12,920	562,537
Gary L. Sypolt							
2011 Annual Incentive Plan(2)				426,044	852,088		
2011 Cash Performance Grant(3)				425,000	850,000		
2011 Restricted Stock Grant(4)	2/1/2011	1/20/2011				9,762	425,037

(1) On January 20, 2011, the CGN Committee approved the 2011 long-term incentive compensation awards for our officers, which consisted of a restricted stock grant and a cash performance grant. The 2011 restricted stock award was granted on February 1, 2011. Under the 2005 Incentive Compensation Plan, fair market value is defined as the closing price of Dominion common stock as of the last day on which the stock is traded preceding the date of grant. The grant date fair market value for the February 1, 2011 restricted stock grant was $43.54 per share, which was Dominion's closing stock price on January 31, 2011.

(2) Amounts represent the range of potential payouts under the 2011 AIP. Actual amounts paid under the 2011 AIP are found in the *Non-Equity Incentive Plan Compensation* column of the *Summary Compensation Table*. Under our AIP, officers are eligible for an annual performance-based award. The CGN Committee establishes target awards for each NEO based on his salary level and expressed as a percentage of the individual NEO's base salary. The target award is the amount of cash that will be paid if the plan is fully funded and payout goals are achieved. For the 2011 AIP, funding was based on the achievement of consolidated operating earnings goals with the maximum funding capped at 200%, as explained under the *Annual Incentive Plan* section of the CD&A.

(3) Amounts represent the range of potential payouts under the 2011 performance grant of our long-term incentive program. Payouts can range from 0% to 200% of the target award. Awards will be paid by March 15, 2013 depending on the achievement of performance goals for the two-year period ending December 31, 2012. The amount earned will depend on the level of achievement of two performance metrics: TSR-50% and ROIC-50%. TSR measures Dominion's share performance for the two-year period ended December 31, 2012 relative to the TSR of a group of industry peers selected by the CGN Committee. ROIC goal achievement will be scored against 2011 and 2012 budget goals.

The performance grant is forfeited in its entirety if an officer voluntarily terminates employment or is terminated with cause before the vesting date. The grants have pro-rated vesting for retirement, termination without cause, death or disability. In the case of retirement, pro-rated vesting will not occur if the CEO (or, for the CEO, the CGN Committee) determines the officer's retirement is detrimental to the company. Payout for an officer who retires or whose employment is terminated without cause, is made following the end of the performance period so that the officer is rewarded only to the extent the performance goals are achieved. In the case of death or disability, payout is made as soon as possible to facilitate the administration of the officer's estate or financial planning. The payout amount will be the greater of the officer's target award or an amount based on the predicted performance used for compensation cost disclosure purposes in Dominion's financial statements.

In the event of a change in control, the performance grant is vested in its entirety and payout of the performance grant will occur as soon as administratively feasible following the change in control date at an amount that is the greater of an officer's target award or an amount based on the predicted performance used for compensation cost disclosure purposes in Dominion's financial statements.

(4) The 2011 restricted stock grant fully vests at the end of three years. The restricted stock grant is forfeited in its entirety if an officer voluntarily terminates employment or is terminated with cause before the vesting date. The restricted stock grant provides for pro-rated vesting if an officer retires, dies, becomes disabled, is terminated without cause, or if there is a change in control. In the case of retirement, pro-rated vesting will not occur if the CEO (or for the CEO, the CGN Committee) determines the officer's retirement is detrimental to the company. In the event of a change in control, pro-rated vesting is provided as of the change in control date, and full vesting if an officer's employment is terminated, or constructively terminated by the successor entity following the change in control date but before the scheduled vesting date. Dividends on the restricted shares are paid during the restricted period at the same rate declared by Dominion for all shareholders.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes equity awards made to NEOs that were outstanding as of December 31, 2011. There were no unexercised or unexercisable option awards outstanding for any of our NEOs as of December 31, 2011.

Name	Stock Awards: Number of Shares or Units of Stock that Have Not Vested	Stock Awards: Market Value of Shares or Units of Stock That Have Not Vested[1]
Thomas F. Farrell II	85,276[2]	$4,526,450
	93,433[3]	4,959,424
	80,386[4]	4,266,889
	104,188[5]	5,530,299
Mark F. McGettrick	21,319[2]	1,131,613
	24,026[3]	1,275,300
	22,968[4]	1,219,141
David A. Christian	9,239[2]	490,406
	11,346[3]	602,246
	12,920[4]	685,794
Paul D. Koonce	12,792[2]	678,999
	15,017[3]	797,102
	12,920[4]	685,794
Gary L. Sypolt	5,686[2]	301,813
	8,676[3]	460,522
	9,762[4]	518,167
	6,872[6]	364,766

(1) The market value is based on closing stock price of $53.08 on December 30, 2011, which was the last day of our fiscal year on which Dominion common stock was traded.

(2) Shares scheduled to vest on February 1, 2012.

(3) Shares scheduled to vest on February 1, 2013.

(4) Shares scheduled to vest on February 1, 2014.

(5) Shares scheduled to vest on December 17, 2015. Amount includes dividends reinvested into additional shares that are restricted and subject to the same terms and conditions of the underlying restricted stock grant.

(6) Shares scheduled to vest on October 1, 2013.

OPTION EXERCISES AND STOCK VESTED

The following table provides information about the value realized by NEOs during the year ended December 31, 2011 on vested restricted stock awards. There were no option exercises by NEOs in 2011.

	Stock Awards	
Name	Number of Shares Acquired on Vesting	Value Realized on Vesting
Thomas F. Farrell II	73,458	$3,283,573
Mark F. McGettrick	18,365	820,916
David A. Christian	7,958	355,723
Paul D. Koonce	11,019	492,549
Gary L. Sypolt	4,898	218,941

PENSION BENEFITS

The following table shows the actuarial present value of accumulated benefits payable to our NEOs, together with the number of years of benefit service credited to each NEO, under the plans listed in the table. Values are computed as of December 31, 2011, using the same interest rate and mortality assumptions used in determining the aggregate pension obligations disclosed in the company's financial statements. The years of credited service and the present value of accumulated benefits were determined by our plan actuaries, using the appropriate accrued service, pay and other assumptions similar to those used for accounting and disclosure purposes. Please refer to *Actuarial Assumptions Used to Calculate Pension Benefits* for detailed information regarding these assumptions.

Name	Plan Name	Number of Years Credited Service(1)	Present Value of Accumulated Benefit(2)
Thomas F. Farrell II	Pension Plan	16.00	$ 787,057
	Benefit Restoration Plan	27.00	8,385,980
	Supplemental Retirement Plan	27.00	12,066,100
Mark F. McGettrick	Pension Plan	27.50	1,136,959
	Benefit Restoration Plan	30.00	5,586,218
	Supplemental Retirement Plan	30.00	5,660,287
David A. Christian	Pension Plan	27.50	1,418,743
	Benefit Restoration Plan	27.50	2,819,745
	Supplemental Retirement Plan	27.50	3,685,014
Paul D. Koonce	Pension Plan	13.00	495,853
	Benefit Restoration Plan	13.00	674,248
	Supplemental Retirement Plan	13.00	3,062,475
Gary L. Sypolt	Pension Plan	30.00	1,814,217
	Benefit Restoration Plan	30.00	1,510,346
	Supplemental Retirement Plan	30.00	1,886,200

(1) Years of credited service shown in this column for the Pension Plan are actual years accrued by an NEO from his date of participation to December 31, 2011. Service for the Benefit Restoration Plan and the Supplemental Retirement Plan is the NEO's actual credited service as of December 31, 2011 plus any potential total credited service to the plan maximum, including any extra years of credited service granted to Messrs. Farrell and McGettrick by the CGN Committee for the purpose of calculating benefits under these plans. Please refer to the narrative below and under *Dominion Retirement Benefit Restoration Plan* and *Potential Payments Upon Termination or Change In Control* for information about the requirements for receiving extra years of credited service and the amount credited, if any, for each NEO.

(2) The amounts in this column are based on actuarial assumptions that all of the NEOs would retire at the earliest age they become eligible for unreduced benefits, which is (i) age 60 for Messrs. Farrell, Koonce, Christian and Sypolt, and (ii) age 55 for Mr. McGettrick (when he would be treated as age 60 based on his five additional years of credited age). In addition, for purposes of calculating the Benefit Restoration Plan benefits for Messrs. Farrell and McGettrick, the amounts reflect additional credited years of service granted to them pursuant to their agreements with the company (see *Dominion Retirement Benefit Restoration Plan*). If the amounts in this column did not include the additional years of credited service, the present value of the Benefit Restoration Plan benefit would be $4,033,286 lower for Mr. Farrell and $2,894,318 lower for Mr. McGettrick. Pension Plan and Supplemental Retirement Plan benefits amounts are not augmented by the additional service credit assumptions.

Dominion Pension Plan

The Dominion Pension Plan is a tax-qualified defined benefit pension plan. All of the NEOs participate in the Pension Plan. The Pension Plan provides unreduced retirement benefits at termination of employment at or after age 65 or, with three years of service, at age 60. A participant who has attained age 55 with three years of service may elect early retirement benefits at a reduced amount. If a participant retires between ages 55 and 60, the benefit is reduced 0.25% per month for each month after age 58 and before age 60, and reduced 0.50% per month for each month between ages 55 and 58. All of the NEOs have more than three years of service.

The Pension Plan basic benefit is calculated using a formula based on (1) age at retirement; (2) final average earnings; (3) estimated Social Security benefits; and (4) credited service. Final average earnings are the average of the participant's 60 highest consecutive months of base pay during the last 120 months worked. Final average earnings do not include compensation payable under the AIP, the value of equity awards, gains from the exercise of stock options, long-term cash incentive awards, perquisites or any other form of compensation other than base pay.

Credited service is measured in months, up to a maximum of 30 years of credited service. The estimated Social Security benefit taken into account is the assumed Social Security benefit payable starting at age 65 or actual retirement date, if later, assuming that the participant has no further employment after leaving Dominion. These factors are then applied in a formula.

The formula has different percentages for credited service through December 31, 2000 and on and after January 1, 2001. The benefit is the sum of the amounts from the following two formulas.

For credited service through December 31, 2000:

2.03% **times** Final Average Earnings **times** Credited Service before 2001	**Minus**	2.00% **times** estimated Social Security benefit **times** Credited Service before 2001

For credited service on or after January 1, 2001:

1.80% **times** Final Average Earnings **times** Credited Service after 2000	**Minus**	1.50% **times** estimated Social Security benefit **times** Credited Service after 2000

Credited service is limited to a total of 30 years for all parts of the formula and credited service after 2000 is limited to 30 years minus credited service before 2001.

Benefit payment options are (1) a single life annuity or (2) a choice of a 50%, 75% or 100% joint and survivor annuity. A Social Security leveling option is available with any of the benefit forms. The normal form of benefit is a single life annuity for unmarried participants and a 50% joint and survivor annuity for married participants. All of the payment options are actuarially equivalent in value to the single life annuity. The Social Security leveling option pays a larger benefit equal to the estimated Social Security benefit until the participant is age 62 and then reduced payments after age 62.

The Pension Plan also includes a special retirement account, which is in addition to the pension benefit. The special retirement account is credited with 2% of base pay each month as well as interest based on the 30-year Treasury bond rate set annually (3.77% in 2011). The special retirement account can be paid in a lump sum or paid in the form of an annuity benefit.

A participant becomes vested in his or her benefit after completing three years of service. A vested participant who terminates employment before age 55 can start receiving benefit payments calculated using terminated vested reduction factors at any time after attaining age 55. If payments begin before age 65, then the following reduction factors for the portion of the benefits earned after 2000 apply: age 64 – 9%; age 63 – 16%; age 62 – 23%; age 61 – 30%; age 60 – 35%; age 59 – 40%; age 58 – 44%; age 57 – 48%; age 56 – 52%; and age 55 – 55%.

The Code limits the amount of compensation that may be included in determining pension benefits under qualified pension plans. For 2011, the compensation limit was $245,000. The Code also limits the total annual benefit that may be provided to a participant under a qualified defined benefit plan. For 2011, this limitation was the lesser of (i) $195,000 or (ii) the average of the participant's compensation during the three consecutive years in which the participant had the highest aggregate compensation.

Dominion Retirement Benefit Restoration Plan

The BRP is a nonqualified defined benefit pension plan designed to make up for benefit reductions under the Dominion Pension Plan due to the limits imposed by the Code.

A Dominion employee is eligible to participate in the BRP if (1) he or she is a member of management or a highly compensated employee, (2) his or her Dominion Pension Plan benefit is or has been limited by the Code compensation or benefit limits, and (3) he or she has been designated as a participant by the CGN Committee. A participant remains a participant until he or she ceases to be eligible for any reason other than retirement or until his or her status as a participant is revoked by the CGN Committee.

Upon retirement, a participant's BRP benefit is calculated using the same formula (except that the IRS salary limit is not applied) used to determine the participant's default annuity form of benefit under the Dominion Pension Plan (single life annuity for unmarried participants and 50% joint and survivor annuity for married participants), and then subtracting the benefit the participant is entitled to receive under the Dominion Pension Plan. To accommodate the enactment of Section 409A of the Code, the portion of a participant's BRP benefit that had accrued as of December 31, 2004 is frozen, but the calculation of the overall restoration benefit is not changed.

The restoration benefit is generally paid in the form of a single lump sum cash payment. However, a participant may elect to receive a single life or 50% or 100% joint and survivor annuity for the portion of his or her benefit that accrued prior to 2005. For the portion of his or her benefit that accrued in 2005 or later, a participant may also elect to receive a 75% joint and survivor annuity. The lump sum calculation includes an amount approximately equivalent to the amount of taxes the participant will owe on the lump sum payment so that the participant will have sufficient funds, on an after-tax basis, to purchase an annuity contract.

A participant who terminates employment before he or she is eligible for benefits under the Pension Plan generally is not entitled to a restoration benefit. Messrs. Farrell and McGettrick have been granted age and service credits for purposes of calculating their Pension Plan and BRP benefits. Per his letter agreement, Mr. Farrell was granted 25 years of service when he reached age 55 and will continue to accrue service as long as he remains employed. At age 60, Mr. Farrell's benefits will be calculated based on 30 years of service, if he remains employed. Mr. McGettrick, having attained age 50, has earned benefits calculated based on five additional years of age and service. For each of these NEOs, the additional years of service count towards determining both the amount of benefits and the eligibility to receive them. For additional information regarding service credits, see *Dominion Executive Supplemental Retirement Plan*.

If a vested participant dies when he or she is retirement eligible (on or after age 55), the participant's beneficiary will receive the restoration benefit in a single lump sum payment. If a participant dies while employed but before he or she has attained age 55 and the participant is married at the time of death, the participant's spouse will receive a restoration benefit calculated in the same way as the 50% qualified pre-retirement survivor annuity payable under the Pension Plan and paid in a lump sum payment.

Dominion Executive Supplemental Retirement Plan
The Dominion Executive Supplemental Retirement Plan (ESRP) is a nonqualified defined benefit plan that provides for an annual retirement benefit equal to 25% of a participant's final cash compensation (base salary plus target annual incentive award) payable for a period of 10 years or, for certain participants designated by the CGN Committee, for the participant's lifetime. To accommodate the enactment of Section 409A of the Code, the portion of a participant's ESRP benefit that had accrued as of December 31, 2004 is frozen, but the calculation of the overall benefit is not changed.

A Dominion employee is eligible to participate in the ESRP if (1) he or she is a member of management or a highly compensated employee, and (2) he or she has been designated as a participant by the CGN Committee. A participant remains a participant until he or she ceases to be eligible for any reason other than retirement or until his or her status as a participant is revoked by the CGN Committee.

A participant is entitled to the full ESRP benefit if he or she separates from service with Dominion after reaching age 55 and achieving 60 months of service. A participant who separates from service with Dominion with at least 60 months of service but who has not yet reached age 55 is entitled to a reduced, pro-rated retirement benefit. A participant who separates from service with Dominion with fewer than 60 months of service is generally not entitled to an ESRP benefit unless the participant separated from service on account of disability or death. Effective December 1, 2006, officers who are participants must achieve 60 months of service as an officer to be eligible for the ESRP benefit.

The ESRP benefit is generally paid in the form of a single lump sum cash payment. However, a participant may elect to receive the portion of his or her benefit that had accrued as of December 31, 2004 in monthly installments. For any new participants, the ESRP benefit must be paid in the form of a single lump sum cash payment. The lump sum calculation includes an amount approximately equivalent to the amount of taxes the participant will owe on the lump sum payment so that the participant will have sufficient funds, on an after-tax basis, to purchase a 10-year or lifetime annuity contract.

All of the NEOs except Mr. Koonce are currently entitled to a full ESRP retirement benefit. If Mr. Koonce terminates employment before he attains age 55, he will receive a pro-rated ESRP benefit. Based on the terms of their individual letter agreements, Messrs. Farrell and Koonce will receive an ESRP benefit calculated as a lifetime benefit. Under the terms of his letter agreement, Mr. McGettrick will earn a lifetime benefit under the ESRP if he remains employed until he attains age 55. Mr. McGettrick has earned five years of additional age and service credit for purposes of computing his retirement benefits and eligibility for benefits under the ESRP, long-term incentive grants, and retiree medical and life insurance plans as he has met the requirement of remaining employed until he attained age 50. If Mr. McGettrick terminates employment before he attains age 55, he will be deemed to have retired for purposes of determining his vesting credit under the terms of his restricted stock and performance grant awards. Mr. Christian will receive ESRP benefits calculated as a lifetime benefit provided he remains employed with Dominion until attainment of age 60. As consideration for this benefit, Mr. Christian has agreed not to compete with the company for a two-year period following retirement. This agreement ensures that his knowledge and services will not be available to competitors for two years following his retirement date.

Actuarial Assumptions Used to Calculate Pension Benefits
Actuarial assumptions used to calculate Pension Plan benefits are prescribed by the terms of the Pension Plan based on the Code and Pension Benefit Guaranty Corporation requirements. The present value of the accumulated benefit is calculated using actuarial and other factors as determined by the plan actuaries and approved by Dominion. Actuarial assumptions used for the December 31, 2011 benefit calculations shown in the *Pension Benefits* table include a discount rate of 5.50% to determine the present value of the future benefit obligations for the Pension Plan, BRP and ESRP and a lump sum interest rate of 4.75% to estimate the lump sum values of BRP and ESRP benefits. Each NEO is assumed to retire at the earliest age at which he is projected to become eligible for full, unreduced pension benefits. Beginning with the 2009 calculations, for purposes of estimating future eligibility for unreduced Pension

Plan and ESRP benefits, the effect of future service is considered. Each NEO is assumed to commence Pension Plan payments at the same age as BRP payments. The longevity assumption used to determine the present value of benefits is the same assumption used for financial reporting of the Pension Plan liabilities, with no assumed mortality before retirement age. Assumed mortality after retirement is based on tables from the Society of Actuaries' RP-2000 study, projected from 2000 to a point five years beyond the calculation date (this year, to 2016) with 100% of the Scale AA factors, and further adjusted for Dominion experience by using an age set-forward factor. For BRP and ESRP benefits, other actuarial assumptions include an assumed tax rate of 42%. BRP and ESRP benefits are assumed to be paid as lump sums; pension plan benefits are assumed to be paid as annuities.

The discount rate for calculating lump sum BRP and ESRP payments at the time an officer terminates employment is selected by Dominion's Administrative Benefits Committee and adjusted periodically. For year 2011, a 5.46% discount rate was used to determine the lump sum payout amounts. The discount rate for each year will be based on a rolling average of the blended rate published by the Pension Benefit Guaranty Corporation in October of the previous five years.

Nonqualified Deferred Compensation

Name	Aggregate Earnings in Last FY (as of 12/31/2011)*	Aggregate Withdrawals/ Distributions (as of 12/31/2011)	Aggregate Balance at Last FYE (as of 12/31/2011)
Thomas F. Farrell II	$ 412	$ 14,339	$ —
Mark F. McGettrick	11,893	781,635	—
David A. Christian	755	—	28,975
Paul D. Koonce	200,955	—	1,362,475
Gary L. Sypolt	147,566	—	915,906

*No preferential earnings are paid and therefore no earnings from these plans are included in the *Summary Compensation Table.*

At this time, Dominion does not offer any nonqualified elective deferred compensation plans to its officers or other employees. The *Nonqualified Deferred Compensation* table reflects, in aggregate, the plan balances for two former plans offered to Dominion officers and other highly compensated employees: Dominion Resources, Inc. Executives' Deferred Compensation Plan (Frozen Deferred Compensation Plan) and Dominion Resources, Inc. Security Option Plan (Frozen DSOP), which were frozen as of December 31, 2004. Although the Frozen DSOP was an option plan rather than a deferred compensation plan, we are including information regarding the plan and any balances in this table to make full disclosure about possible future payments to officers under our employee benefit plans.

Frozen Deferred Compensation Plan

The Frozen Deferred Compensation Plan includes amounts previously deferred from one of the following categories of compensation: (i) salary; (ii) bonus; (iii) vesting restricted stock; and (iv) gains from stock option exercises. The plan also provided for company contributions of lost company 401(k) Plan match contributions and transfers from several CNG deferred compensation plans. The Frozen Deferred Compensation Plan offers 27 investment funds for the plan balances, including a Dominion Stock Fund. Participants may change investment elections on any business day. Any vested restricted stock and gains from stock option exercises that were deferred were automatically allocated to the Dominion Stock Fund and this allocation cannot be changed. Earnings are calculated based on the performance of the underlying investment fund. The following funds had rates of returns for 2011 as follows: Dominion Resources Stock Fund, 29.37%; and Dominion Fixed Income Fund, 3.35%.

The Dominion Fixed Income Fund is an investment option that provides a fixed rate of return each year based on a formula that is tied to the adjusted federal long-term rate published by the IRS in November prior to the beginning of the year. Dominion's Asset Management Committee determines the rate based on its estimate of the rate of return on Dominion assets in the trust for the Frozen Deferred Compensation Plan.

The default benefit commencement date is February 28 after the year in which the participant retires, but the participant may select a different Benefit Commencement Date in accordance with the plan. Participants may change their benefit commencement date election; however, a new election must be made at least six months before an existing Benefit Commencement Date. Withdrawals less than six months prior to an existing benefit commencement date are subject to a 10% early withdrawal penalty. Account balances must be fully paid out no later than the February 28 that is 10 calendar years after a participant retires or becomes disabled. If a participant retires from the company, he or she may continue to defer an account balance provided that the total balance is distributed by this deadline. In the event of termination of employment for reasons other than death, disability or retirement before an elected benefit commencement date, benefit payments will be distributed in a lump sum as soon as administratively practicable. Hardship distributions, prior to an elected benefit commencement date, are available under certain limited circumstances.

Participants may elect to have their benefit paid in a lump sum payment or equal annual installments over a period of whole years from one to 10 years. Participants have the ability to change their distribution schedule for benefits under the plan by giving six months notice to the plan administrator. Once a participant begins receiving annual installment payments, the participant can make a one-time election to either (1) receive the remaining account balance in the form of a lump sum distribution or (2) change the remaining installment payment period. Any election must be approved by the company before it is effective. All distributions are made in cash with the exception of the Deferred Restricted Stock Account and the Deferred Stock Option Account, which are distributed in the form of Dominion common stock.

Frozen DSOP

The Frozen DSOP enabled employees to defer all or a portion of their salary and bonus and receive options on various mutual funds. Participants also received lost company matching contributions to the 401(k) Plan in the form of options under this plan. DSOP options can be exercised at any time before their expiration date. On exercise, the participant receives the excess of the value, if any, of the underlying mutual funds over the strike price. The participant can currently choose among options on 26 mutual funds, and there is not a Dominion stock alternative or a fixed income fund. Participants may change options among the mutual funds on any business day. Benefits grow/decline based on the total return of the mutual funds selected. Any options that expire do not have any value. Options expire under the following terms:

- Options expire on the last day of the 120th month after retirement or disability;
- Options expire on the last day of the 24th month after the participant's death (while employed);
- Options expire on the last day of the 12th month after the participant's severance;
- Options expire on the 90th day after termination with cause; and
- Options expire on the last day of the 120th month after severance following a change in control.

The NEOs that are participants in the Frozen DSOP held options on the publicly available mutual fund, Vanguard Short-Term Bond Index, which had a rate of return for 2011 of 2.96%.

Potential Payments Upon Termination Or Change In Control

Under certain circumstances, the company provides benefits to eligible employees upon termination of employment, including a termination of employment involving a change in control of the company, that are in addition to termination benefits for other employees in the same situation.

Change in Control

As discussed in the *Employee and Executive Benefits* section of the CD&A, Dominion has entered into an Employment Continuity Agreement with each of its officers, including the NEOs. Each agreement has a three-year term and is automatically extended annually for an additional year, unless cancelled by Dominion.

The Employment Continuity Agreements require two triggers for the payment of most benefits:

- There must be a change in control; and
- The executive must either be terminated without cause, or terminate his or her employment with the surviving company after a constructive termination. Constructive termination means the executive's salary, incentive compensation or job responsibility is reduced after a change in control or the executive's work location is relocated more than 50 miles without his or her consent.

For purposes of the Employment Continuity Agreements, a change in control will occur 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 transaction cease to represent a majority of Dominion's or its successor's Board within two years after the last of such transactions.

If an executive's employment following a change in control is terminated without cause or due to a constructive termination, the executive will become entitled to the following termination benefits:

- Lump sum severance payment equal to three times base salary plus annual incentive plan award (determined as the greater of (i) the target annual award for the current year or (ii) the highest actual annual incentive plan payout for any one of the three years preceding the year in which the change in control occurs).
- Full vesting of benefits under ESRP and BRP with five years of additional credited age and five years of additional credited service from the change in control date.
- Group-term life insurance. If the officer elects to convert group-term insurance to an individual policy, the company pays the premiums for 12 months.
- Executive life insurance. Premium payments will continue to be paid by the company until the earlier of: (1) the fifth anniversary of the termination date, or (2) the later of the 10th anniversary of the policy or the date the officer attains age 64.
- Retiree medical coverage will be determined under the relevant plan with additional age and service credited as provided under an officer's letter agreement (if any) and including five additional years credited to age and five additional years credited to service.
- Outplacement services for one year (up to $25,000).
- If any payments are classified as excess parachute payments for purposes of Section 280G of the Code and the executive incurs the excise tax, the company will pay the executive an amount equal to the 280G excise tax plus a gross-up multiple.

The terms of awards made under the long-term incentive program, rather than the terms of Employment Continuity Agreements, will determine the vesting of each award in the event of a change in control. These provisions are described in the *Long-Term Incentive Program* section of the CD&A and footnotes to the *Grants of Plan-Based Awards* table.

Other Post Employment Benefit for Mr. Farrell. Mr. Farrell will become entitled to a payment of one times salary upon his retirement as consideration for his agreement not to compete with the company for a two-year period following retirement. This agreement ensures that his knowledge and services will not be available to competitors for two years following his retirement date.

The following table provides the incremental payments that would be earned by each NEO if his employment had been terminated, or constructively terminated, as of December 31, 2011. These benefits are in addition to retirement benefits that would be payable on any termination of employment. Please refer to the *Pension Benefits* table for information related to the present value of accumulated retirement benefits payable to the NEOs.

Incremental Payments Upon Termination or Change in Control

Name	Non-Qualified Plan Payment	Restricted Stock(1)	Performance Grant(1)	Non-Compete Payments(2)	Severance Payments	Retiree Medical and Executive Life Insurance(3)	Out-placement Services	Excise Tax and Tax Gross-Up	Total
Thomas F. Farrell II(4)									
Retirement	$ —	$8,872,959	$1,673,913	$1,224,000	$ —	$ —	$ —	$ —	$11,770,872
Death / Disability	—	9,978,986	1,673,913	—	—	—	—	—	11,652,899
Change in Control(5)	3,092,635	5,985,863	1,826,087	—	10,737,000	—	25,000	—	21,666,585
Mark F. McGettrick(4)									
Retirement	—	2,287,376	478,261	—	—	—	—	—	2,765,637
Change in Control(5)	282,301	1,338,678	521,739	—	4,833,063	—	25,000	—	7,000,781
David A. Christian(4)									
Retirement	—	1,070,995	269,022	—	—	—	—	—	1,340,017
Change in Control(5)	1,180,379	707,450	293,478	—	3,586,962	—	25,000	2,006,504	7,799,773
Paul D. Koonce									
Termination Without Cause	—	1,378,859	269,022	—	—	—	—	—	1,647,881
Voluntary Termination	—	—	—	—	—	—	—	—	—
Termination With Cause	—	—	—	—	—	—	—	—	—
Death / Disability	—	1,378,859	269,022	—	—	—	—	—	1,647,881
Change in Control(5)	2,609,858	783,036	293,478	—	3,582,879	12,957	25,000	—	7,307,208
Gary L. Sypolt(4)									
Retirement	—	897,901	203,261	—	—	—	—	—	1,101,162
Change in Control(5)	450,027	747,367	221,739	—	3,177,759	—	25,000	1,581,104	6,202,996

(1) Grants made in 2009, 2010 and 2011 under the long-term incentive program vest prorated upon termination without cause, death or disability. These grants vest prorated upon retirement provided the CEO of Dominion (or in the case of the CEO, the CGN Committee) determines the NEO's retirement is not detrimental to the company; amounts shown assume this determination was made. However, the December 2010 restricted stock award issued to Mr. Farrell does not vest prorated if Mr. Farrell is terminated or leaves for any reason other than following change of control, death or disability. The amounts shown in the restricted stock column are based on the closing stock price of $53.08 on December 30, 2011.

(2) Pursuant to a letter agreement dated February 28, 2003, Mr. Farrell will be entitled to a special payment of one times salary upon retirement in exchange for a two-year non-compete agreement. Mr. Farrell would not be entitled to this non-compete payment in the event of his death.

(3) Amounts in this column represent the value of the incremental benefit the NEOs would receive for executive life insurance and retiree medical coverage. Mr. McGettrick is eligible for retiree medical and executive life insurance upon any termination due to his letter agreement. Messrs. Farrell, Christian and Sypolt are entitled to executive life insurance coverage and retiree medical benefit upon any termination since they are retirement eligible and have completed 10 years of service. Mr. Koonce is eligible for executive life insurance upon a change in control. Retiree health benefits have been quantified using assumptions used for financial accounting purposes.

(4) For the NEOs who are eligible for retirement, this table above assumes they would retire in connection with any termination event. Pursuant to a letter agreement dated May 2010, Mr. McGettrick would be considered as retired under any termination event.

(5) Change in control amounts assumes that a change in control and a termination or constructive termination takes place on December 31, 2011. The amounts indicated upon a change in control are the incremental amounts attributable to five years of additional age and service credited pursuant to the Employment Continuity Agreements that each NEO would receive over the amounts payable upon a retirement (Messrs. Farrell, McGettrick, Christian, and Sypolt) or termination without cause (Mr. Koonce). The restricted stock and performance grant amounts represent the value of the awards upon a change in control that is above what would be received upon a retirement or termination.

EQUITY COMPENSATION PLANS

As of December 31, 2011	Number of securities to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Plans approved by shareholders	0	0	32,807,725[2][3]
Plans not approved by shareholders	627,606	$30.81	947,379[4]
Total	627,606	$30.81[1]	33,755,104

(1) Reflects weighted average exercise price of outstanding options only and excludes restricted stock and performance awards.

(2) Amount includes shares that may be issued other than upon the exercise of an option, warrant or right as follows: Directors' Stock Accumulation Plan, 226,751 shares,

(3) Amount also includes 14,800,907 shares available for issuance under the 2005 Incentive Compensation Plan as restricted stock or performance awards. Shares for expired or forfeited awards become available for new awards.

(4) Amount represents shares available for issuance to directors who have shares held in trust under the frozen Directors' Stock Compensation Plan.

Plans Not Approved by Shareholders. Dominion's Leadership Stock Option Plan (LSOP) for Salaried Employees and the Directors' Stock Compensation Plan, under which 10 million and one million shares, respectively, were made available for issuance, did not require shareholder approval when adopted. The LSOP was a program used by Dominion to motivate, attract and retain key non-executive salaried employees through the award of stock options, as well as to encourage ownership of Dominion stock. This plan was frozen in 2005 and no future awards will be made under this plan. The remaining options outstanding under the LSOP will expire in 2012. The Directors' Stock Compensation Plan was also amended to freeze participation and prohibit deferral of compensation and grants of new benefits after December 31, 2004. Additional information regarding the Directors' Stock Compensation Plan may be found under *Frozen Directors Plans.*

Item 3 — Advisory Vote on Approval of Executive Compensation (Say on Pay)

In accordance with Section 14A of the Securities Exchange Act of 1934, we are asking shareholders to approve the following advisory resolution at the 2012 Annual Meeting of Shareholders:

> RESOLVED, that the compensation paid to the company's named executive officers as described in this Proxy Statement, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby APPROVED on an advisory basis.

Dominion's executive compensation program seeks to motivate and reward superior performance that supports our business and strategic plans and to provide the compensation and incentives needed to attract, motivate and retain executives who are crucial to Dominion's long-term success. This compensation program is designed to align the interests of our executives with those of our shareholders by placing a substantial portion of pay at risk through performance goals that, if achieved, are expected to create shareholder value. We believe the design of our compensation program is fulfilling these objectives.

The effectiveness of Dominion's executive compensation program is evidenced by the company's success in 2011 which includes among other things:

- Our TSR for 2011 was 29.4% and our three-year TSR was 70.2%. Our one- and three-year TSR ranked fifth and seventh, respectively, relative to the peer group of 16 companies used for compensation analysis. Both our one- and three-year TSR outperformed the S&P 500, Dow Jones Industrial, the S&P Utility and Dow Jones Utility Indices;
- A market capitalization of $30.2 billion as of December 31, 2011, up from $24.8 billion as of December 31, 2010; and
- A dividend payout ratio of 65%, with an annual dividend rate of $1.97 per share for 2011, up from $1.83 per share in 2010.

For a detailed description of how our executive compensation policies and programs are designed to motivate superior performance, we urge shareholders to read the *Compensation Discussion and Analysis* in this Proxy Statement, beginning on page 26, which includes an executive summary of Dominion's 2011 business highlights and compensation decisions. The *Compensation Discussion and Analysis* also discusses the compensation objectives and principles that underlie Dominion's executive compensation program, the elements of the program and how performance is measured, evaluated and rewarded.

This vote is not intended to address any specific item of compensation, but rather the overall compensation that is paid to our named executive officers resulting from our compensation objectives, policies and practices relating to our named executive officers as described in this Proxy Statement. Because your vote is advisory, it will not be binding upon the Board of Directors. However, the Board of Directors and the CGN Committee value the opinions expressed by its shareholders and will review the voting results in connection with their ongoing evaluation of Dominion's executive compensation program.

Your Board of Directors recommends that you vote FOR approval of Item 3

Shareholder Proposals

Dominion has been notified that shareholders or their representatives intend to present the following proposals for consideration at the 2012 Annual Meeting. We are presenting the proposals and supporting statements as they were submitted to us by the proponents. We do not necessarily agree with all of the statements contained in the proposals and the supporting statements, but we have limited our responses to the most important points and have not attempted to address all the statements with which we disagree. The name, address and share ownership of each proponent will be furnished upon oral or written request. We recommend a vote against each of these proposals for the reasons set forth in each opposing statement.

ITEM 4 — PROVIDE A REPORT ASSESSING THE BENEFITS FOR VIRGINIA OF DOMINION HAVING 15% OF ELECTRIC GENERATION FROM WIND AND SOLAR BY 2025

WHEREAS: Dominion Virginia Power is the largest vertically integrated energy company in the Commonwealth of Virginia providing a full array of energy-related operations and services, such as the generation, transmission, distribution and marketing of electricity.

In 2007 Virginia enacted a voluntary renewable energy portfolio goal to achieve the equivalent of 15% of its 2007 non-nuclear electric sales from renewable energy technologies by the year 2025. In 2009 the Commonwealth expanded the goal by allowing investor-owned utilities such as Dominion Virginia Power to recover costs to achieve that goal and earn an increased rate of return on those investments. Electric generation from onshore wind and solar receive a double credit toward the goal and offshore wind receives a triple credit.[1]

To date within Virginia, Dominion Virginia Power has only used hydro and biomass projects in order to achieve the renewable energy portfolio goal.[2] The hydro projects were built decades ago and using them for compliance with the renewable energy portfolio goal does not provide any additional benefits to residents of the state. The public health and environmental damages of burning biomass can be much worse than wind, solar, and other renewable energy options that Dominion Virginia Power could utilize, destroying forests and producing costly pollution.[3]

By contrast investment by wind and solar in the Commonwealth of Virginia would have numerous public health, environmental, and economic benefits for the state. The Virginia Coastal Energy Research Consortium has calculated that if Virginia's investor owned utilities, including Dominion Virginia Power, developed 3,200 MW of Virginia's offshore wind potential they could help create from 9,700 to 11,600 career-length jobs over the next two decades.[4] A study by Virginia's electric grid operator PJM found that developing 15,000 MW of wind in the region would reduce carbon pollution by 35 million tons and reduce wholesale energy market prices up to $4.74 billion annually, providing massive savings for customers.[5]

Unfortunately despite the potential environmental and economic benefits for the Commonwealth, essentially none of Dominion Resources' operation of wind and solar capacity to date has been within Virginia.

RESOLVED: Shareholders request that Dominion Resources publish a report, at reasonable cost and omitting proprietary information, by February, 2013 assessing the economic and environmental benefits for the Commonwealth of Virginia of the company developing electrical generation equivalent to 15% of Dominion Virginia Power's sales from wind and solar power facilities within the Commonwealth of Virginia and coastal waters by 2025.

1 http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=VA10R&re=1&ee=1
2 http://www.scc.virginia.gov/eaf/renew/dvp_rpsver.pdf
3 http://www.nrdc.org/energy/forestsnotfuel/files/forests-not-fuel.pdf
4 http://www.vcerc.org/VCERC Final Report Offshore Wind Studies Full Report new.pdf
5 http://pjm.com/~/media/documents/reports/20090127-carbon-emissions-whitepaper.ashx

Opposing Statement

The Board of Directors recommends that shareholders vote AGAINST this proposal

Dominion takes its responsibility for environmental stewardship seriously and is committed to using and developing renewable energy sources to help meet the current and future energy demands of its customers. We expect renewable energy will be an important component of a diverse and reliable energy mix for Dominion, and we continue to seek out opportunities to invest in renewable sources at a reasonable cost and in a prudent manner. It is part of a balanced approach, a balance that is necessary to protect the environment, keep rates low and reliability high, and support economic growth across the Commonwealth of Virginia.

We are committed to meeting Virginia's voluntary goal of 15 percent of base-year electricity sales coming from renewable energy sources by 2025 and North Carolina's mandatory renewable standard of 12.5 percent by 2021. Dominion has a broad array of renewable facilities in operation, under construction or in development. Our current renewable energy portfolio includes several hydroelectric power stations in Virginia and North Carolina, facilities using biomass (wood waste) in Virginia and wind farms in West Virginia and Indiana. In 2011, we applied to the Virginia State Corporate Commission for approval of a program that would allow Dominion to lease rooftops and grounds of commercial businesses and public facilities for electricity-generating solar panels. The panels would generate enough electricity to power about 6,000 homes during peak daylight hours. We are working with others under a U.S. Energy Department program to reduce the high costs of offshore wind generation, costs that have ended such projects elsewhere in the United States. Additionally, Dominion is completing a second study of how to bring offshore wind power to shore should those projects become cost-competitive. All of these efforts are part of the broader picture of energy affordability and reliability. Each new project—including those using renewable energy—must be approved by Virginia's State Corporation Commission to ensure it makes economic sense for our Virginia customers.

This proposal seeks a specific report on assessing the economic and environmental benefits of developing 15 percent of our electric generation from only wind and solar power facilities rather than the balanced approach that we have described above. Under Virginia and North Carolina law, we are required to annually develop and file an integrated resource plan with the objective of identifying the mix of resources necessary to meet future energy needs in an efficient and reliable manner at the lowest reasonable cost while considering the uncertainties related to current and future regulations. We are also required by Virginia law to file a report annually on our efforts to meet the renewable portfolio standards goal of 15 percent discussed above, our generation of renewable energy and the advances in renewable generation technology that affect our activities. Both of these reports utilize a balanced approach that includes wind and solar energy generation and a link to both of these reports can be found at www.dom.com and can also be accessed through the Virginia State Corporation Commission's website. Through both of these reports and disclosure on our website, our customers, shareholders and stakeholders are kept informed of Dominion's commitment to renewable energy.

Your Board of Directors recommends that you vote AGAINST this proposal.

Item 5 — Provide a Report on Policy Options to Encourage the Installation of Renewable Energy Generation Systems

WHEREAS, Dominion Virginia Power is the largest vertically integrated energy company in the Commonwealth of Virginia providing a full array of energy-related operations and services, such as the generation, transmission, distribution and marketing of electricity.

Customers of Dominion Virginia Power have increasingly expressed interest in generating renewable energy at their homes and businesses, with more than 560 customers already taking advantage of existing programs. Due to this increased interested Dominion Virginia Power has proposed a $60 monthly standby charge for customer-sited systems with the capacity to generate more than 10 kilowatts.[1] Customers and renewable energy advocates have expressed concerns that this would decrease the potential for customer-sited renewable energy sources.[2]

Renewable energy has significant potential and economic and environmental benefits. The potential for installing solar panels on rooftops in Virginia has been estimated to be over 25,000 MW by 2025, which would generate enough power to supply about 41% of Virginia's energy needs.[3]

Some of Dominion Virginia Power's peers, such as Duke Energy subsidiary Northern Indiana Power Supply Company (NIPSCO) offer programs to incentivize customer-sited renewable energy generation of similar sizes. NIPSCO's feed in tariff program pays customers with the potential to generate more than 5 kilowatts of renewable energy rather than charging them.[4]

RESOLVED: Shareholders request that Dominion Resources publish a report at reasonable cost and omitting proprietary information, by February, 2013, on policy options, above and beyond current company activities and policies, to encourage consumers and businesses to install renewable energy generation systems.

1 http://energypolicyupdate.blogspot.com/2011/11/virginia-considers-net-metering-and.html
2 http://www.ktvu.com/ap/ap/environment/solar-advocates-question-va-rate-proposal/nFSdk/
3 http://www.ef.org/documents/EF-Final-Final2.pdf, Page 82.
4 http://indianadg.files.wordpress.com/2011/07/43922order_071311.pdf

Opposing Statement

The Board of Directors recommends that shareholders vote AGAINST this proposal

Dominion takes its responsibility for environmental stewardship seriously and is committed to using and developing renewable energy sources to help meet the current and future energy demands of its customers. As we discussed in our opposing statement on the shareholder proposal included as Item 4, we are committed to meeting Virginia's voluntary goal of 15 percent of base-year electricity sales coming from renewable energy sources by 2025 and North Carolina's mandatory renewable standard of 12.5 percent by 2021.

This proposal seeks a specific report on the policy options to encourage the installation of renewable energy. Under Virginia and North Carolina law, we are required to annually develop and file an integrated resource plan with the objective to identify the mix of resources necessary to meet future energy needs in an efficient and reliable manner at the lowest reasonable cost while considering the uncertainties related to current and future regulations. We are also required by Virginia law to file a report annually on our efforts to meet the renewable portfolio standards goal of 15 percent discussed above, our generation of renewable energy and the advances in renewable generation technology that affect our activities. Both of these reports utilize a balanced approach that includes renewable energy, and a link to both of these reports can be found at www.dom.com and can also be accessed through the Virginia State Corporation Commission's website. Through both of these reports and disclosure on our website, our customers, shareholders and stakeholders are kept informed of Dominion's commitment to renewable energy.

With respect to the standby fee referenced by this proposal, this fee was approved by the Virginia State Corporation Commission so that private owners of larger solar- and wind-powered generation systems pay their fair share of the cost of building, operating and maintaining the electric transmission and distribution grid. Dominion is required to serve these customers at all times when they fail to generate electricity sufficient for their needs and to purchase any excess electricity they generate. Without this fee, other customers would have to unfairly subsidize these standby costs. It also is important to note that the vast majority of homeowners with solar- and wind-powered systems do not have to pay this fee. It applies only to the largest systems, ones that can cost $100,000 or more, including government incentives. The standby fee, which is expected to average about $20 a month and no more than $60 a month, should not provide a disincentive given the scale of the investment and incentives.

As one of the nation's leading energy providers, it is our responsibility to provide a reliable source of electricity to our customers at a reasonable cost. Keeping that primary responsibility in mind, Dominion is committed to working toward a sustainable solution that balances the interdependent goals of meeting our customers' energy needs, providing value to our shareholders and being an environmental steward.

Your Board of Directors recommends that you vote AGAINST this proposal.

ITEM 6 — PROVIDE A REPORT ON IMPACT OF PLANT CLOSURES ON COMMUNITIES

WHEREAS, Dominion Resources has made an appropriate business decision to reduce costs and improve efficiency by retiring or replacing many of its aging coal-fired power plants that would require extensive investment to continue operating. The retirement and replacement of these facilities, which are located in Massachusetts, Virginia, West Virginia, and Indiana, will significantly reduce pollution and will have substantial economic, public health, and environmental benefits.

These outdated facilities are also sources of employment and tax payments for the communities in which they are located. As Dominion Resources' peer companies have made similar decisions, some have implemented policies to work with affected constituencies and communities on plans to minimize job loss and maintain financial support such as tax revenues.

NRG signed an agreement with the State of Delaware to retire 3 of its 4 coal units at the Indian River power plant. The agreement includes investment in offshore wind, solar power, and electric vehicle infrastructure in and near the communities affected and tuition reimbursement and hiring preference for employees training in these fields.[1] Tennessee Valley Authority is retiring more than 2,000 MW of its coal-fired power plant capacity, which would affect 300-400 workers, but through retirements and transfers they will limit any potential job loss associated with those plans.[2]

Studies by the American Clean Skies Foundation and Salem Alliance for the Environment highlight dozens of power plant facilities and properties that have been redeveloped to provide jobs and tax payments to communities.[3] The State of Massachusetts has agreed to extend tax revenues to communities like Salem, MA for years beyond the time when a power plant retires.[4]

RESOLVED: Shareholders request that Dominion Resources publish a report at reasonable cost and omitting proprietary information, by February, 2013 on policies and best practices for minimizing impacts to communities affected by facility retirements and replacements, including reducing job loss and maintaining public and private financial support.

1 http://www.dnrec.delaware.gov/News/Pages/DNREC_Secretary_signs_agreement_with_NRG_to_shutdown_additional_coal_unit_at_Indian_River_power_plant.aspx
2 http://www.knoxnews.com/news/2011/apr/15/tva-to-retire-18-coal-fired-units-epa-settlement/?print=1
3 http://potomacrivergreen.org/sites/default/files/ACSF_layout_coverANDtext.pdf, http://salemsafe.org/documents/PowerPlantRedevelopment.pdf f
4 http://www.salemnews.com/local/x1692751058/Salem-protected-from-plant-tax-loss

OPPOSING STATEMENT

The Board of Directors recommends that shareholders vote AGAINST this proposal

Dominion is committed to being a responsible corporate citizen and our core values of safety, ethics, excellence and One Dominion are the foundation upon which our operations, policies and practices are based. Safety is our highest priority in the workplace and in the community. Ethics guide us to act responsibly and with integrity in all circumstances and excellence is the standard of performance to which we aspire. One Dominion means a unifying focus on teamwork companywide.

With these core values as a guide and part of our daily operations and practices, Dominion recognizes that both workers and communities are affected when a facility is retired and therefore a decision to close a facility is not made lightly. We communicate and work with the employees of the facilities affected by a closure as well as the surrounding community leaders, and assist where we can with the transition. This includes, where facilities are being retired or closed, eligible employees having the opportunity to apply for positions elsewhere in the company. For example, no employees were laid off at the North Branch Power Station in West Virginia when the facility was closed. In fact, many employees transferred to the nearby Mt. Storm Power Station.

We further take great effort in informing both the employees and the communities on the schedule of retirement or closure of facilities. Often times these notifications are made years in advance of the actual closure date so employees and communities have time to plan accordingly. We do not believe that the requested report would provide any information additional to what employees and communities already receive.

With respect to the proposal's reference to NRG Energy's agreement with the State of Delaware that includes investment in offshore wind, it should be noted that NRG announced in December 2011 the suspension of the development of its offshore wind project. In its press release, NRG Energy reports that the withdrawal of federal loan guarantees and tax credits has made the Delaware offshore wind project "both unfinanceable and financially untenable."

Your Board of Directors recommends that you vote AGAINST this proposal.

ITEM 7 — PROVIDE A REPORT ASSESSING DOMINION'S USE OF COAL OBTAINED THROUGH MOUNTAINTOP REMOVAL COAL MINING

WHEREAS: Dominion Resources is a vertically integrated energy company providing a full array of energy-related operations and services, such as the generation, transmission, distribution and marketing of electricity.

Dominion Resources has stated that it is "committed to meeting its customers' energy needs in a manner consistent with a clean environment. We believe it is both good business practice and our duty to protect the natural and cultural resources of the communities we serve. In keeping with this belief, it is our policy to conduct our business in an environmentally responsible manner that protects the public, our employees, and the earth that we all share."[1]

Yet Dominion Resources purchases a large fraction of the coal used in its energy-related operations and services from companies that practice mountaintop removal coal mining, a highly controversial practice that has adverse impacts on communities, the environment, and public health.

As of 2009, mountaintop removal coal mining has permanently erased more than 470 peaks from the Appalachian skyline, buried or polluted more than 1,200 miles of pristine headwater streams, and swept away more than 800 square miles of one of America's most diverse and valuable ecosystems[2]. EPA has placed 79 mountaintop removal coal mining projects on hold to review the permits due to concerns regarding water quality and environmental health.

Old growth forests, like in Appalachia, are important carbon sinks that store atmospheric carbon dioxide. Deforestation is the second leading source of human-caused greenhouse gas emissions worldwide. The carbon in forests destroyed by mountaintop removal coal mining each year equals roughly the annual emissions from two 800-megawatt coal-fired power plants.

Mountaintop removal coal mining blights communities. Of the approximately 500,000 acres of land covered by surface-mining permits in Kentucky over the last decade, less than 14,000 acres are scheduled to be reclaimed for commercial, residential, industrial or recreational development, according to state mining authorities.

Left unchecked, mountaintop removal coal mining will continue to irreversibly destroy the people, communities, cultural heritage, and environment of the Appalachian coalfields. By consuming coal extracted by mountaintop removal coal mining, Dominion is responsible, in part, for the permanent destruction to date of the Appalachian coalfields and the wildlife resources of the Appalachian Mountains.

Dominion management has acknowledged the controversial nature of using coal from mountaintop removal coal mining: at the 2008 annual shareholders' meeting, CEO Tom Farrell said "I wish I could tell you we will never burn another ton of mountaintop coal."

At least one of Dominion's competitors, Duke Energy, requested (on May 26, 2010) that its coal suppliers submit information and price estimates for providing coal that is not obtained through mountaintop removal coal mining.

RESOLVED: Shareholders request that Dominion Resources publish a report, at reasonable cost and omitting proprietary information, by February, 2013, assessing (i) the environmental and public health impact of Dominion's use of coal obtained through mountaintop removal cost mining, and (ii) the impact and optimum timing of a future policy ending use of coal obtained through mountaintop removal coal mining in Dominion's energy-related operations and services.

1 www.dom.com
2 http://www.epa.gov/region3/mtntop/index.htm

Opposing Statement

The Board of Directors recommends that shareholders vote AGAINST this proposal

Dominion does not own or operate coal mines and, as such, our coal supply is obtained through long-term contracts and short-term spot agreements from both domestic and international suppliers. Worldwide market conditions are continuously evaluated to ensure a range of supply options at reasonable prices which are dependent on the market environment.

In purchasing our coal supply, one of our primary selection criteria is that the material be of the appropriate quality that meets our generating plant's environmental and operational limits. In addition, the cost of the fuel supply, regardless of the type, must be reasonable. These two factors are key drivers to the successful operation of our generation facilities. As part our purchasing criteria, we require all of our vendors to be in compliance with all federal and state regulations. These regulations include those that govern the practice of mountain top mining, such as those that pertain to environmental permitting. The U.S. Environmental Protection Agency continues to evaluate the environmental rules and regulations for this type of mining.

Dominion uses a variety of fuels, including coal, to power its electric generation facilities. As one of the nation's leading energy providers, it is our responsibility to provide a reliable source of electricity to our customers at a reasonable cost. Dominion is also committed to balancing the interdependent goals of meeting our customers' energy needs, providing value to our shareholders and being a good environmental steward. We believe it is best left to the federal government to issue reports and regulations related to the national policy issues such as those that are the focus of this request.

Your Board of Directors recommends that you vote AGAINST this proposal.

ITEM 8 — PROVIDE A REPORT ON IMPACT AND RISKS OF INCREASED EXTRACTION AND USE OF NATURAL GAS

WHEREAS, Dominion Resources is a vertically integrated energy company providing a full array of energy-related operations and services, such as the generation, transmission, distribution and marketing of electricity.

Dominion Resources has published plans to significantly expand its capacity to generate power from natural gas by thousands of megawatts[1] and export liquefied natural gas.[2] These plans would likely increase natural gas production by increasing consumption within the United States and abroad.[3] This higher natural gas production potential is due to hydraulic fracturing techniques.[4]

Obtaining natural gas through hydraulic fracturing techniques has significant impacts on the environment and public health, and greater consumption and export of natural gas increases prices. These techniques use enormous amounts of water, mixed with millions of gallons of chemicals.[5] Natural gas obtained from hydraulic fracturing increases the amount of carbon pollution over the life cycle of its use.[6]

When produced and consumed, natural gas also emits smog-forming nitrogen oxides which contribute to decreased public health outcomes. The Environmental Protection Agency has recently proposed public health protections to reduce these impacts.[7]

Natural gas prices have also been extremely volatile over the last few decades.[8] This price volatility creates risk for companies and customers reliant on natural gas, including Dominion Resources. While increased production due to hydraulic fracturing techniques may reduce this price volatility, increased consumption by companies like Dominion Resources and the risks associated with water and air pollution increases pressure on prices.

RESOLVED: Shareholders request that Dominion Resources publish a report at reasonable cost and omitting proprietary information, by February 2013, on the environmental and public health impact and risks of increased extraction and the company's use of natural gas.

1 http://www.dom.com/about/pdf/irp/IRP filing 090111.pdf
2 http://www.dom.com/business/gas-transmission/cove-point/lng-exports.jsp
3 http://www.eia.gov/energyexplained/index.cfm?page=natural gas factors affecting prices
4 http://www.eia.gov/analysis/studies/usshalegas/
5 http://www.netl.doe.gov/technologies/oil-gas/publications/ENVreports/FE0000797 WaterResourcesIssues.pdf
6 http://iopscience.iop.org/1748-9326/6/3/034014/pdf/1748-9326 6 3 034014.pdf
7 http://www.epa.gov/airquality/oilandgas/actions.html
8 ftp://ftp.eia.doe.gov/features/ngprivolatility.pdf

Opposing Statement

The Board of Directors recommends that shareholders vote AGAINST this proposal

In 2010, we completed the sale of substantially all of our exploration and production operations, including our rights to associated Marcellus Shale acreage. While extraction is no longer one of our primary business operations, we transport natural gas as part of our Dominion Energy business and utilize natural gas as a fuel source for certain of our electric generating power stations, as part of our diverse and reliable fuel mix.

Dominion takes its responsibility for environmental stewardship seriously. We strive to conduct all of our operations in compliance with all federal and state environmental laws and regulations. In addition, when planning for the future energy and capacity needs of our customers, we take into account environmental factors, as well as cost and reliability, to come up with a balanced portfolio that best serves our customers and shareholders.

This is demonstrated through our integrated resource plan (IRP) which is filed annually with the states of Virginia and North Carolina and provides information regarding the mix of resources necessary to meet future energy and capacity needs of our service territory in an efficient and reliable manner at the lowest reasonable cost. Our 2011 IRP provides Dominion with the ability to respond to uncertainties brought on by potential changes in market conditions, environmental regulations, and customer demand. The 2011 IRP represents Dominion's commitment to meet environmental regulations while meeting future demand effectively through a balanced portfolio. This includes a combination of conventional, such as natural gas, and renewable generation facilities as well as demand side management programs to provide a reliable supply of energy to customers. A link to the 2011 IRP may be found at www.dom.com and also accessed through the Virginia State Corporation Commission's website. We believe it is best left to the federal government to issue reports and regulations related to the national policy issues such as those that are the focus of this request. Such reports can already be found at the websites links provided by the proponent and the websites of the U.S. Energy Information Administration, www.eia.gov, the U.S. Department of Energy, www.doe.gov, and the U.S. Environmental Protection Agency, www.epa.gov.

Your Board of Directors recommends that you vote AGAINST this proposal.

Item 9 — Report on Special Review of Nuclear Safety by Committee of Independent Directors

SPECIAL BOARD REVIEW OF **NUCLEAR POWER SAFETY ISSUES**

WHEREAS, the Fukushima nuclear crisis in Japan, brought on by an earthquake and tsunami, and the August, 2011 earthquake on the US east coast, have drawn increased attention to issues related to nuclear power safety, and

WHEREAS, Dominion Resources currently owns and operates four nuclear power plants in Wisconsin, Virginia and Connecticut, and

WHEREAS, independent studies have indicated that nuclear power plants continue to experience problems with safety-related equipment and worker errors that increase the risk of damage to the reactor cores, and that recognized but misdiagnosed or unresolved problems often cause significant events at nuclear plants, or increase their severity, and

WHEREAS, a March, 2011 report by the Union of Concerned Scientists analyzed a series of U.S. reactor incidents in 2010 that prompted special intervention by the Nuclear Regulatory Commission("NRC"), including an incident at Dominion's Surrey One reactor in Newport News, Virginia. The report found that these events were caused by a variety of shortcomings such as "inadequate training, faulty maintenance, poor design, and failure to investigate problems thoroughly (Union of Concerned Scientists, The NRC, and Nuclear Power Plant Safety in 2010: A Brighter Spotlight Needed (2011)), http://www.ucsusa.org/assets/documents/nuclear power/nrc-2010-full-report.pdf, and

WHEREAS, this report recommends that companies operating nuclear plants adopt enhanced safety measures, including transferring spent nuclear fuel from storage pools to dry casks once it has cooled, and that companies comply fully with fire protection regulations issued by the NRC in 1980 and 2004 – recommendations which could help to reduce the plants' vulnerabilities in the event of an earthquake or other significant event, and

WHEREAS, following the August, 2011 earthquake on the U.S. east coast, the Wall Street Journal reported that U.S. regulators have concluded that "more seismic activity is now considered possible in the U.S. than had been understood when older plants were built", ("Nuclear Site Status Checked" Wall Street Journal 8 Aug. 2011), and that a number of U.S. plants were now threatened by tremors greater than they were designed to withstand. (Dominion Resource's North Anna Power Station in Virginia, located 10 miles from the epicenter of the August 23,2011 5.8 magnitude earthquake, lost normal grid power and was shut down for several months),

THEREFORE, be it resolved that shareholders request that a committee of independent directors be appointed to conduct a special review of the company's nuclear safety policies and practices in light of the extraordinary developments and findings described above, including potential risks associated with seismic events in and around the company's nuclear power plants, and that that committee report to shareholders on its findings at reasonable expense and excluding proprietary or confidential information.

Opposing Statement

The Board of Directors recommends that shareholders vote AGAINST this proposal

The Board recommends that you vote against this proposal as our Audit Committee already performs, among other functions, the functions that the proposal requests and the information requested by this proposal can already be found on Dominion's website. The Audit Committee of the Board, which is composed solely of independent directors, regularly receives reports from Dominion's Chief Nuclear Officer as required by the committee's charter. The Audit Committee reviews on a regular basis the safety, reliability and operational performance of our nuclear power stations. This oversight includes reviewing safety reports, security, regulatory compliance matters, results of Nuclear Regulatory Commission (NRC) and Institute of Nuclear Power Operations reports and operational measures such as outages, uprates and capacity factor, among other items. Both the Audit Committee and our full Board received reports and updates on the Fukishima incident. Both the Audit Committee and our full Board have discussed and reviewed the automatic shutdown of our North Anna power station following a 5.8 magnitude earthquake in Central Virginia on August 23, 2011, including the post-earthquake inspection of the power station and the process and procedures that were performed to prepare the two nuclear units for restart that are described below.

The proposal requests a report to be issued by the requested committee on its findings. Dominion already makes a substantial amount of information regarding its nuclear operations available to the shareholders and the public. With respect to the automatic shutdown of our North Anna plant, Dominion maintained a separate website that provided regular updates on North Anna at http://www.dom.com/about/stations/nuclear/north-anna/update.jsp and included links to news releases, Dominion's presentations to the NRC, NRC reports and correspondence, timelines, video of the public meeting held by the NRC to discuss the findings of its special inspections team and answers to frequently asked questions. Following the earthquake, Dominion performed a program of inspections, testing and analysis to make sure the North Anna power station was undamaged and capable of being safely restarted. The program involved more than 100,000 man-hours of work and cost more than $21 million, plus the use of numerous outside seismic and engineering experts. The NRC performed its own inspection of the station and independently confirmed the company's finding of no functional damage. Dominion cooperated with the NRC throughout the process, extensively documenting all the findings and responding to all requests for additional information from the agency. The NRC held four public meetings to review and discuss the inspections and findings – two near the station and two at the NRC headquarters in Rockville, Md. In its November 11, 2011 letter, the NRC gave the company formal permission to begin the restart. Additional information on the aforementioned can be found at the North Anna update website address provided above.

In addition to the North Anna update website, Dominion provides information about each of its nuclear power stations on its website at http://www.dom.com/about/stations/nuclear/index.jsp, including emergency preparedness, evacuation information and emergency classifications by the NRC. The NRC also maintains a website on its actions with respect to the North Anna shutdown at http://www.nrc.gov/about-nrc/emerg-preparedness/virginia-quake-info.html.

As shown above, Dominion has an existing committee of independent directors that reviews the company's nuclear safety policies and practices and has made a significant amount of information regarding it nuclear operations available to shareholders and the public on its website, and accordingly, has already addressed the requests raised by this proposal.

Your Board of Directors recommends that you vote AGAINST this proposal.

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

WWW.DOM.COM

2011 Annual Report on Form 10-K

You may request, without charge, a copy of Dominion's 2011 Form 10-K, excluding exhibits, by:

Writing:

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

Emailing:

Shareholder.Services@dom.com

Calling:

1.800.552.4034

Or, you may view our Form 10-K on our website at **www.dom.com**.

RENEWAL APPLICATION OF DOMINION RETAIL, INC. ("DOMINION RETAIL") FOR CERTIFICATION BY THE PUBLIC UTILITIES COMMISSION OF OHIO AS A RETAIL NATURAL GAS SUPPLIER

Exhibit C-2 "SEC Filings"

Enclosed herewith, please find an original and ten copies of the most recent 10-K and 8-K filings of parent company Dominion Resources, Inc. Website references to those same filings are noted below.

2012 8-K filing:
http://www.sec.gov/Archives/edgar/data/715957/000071595712000013/0000715957-12-000013-index.htm

2011 10-K filing:
http://www.sec.gov/Archives/edgar/data/715957/000119312512085811/0001193125-12-085811-index.htm

8-K 1 driearnings8k04262012.htm DRI EARNINGS 8K 04262012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported) **April 26, 2012**

Dominion Resources, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Virginia	**001-08489**	**54-1229715**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

120 Tredegar Street	
Richmond, Virginia	**23219**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code **(804) 819-2000**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On April 26, 2012, Dominion Resources, Inc. issued a press release announcing unaudited earnings for the three months ended March 31, 2012. The press release and related unaudited earnings tables are furnished with this Form 8-K as Exhibit 99.

Item 9.01 Financial Statements and Exhibits.

Exhibit	
99	Dominion Resources, Inc. press release dated April 26, 2012

SIGNATURE

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

DOMINION RESOURCES, INC.
Registrant

/s/Carter M. Reid
Carter M. Reid
Vice President, General Counsel, Chief Compliance Officer & Corporate Secretary

Date: April 26, 2012

EX-99 2 exhibit99.htm EXHIBIT 99 PRESS RELEASE

[LOGO]

FOR IMMEDIATE RELEASE

April 26, 2012

Company: Dominion

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DOMINION ANNOUNCES FIRST-QUARTER 2012 EARNINGS

- ***First-quarter 2012 operating earnings of 85 cents per share compared to guidance of 85 cents to $1.00 per share***
- ***First-quarter 2012 GAAP earnings of 86 cents per share***
- ***Company affirms 2012 operating earnings guidance of $3.10 to $3.35 per share***
- ***Binding precedent agreements signed for Cove Point Liquefaction project***
- ***Conference call scheduled for 10 a.m. EDT today***

RICHMOND, Va. – Dominion (NYSE: D) today announced unaudited reported earnings determined in accordance with Generally Accepted Accounting Principles (GAAP) for the three months ended March 31, 2012, of $494 million ($0.86 per share), compared with reported earnings of $479 million ($0.82 per share) for the same period in 2011.

Operating earnings for the three months ended March 31, 2012, amounted to $487 million ($0.85 per share), compared to operating earnings of $541 million ($0.93 per share) for the same period in 2011. Operating earnings are defined as reported (GAAP) earnings adjusted for certain items.

Dominion uses operating earnings as the primary performance measurement of its earnings guidance and results for public communications with analysts and investors. Dominion also uses operating earnings internally for budgeting, for reporting to the board of directors, for the company's incentive compensation plans and for its targeted dividend payouts and other purposes. Dominion management believes operating earnings provide a more meaningful representation of the company's fundamental earnings power.

Business segment results and detailed descriptions of items included in 2012 and 2011 reported earnings but excluded from operating earnings can be found on Schedules 1, 2 and 3 of this release.

Thomas F. Farrell II, chairman, president and chief executive officer, said:

"Our core businesses continued to deliver strong operating earnings results this quarter despite the effects of the warmest first quarter weather in more than 100 years in our electric service territory. We maintain our focus on meeting the growing infrastructure needs of customers in the energy markets we serve and are very pleased with the progress being made on projects in our infrastructure growth plan.

"In Dominion Generation, the 585-megawatt Virginia City Hybrid Energy is more than 98 percent complete and on schedule for operation in the middle of this year. Construction is proceeding on the 1,329-megawatt, gas-fired power station in Warren County, Va., following approval of the Virginia State Corporation Commission (SCC) and is scheduled for commercial operation in late 2014. Moreover, we announced that Brunswick County, Va., has been selected as the site for our next gas-fired generating facility, another 3-on-1 combined cycle plant. We expect to file regulatory applications later this year to build the station, which is expected to produce more than 1,300 megawatts of electricity.

"At Dominion Energy, construction of our Appalachian Gateway Project is on track to be in service by September of this year. It is designed to transport natural gas produced in West Virginia and Pennsylvania. Two other major projects serving the Marcellus and Utica shale regions also are expected to be in service by the end of the year. They are the Northeast Expansion

Project, designed to provide 200,000 dekatherms per day of firm transportation services, and the first phase of the Natrium natural gas processing and fractionation plant, with an expected capacity to process 200 million cubic feet of natural gas per day and fractionate 36,000 barrels of natural gas liquids per day.

"We are pleased to announce that we are moving forward with our Cove Point Liquefaction project. At the end of March, we signed binding precedent agreements with two companies, one of which is Sumitomo Corporation, a major Japanese corporation with significant global energy operations. Between the two shippers, the planned project capacity is fully subscribed. We are continuing to negotiate binding terminal service agreements with the parties and expect to complete them later this summer. Pending execution of these agreements and receipt of necessary approvals, Dominion would provide liquefaction, storage and loading services, but would not own or directly export the LNG.

"The modernization project for Dominion Virginia Power's Mount Storm-to-Doubs transmission line, a major 500-kilovolt line serving Virginia, West Virginia and Maryland, is well under way. Completion of that project is now expected by the end of 2014."

First-quarter 2012 operating earnings compared to 2011

The decrease in first-quarter 2012 operating earnings per share as compared to first-quarter 2011 operating earnings per share is primarily attributable to warmer-than-normal weather in the regulated electric service territory and lower merchant generation margins. Offsetting these negatives were lower operations and maintenance expenses, higher contributions from unregulated retail energy marketing operations and a lower effective tax rate.

Complete details of first-quarter 2012 operating earnings as compared to 2011 can be found on Schedule 4 of this release.

Second-quarter and full-year 2012 operating earnings guidance

Dominion expects second-quarter 2012 operating earnings in the range of 55 cents per share to 65 cents per share as compared to second-quarter 2011 operating earnings of 59 cents per share. Positive factors for the second-quarter of 2012 compared to the same period of the prior year include anticipated higher rate adjustment clause earnings and growth in our electric service territory, as well as cost-control initiatives. Negative factors for the quarter include lower merchant generation margins. GAAP earnings for the second quarter of 2011 were 58 cents per share. Operating earnings guidance for the full year remains at $3.10 to $3.35 per share. A reconciliation between operating and GAAP earnings for the second quarter of 2011 can be found on Schedule 3 of this release.

In providing its second-quarter and full-year 2012 operating earnings guidance, the company notes that there could be differences between expected reported earnings and estimated operating earnings for matters such as, but not limited to, divestitures or changes in accounting principles. At this time, Dominion management is not able to estimate the impact, if any, of these items on reported earnings, other than those as set forth on Schedule 2 – Reconciliation of 2012 Operating Earnings to Reported Earnings on page 8 of the 1Q12 Earnings Release Kit. Accordingly, the company is not able to provide a corresponding GAAP equivalent for its operating earnings guidance..

Conference call today

Dominion will host its first-quarter earnings conference call at 10 a.m. EDT on Thursday, April 26. Dominion management will discuss its first-quarter financial results and other matters of interest to the financial community.

Domestic callers should dial (866) 710-0179. The passcode for the conference call is "Dominion." International callers should dial (334) 323-9872. Participants should dial in 10 to 15 minutes prior to the scheduled start time. Members of the media also are invited to listen.

A live webcast of the conference call, including accompanying slides, and the Earnings Release Kit will be available on the company's investor information page at www.dom.com/investors.

A replay of the conference call will be available beginning about 1 p.m. EDT April 26 and lasting until 11 p.m. EDT May 3. Domestic callers may access the recording by dialing (877) 919-4059. International callers should dial (334) 323-7226. The PIN for the replay is 54864071. Additionally, a replay of the webcast will be available on the company's investor information page by the end of the day April 26.

Dominion is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 27,500 megawatts of generation, 11,000 miles of natural gas transmission, gathering and storage pipeline and 6,300 miles of electric transmission lines. Dominion operates the nation's largest natural gas storage system with 947 billion cubic feet of storage capacity and serves retail energy customers in 15 states. For more information about Dominion, visit the company's website at www.dom.com.

This release contains certain forward-looking statements, including forecasted operating earnings for second-quarter and full-year 2012 which are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations may include factors that are beyond the company's ability to control or estimate precisely, fluctuations in energy-related commodity prices, estimates of future market conditions, access to and costs of capital, fluctuations in the value of our pension assets and assets held in our decommissioning trusts, the receipt of regulatory approvals for, and timing of, planned projects, acquisitions and divestitures, and the ability to complete planned construction or expansion projects within the terms and timeframes initially anticipated. Other factors include, but are not limited to, weather conditions and other events, including the effects of hurricanes, earthquakes, high winds and major storms on operations, the risk associated with the operation of nuclear facilities, unplanned outages of Dominion's generation facilities, state and federal legislative and regulatory developments and changes to environmental and other laws and regulations, including those related to climate change, greenhouse gases and other emissions to which we are subject, political and economic conditions, industrial, commercial and residential growth or decline in Dominion's service area, risks of operating businesses in regulated industries that are subject to changing regulatory structures, changes to regulated gas and electric rates collected by Dominion, changes to rating agency requirements and ratings, changing financial accounting standards, fluctuations in interest rates, changes in federal and state tax laws, employee workforce factors, including collective bargaining, counter-party credit and performance risks, adverse outcomes in litigation matters or regulatory proceedings, the risk of hostile cyber intrusions and other uncertainties. Other risk factors are detailed from time to time in Dominion's most recent quarterly report on Form 10-Q or annual report on Form 10-K filed with the Securities and Exchange Commission.

##

Schedule 1 - Segment Operating Earnings

Preliminary, Unaudited

(millions, except earnings per share)

	Three months ended March 31, 2012	2011	Change
Earnings:			
Dominion Virginia Power	$166	$149	$17
Dominion Energy	149	169	(20)
Dominion Generation	223	298	(75)
Corporate and Other	(51)	(75)	24
OPERATING EARNINGS	**$487**	**$541**	**$(54)**
Items excluded from operating earnings [2, 3]	7	(62)	69
REPORTED EARNINGS [1]	**$494**	**$479**	**$15**
Common Shares Outstanding (average, diluted)	571.9	580.5	
Earnings Per Share (EPS):			
Dominion Virginia Power	$0.29	$0.26	$0.03
Dominion Energy	0.26	0.29	(0.03)
Dominion Generation	0.39	0.51	(0.12)
Corporate and Other	(0.09)	(0.13)	0.04
OPERATING EARNINGS	**$0.85**	**$0.93**	**$(0.08)**
Items excluded from operating earnings [2]	0.01	(0.11)	0.12
REPORTED EARNINGS [1]	**$0.86**	**$0.82**	**$0.04**

1) Determined in accordance with Generally Accepted Accounting Principles (GAAP).

2) Items excluded from operating earnings are reported in Corporate and Other segment. Refer to Schedules 2 and 3 for details, or find "GAAP Reconciliation" on Dominion's website at www.dom.com/investors.

3) Pre-tax amounts for the current period and the prior period are $11 million and ($81) million, respectively.

Schedule 2 - Reconciliation of 2012 Operating Earnings to Reported Earnings

2012 Earnings (Three months ended March 31, 2012)

The net effects of the following items, all shown on an after-tax basis, are included in 2012 reported earnings, but are excluded from operating earnings:

- $5 million net gain related to our investments in nuclear decommissioning trust funds.
- $2 million net benefit from operations at our Kewaunee nuclear merchant power station, which is being marketed for sale.

(millions, except per share amounts)	1Q12	2Q12	3Q12	4Q12	YTD 2012
Operating earnings	$487				$487
Items excluded from operating earnings (after-tax):					
Net gain in nuclear decommissioning trust funds	5				5
Kewaunee operations	2				2
Total items excluded from operating earnings (after-tax) [1]	7				7
Reported net income	$494				$494
Common shares outstanding (average, diluted)	571.9				571.9
Operating earnings per share	$0.85				$0.85
Items excluded from operating earnings (after-tax)	0.01				0.01
Reported earnings per share	$0.86				$0.86

1) Pre-tax amounts for items excluded from operating earnings are reflected in the following table:

Items excluded from operating earnings:	1Q12	2Q12	3Q12	4Q12	YTD 2012
Net gain in nuclear decommissioning trust funds	$8				$8
Kewaunee operations	3				3
Total items excluded from operating earnings	$11				$11

Schedule 3 - Reconciliation of 2011 Operating Earnings to Reported Earnings

2011 Earnings (Twelve months ended December 31, 2011)

The net effects of the following items, all shown on an after-tax basis, are included in 2011 reported earnings, but are excluded from operating earnings:

- $178 million of impairment charges related to certain utility ($139 million) and merchant ($39 million) coal-fired power stations.
- $59 million of restoration costs associated with Hurricane Irene.
- $39 million net loss from operations at our Kewaunee nuclear merchant power station, which is being marketed for sale.
- $34 million impairment of excess emission allowances resulting from a new EPA air pollution rule.
- $21 million of severance costs and other charges resulting from expected closings of our Salem Harbor and State Line merchant generation plants.
- $19 million net charge in connection with the Virginia Commission's final ruling associated with its biennial review of Virginia Power's base rates for 2009-2010 test years.
- $13 million of earthquake related costs, largely related to inspections following the safe shutdown of reactors at our North Anna nuclear power station.
- $14 million benefit related to litigation with the Department of Energy for spent nuclear fuel-related costs at Millstone nuclear power station.
- $3 million net benefit related to other items.

(millions, except per share amounts)	1Q11	2Q11	3Q11	4Q11	YTD[2] 2011
Operating earnings	$541	$338	$541	$334	$1,754
Items excluded from operating earnings (after-tax):					
Impairment of generation assets	(39)			(139)	(178)
Hurricane Irene costs			(74)	15	(59)
Kewaunee operations	(19)	(1)	(12)	(7)	(39)
Emission allowances impairments			(34)		(34)
Charges related to merchant generation plant closings		(11)	(10)		(21)
Impact of Virginia Power biennial review order				(19)	(19)
Earthquake costs			(13)		(13)
Recoverable spent nuclear fuel-related costs		14			14
Other items	(4)	(4)	(6)	17	3
Total items excluded from operating earnings (after-tax) [1]	(62)	(2)	(149)	(133)	(346)
Reported net income	$479	$336	$392	$201	$1,408
Common shares outstanding (average, diluted)	580.5	575.2	571.2	571.2	574.6
Operating earnings per share	$0.93	$0.59	$0.95	$0.58	$3.05
Items excluded from operating earnings (after-tax)	(0.11)	(0.01)	(0.26)	(0.23)	(0.60)
Reported earnings per share	$0.82	$0.58	$0.69	$0.35	$2.45

1) **Pre-tax amounts for items excluded from operating earnings are reflected in the following table:**

Items excluded from operating earnings:	1Q11	2Q11	3Q11	4Q11	YTD 2011
Impairment of generation assets	(55)			(228)	(283)
Hurricane Irene costs			(121)	25	(96)
Kewaunee operations	(32)	(5)	(19)	(10)	(66)
Emission allowances impairments			(57)		(57)
Charges related to merchant generation plant closings		(17)	(16)		(33)
Impact of Virginia Power biennial review order				(31)	(31)
Earthquake costs			(21)		(21)
Recoverable spent nuclear fuel-related costs		24			24
Other items	6	(8)	(29)	(11)	(42)
Total items excluded from operating earnings	($81)	($6)	($263)	($255)	($605)

2) **YTD 2011 EPS may not equal sum of quarters due to share count differences.**

Schedule 4 - Reconciliation of 1Q12 Earnings to 1Q11

Preliminary, unaudited
(millions, except EPS)

Reconciling Items	Three Months Ended March 31, 2012 vs. 2011 Increase / (Decrease) Amount	EPS
Dominion Virginia Power		
Regulated electric sales:		
Weather	($18)	($0.03)
Other	6	0.01
FERC Transmission equity return	9	0.02
Retail energy marketing operations	20	0.03
Other O&M expenses	8	0.01
Other	(8)	(0.01)
Share accretion	---	0.00
Change in contribution to operating earnings	$17	$0.03
Dominion Energy		
Gas Distribution weather	(6)	(0.01)
Producer Services margin	(14)	(0.02)
Share accretion	---	0.00
Change in contribution to operating earnings	($20)	($0.03)
Dominion Generation		
Regulated electric sales:		
Weather	($37)	($0.07)
Other	15	0.03
Merchant generation margin	(62)	(0.11)
PJM ancillary services	(14)	(0.02)
Other O&M expenses	18	0.03
Other	5	0.01
Share accretion	---	0.01
Change in contribution to operating earnings	($75)	($0.12)
Corporate and Other		
Change in contribution to operating earnings	$24	$0.04
Change in consolidated operating earnings	($54)	($0.08)
Change in items excluded from operating earnings [1]	$69	$0.12
Change in reported earnings (GAAP)	$15	$0.04

1) **Refer to Schedules 2 and 3 for details of items excluded from operating earnings, or find "GAAP Reconciliation" on Dominion's website at www.dom.com/investors.**

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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number	Exact name of registrants as specified in their charters	I.R.S. Employer Identification Number
001-08489	**DOMINION RESOURCES, INC.**	**54-1229715**
333-178772	**VIRGINIA ELECTRIC AND POWER COMPANY**	**54-0418825**

VIRGINIA
(State or other jurisdiction of incorporation or organization)

120 TREDEGAR STREET
RICHMOND, VIRGINIA **23219**
(Address of principal executive offices) *(Zip Code)*

(804) 819-2000
(Registrants' telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
DOMINION RESOURCES, INC.	
Common Stock, no par value	New York Stock Exchange
2009 Series A 8.375% Enhanced Junior Subordinated Notes	New York Stock Exchange
VIRGINIA ELECTRIC AND POWER COMPANY	
Preferred Stock (cumulative), $100 par value, $5.00 dividend	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act.
Dominion Resources, Inc. Yes ☒ No ☐ Virginia Electric and Power Company Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Dominion Resources, Inc. Yes ☐ No ☒ Virginia Electric and Power Company Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Dominion Resources, Inc. Yes ☒ No ☐ Virginia Electric and Power Company Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Dominion Resources, Inc. Yes ☒ No ☐ Virginia Electric and Power Company Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.
Dominion Resources, Inc. ☒ Virginia Electric and Power Company ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Dominion Resources, Inc.
Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Virginia Electric and Power Company
Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act).
Dominion Resources, Inc. Yes ☐ No ☒ Virginia Electric and Power Company Yes ☐ No ☒

The aggregate market value of Dominion Resources, Inc. common stock held by non-affiliates of Dominion was approximately $22.3 billion based on the closing price of Dominion's common stock as reported on the New York Stock Exchange as of the last day of the registrant's most recently completed second fiscal quarter. Dominion is the sole holder of Virginia Electric and Power Company common stock. As of January 31, 2012, Dominion had 570,127,118 shares of common stock outstanding and Virginia Power had 274,723 shares of common stock outstanding.

DOCUMENT INCORPORATED BY REFERENCE.

Portions of Dominion's 2012 Proxy Statement are incorporated by reference in Part III.

This combined Form 10-K represents separate filings by Dominion Resources, Inc. and Virginia Electric and Power Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Virginia Power makes no representations as to the information relating to Dominion's other operations.

Dominion Resources, Inc. and Virginia Electric and Power Company

Glossary of Terms

The following abbreviations or acronyms used in this Form 10-K are defined below:

Abbreviation or Acronym	Definition
2009 Base Rate Review	Order entered by the Virginia Commission in January 2009, pursuant to the Regulation Act, initiating reviews of the base rates and terms and conditions of all investor-owned utilities in Virginia
2012 Proxy Statement	Dominion 2012 Proxy Statement, File No. 001-08489
ABO	Accumulated benefit obligation
AES	Alternative Energy Solutions
AFUDC	Allowance for funds used during construction
AIP	Annual Incentive Plan
AMR	Automated meter reading program deployed by East Ohio
AOCI	Accumulated other comprehensive income (loss)
AROs	Asset retirement obligations
ARP	Acid Rain Program, a market-based initiative for emissions allowance trading, established pursuant to Title IV of the CAA
ASA	Average Speed of Answer, a primary metric used to measure customer service
ASLB	Atomic Safety and Licensing Board
bcf	Billion cubic feet
Bear Garden	A 590 MW combined cycle, natural gas-fired power station in Buckingham County, Virginia
Biennial Review Order	Order issued by the Virginia Commission in November 2011 concluding the 2009 - 2010 biennial review of Virginia Power's base rates, terms and conditions
BP	BP Wind Energy North America Inc.
Brayton Point	Brayton Point power station
BREDL	Blue Ridge Environmental Defense League
Bremo	Bremo power station
BRP	Dominion Retirement Benefit Restoration Plan
BVP	Book Value Performance
CAA	Clean Air Act
CAIR	Clean Air Interstate Rule
CAO	Chief Accounting Officer
Carson-to-Suffolk line	Virginia Power 60-mile 500-kV transmission line in southeastern Virginia
CD&A	Compensation Discussion and Analysis
CDO	Collateralized debt obligation
CEO	Chief Executive Officer
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act of 1980
CFO	Chief Financial Officer
CFTC	Commodity Futures Trading Commission
CGN Committee	Compensation, Governance and Nominating Committee
Chesapeake	Chesapeake power station
CNG	Consolidated Natural Gas Company
CNO	Chief Nuclear Officer
CO_2	Carbon dioxide
COL	Combined Construction Permit and Operating License
Companies	Dominion and Virginia Power, collectively
CONSOL	CONSOL Energy, Inc.
COO	Chief Operating Officer
Cooling degree days	Units measuring the extent to which the average daily temperature is greater than 65 degrees Fahrenheit, calculated as the difference between 65 degrees and the average temperature for that day
Cove Point	Dominion Cove Point LNG, LP
CSAPR	Cross State Air Pollution Rule
CWA	Clean Water Act
DCI	Dominion Capital, Inc.
DD&A	Depreciation, depletion and amortization expense
DEI	Dominion Energy, Inc.
Dodd-Frank Act	The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
DOE	Department of Energy
Dominion	The legal entity, Dominion Resources, Inc., one or more of Dominion Resources, Inc.'s consolidated subsidiaries (other than Virginia Power) or operating segments or the entirety of Dominion Resources, Inc. and its consolidated subsidiaries
Dominion Direct®	A dividend reinvestment and open enrollment direct stock purchase plan
Dooms-to-Bremo line	Virginia Power project to rebuild approximately 53 miles of existing 115-kV to 230-kV lines, between the Dooms and Bremo substations

Abbreviation or Acronym	Definition
DPP	Dominion's Defined Benefit Pension Plan
Dresden	Partially-completed merchant generation facility sold in 2007
DRS	Dominion Resources Services, Inc.
DSM	Demand-side management
DTI	Dominion Transmission, Inc.
DVP	Dominion Virginia Power operating segment
E&P	Exploration & production
East Ohio	The East Ohio Gas Company, doing business as Dominion East Ohio
EGWP	Employer Group Waiver Plan
EPA	Environmental Protection Agency
EPACT	Energy Policy Act of 2005
EPS	Earnings per share
ERISA	The Employment Retirement Income Security Act of 1974
ERO	Electric Reliability Organization
ESRP	Dominion Executive Supplemental Retirement Plan
Excess Tax Benefits	Benefits of tax deductions in excess of the compensation cost recognized for stock-based compensation
Fairless	Fairless power station
FASB	Financial Accounting Standards Board
FCM	Futures Commission Merchant
FERC	Federal Energy Regulatory Commission
Fitch	Fitch Ratings Ltd.
Fowler Ridge	A wind-turbine facility joint venture with BP in Benton County, Indiana
Frozen Deferred Compensation Plan	Dominion Resources, Inc. Executives' Deferred Compensation Plan
Frozen DSOP	Dominion Resources, Inc. Security Option Plan
FTRs	Financial transmission rights
GAAP	U.S. generally accepted accounting principles
GHG	Greenhouse gas
GWSA	Global Warming Solutions Act
Hayes-to-Yorktown line	Virginia Power project to construct an approximately eight-mile 230-kV transmission line in southeastern Virginia
Heating degree days	Units measuring the extent to which the average daily temperature is less than 65 degrees Fahrenheit, calculated as the difference between 65 degrees and the average temperature for that day
Hope	Hope Gas, Inc., doing business as Dominion Hope
IOGA	Independent Oil and Gas Association of West Virginia, Inc.
INPO	Institute of Nuclear Power Operations
IRC	Internal Revenue Code
IRS	Internal Revenue Service
ISO	Independent system operator
ISO-NE	ISO New England
Joint Committee	U.S. Congressional Joint Committee on Taxation
June 2006 hybrids	2006 Series A Enhanced Junior Subordinated Notes due 2066
June 2009 hybrids	2009 Series A Enhanced Junior Subordinated Notes due 2064, subject to extensions no later than 2079
Juniper	Juniper Capital L.P.
Kewaunee	Kewaunee nuclear power station
Kincaid	Kincaid power station
kV	Kilovolt
LIBOR	London Interbank Offered Rate
LIFO	Last-in-first-out inventory method
LNG	Liquefied natural gas
LTIP	Long-term incentive program
MATS	Utility Mercury and Air Toxics Standard Rule
Manchester Street	Manchester Street power station
mcf	million cubic feet
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
Meadow Brook-to-Loudoun line	An approximately 65-mile 500-kV transmission line that begins in Warren County, Virginia and terminates in Loudoun County, Virginia
Medicare Act	The Medicare Prescription Drug, Improvement and Modernization Act of 2003
Medicare Part D	Prescription drug benefit introduced in the Medicare Act
MF Global	MF Global Inc.

Abbreviation or Acronym	Definition
MGD	Million gallons a day
Millstone	Millstone nuclear power station
MISO	Midwest Independent Transmission System Operators, Inc.
MNES	Mitsubishi Nuclear Energy Systems, Inc., a wholly-owned subsidiary of Mitsubishi Heavy Industries, Inc.
Moody's	Moody's Investors Service
Mt. Storm-to-Doubs line	Virginia Power project to rebuild approximately 96 miles of an existing 500-kV transmission line in Virginia and West Virginia
MW	Megawatt
MWh	Megawatt hour
NAAQS	National Ambient Air Quality Standards
NAV	Net asset value
NCEMC	North Carolina Electric Membership Corporation
NedPower	A wind-turbine facility joint venture with Shell in Grant County, West Virginia
NEIL	Nuclear Electric Insurance Limited
NEOs	Named executive officers
NERC	North American Electric Reliability Corporation
NGLs	Natural gas liquids
NO_2	Nitrogen dioxide
Non-Employee Directors Plan	Non-Employee Directors Compensation Plan
North Anna	North Anna nuclear power station
North Branch	North Branch power station
North Carolina Commission	North Carolina Utilities Commission
North Carolina Settlement Approval Order	Order issued by the North Carolina Commission in December 2010 approving the Stipulation and Settlement Agreement filed by Virginia Power in connection with the ending of its North Carolina base rate moratorium
NO_X	Nitrogen oxide
NPDES	National Pollutant Discharge Elimination System
NRC	Nuclear Regulatory Commission
NSPS	New Source Performance Standards
NYMEX	New York Mercantile Exchange
NYSE	New York Stock Exchange
ODEC	Old Dominion Electric Cooperative
Ohio Commission	Public Utilities Commission of Ohio
OSHA	Occupational Safety and Health Administration
PBGC	Pension Benefit Guaranty Corporation
Peaker facilities	Collectively, the three natural gas-fired merchant generation peaking facilities sold in 2007
Pennsylvania Commission	Pennsylvania Public Utility Commission
Peoples	The Peoples Natural Gas Company
Pipeline Safety Act	The Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011
PIPP	Percentage of Income Payment Plan
PIR	Pipeline Infrastructure Replacement program deployed by East Ohio
PJM	PJM Interconnection, LLC
PM&P	Pearl Meyer & Partners
PNG Companies LLC	An indirect subsidiary of Steel River Infrastructure Fund North America
RCCs	Replacement Capital Covenants
RCRA	Resource Conservation and Recovery Act
Regulation Act	Legislation effective July 1, 2007, that amended the Virginia Electric Utility Restructuring Act and fuel factor statute, which legislation is also known as the Virginia Electric Utility Regulation Act
REIT	Real estate investment trust
RGGI	Regional Greenhouse Gas Initiative
Rider B	Rate adjustment clause associated with the recovery of costs related to the proposed conversion of three of Virginia Power's coal-fired power stations to biomass
Rider R	A rate adjustment clause associated with the recovery of costs related to Bear Garden
Rider S	A rate adjustment clause associated with the recovery of costs related to the Virginia City Hybrid Energy Center
Rider T	A rate adjustment clause associated with the recovery of certain electric transmission-related expenditures
Rider W	A rate adjustment clause associated with the recovery of costs related to Warren County
Riders C1 and C2	Rate adjustment clauses associated with the recovery of costs related to certain DSM programs
ROE	Return on equity
ROIC	Return on invested capital

Abbreviation or Acronym	Definition
RPM Buyers	The Maryland Public Service Commission, Delaware Public Service Commission, Pennsylvania Commission, New Jersey Board of Public Utilities and several other organizations representing consumers in the PJM region
RPS	Renewable Portfolio Standard
RTEP	Regional transmission expansion plan
RTO	Regional transmission organization
SAIDI	Metric used to measure electric service reliability, System Average Interruption Duration Index
Salem Harbor	Salem Harbor power station
SEC	Securities and Exchange Commission
September 2006 hybrids	2006 Series B Enhanced Junior Subordinated Notes due 2066
Shell	Shell WindEnergy, Inc.
SO_2	Sulfur dioxide
Standard & Poor's	Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc.
State Line	State Line power station
Surry	Surry nuclear power station
TGP	Tennessee Gas Pipeline Company
TSR	Total shareholder return
U.S.	United States of America
U.S. DOT	United States Department of Transportation
UAO	Unilateral Administrative Order
UEX Rider	Uncollectible Expense Rider
US-APWR	Mitsubishi Heavy Industry's Advanced Pressurized Water Reactor
VEBA	Voluntary Employees' Beneficiary Association
VIE	Variable interest entity
Virginia City Hybrid Energy Center	A 585 MW baseload carbon-capture compatible, clean coal powered electric generation facility under construction in Wise County, Virginia
Virginia Commission	Virginia State Corporation Commission
Virginia Power	The legal entity, Virginia Electric and Power Company, one or more of its consolidated subsidiaries or operating segments or the entirety of Virginia Power and its consolidated subsidiaries
Virginia Settlement Approval Order	Order issued by the Virginia Commission in March 2010 concluding Virginia Power's 2009 Base Rate Review
VPDES	Virginia Pollutant Discharge Elimination System
VSWCB	Virginia State Water Control Board
Warren County	A 1,300 MW, combined-cycle, natural gas-fired power station under construction in Warren County, Virginia
Waxpool-Brambleton-BECO line	A Virginia Power project to construct an approximately 1.5 mile double circuit 230-kV line to a new Waxpool substation, and a new 230-kV line between the Brambleton and BECO substations
West Virginia Commission	Public Service Commission of West Virginia
Yorktown	Yorktown power station

Item 1. Business

General

Dominion, headquartered in Richmond, Virginia and incorporated in Virginia in 1983, is one of the nation's largest producers and transporters of energy. Dominion's strategy is to be a leading provider of electricity, natural gas and related services to customers primarily in the eastern region of the U.S. Dominion's portfolio of assets includes approximately 28,142 MW of generating capacity, 6,300 miles of electric transmission lines, 56,800 miles of electric distribution lines, 11,000 miles of natural gas transmission, gathering and storage pipeline and 21,800 miles of gas distribution pipeline, exclusive of service lines of two inches in diameter or less. Dominion also operates the nation's largest underground natural gas storage system, with approximately 947 bcf of storage capacity, and serves nearly 6 million utility and retail energy customers in 15 states.

Dominion is focused on expanding its investment in regulated electric generation, transmission and distribution and regulated natural gas transmission and distribution infrastructure within and around its existing footprint. As a result, regulated capital projects will continue to receive priority treatment in its spending plans. Dominion expects this will increase its earnings contribution from regulated operations, while reducing the sensitivity of its earnings to commodity prices.

Dominion continues to expand and improve its regulated electric and natural gas businesses, in accordance with its five-year investment program. A major impetus for this program is to meet the anticipated increase in electricity demand in its electric utility service territory as forecasted by PJM. Other drivers for the capital investment program include the need to construct infrastructure to handle the increase in natural gas production from the Marcellus and Utica Shale formations; and to upgrade its gas distribution and electric transmission and distribution network. Dominion has announced that it may make further substantial investments in other gas projects over the next five years.

Dominion's nonregulated operations include merchant generation, energy marketing and price risk management activities and retail energy marketing operations. Dominion's operations are conducted through various subsidiaries, including Virginia Power.

Virginia Power, headquartered in Richmond, Virginia and incorporated in Virginia in 1909 as a Virginia public service corporation, is a regulated public utility that generates, transmits and distributes electricity for sale in Virginia and North Carolina. In Virginia, Virginia Power conducts business under the name "Dominion Virginia Power." In North Carolina, it conducts business under the name "Dominion North Carolina Power" and serves retail customers located in the northeastern region of the state, excluding certain municipalities. In addition, Virginia Power sells electricity at wholesale prices to rural electric cooperatives, municipalities and into wholesale electricity markets. All of Virginia Power's common stock is owned by Dominion.

Amounts disclosed for Dominion are inclusive of Virginia Power, where applicable.

Employees

As of December 31, 2011, Dominion had approximately 15,800 full-time employees, of which approximately 5,900 employees are subject to collective bargaining agreements. As of December 31, 2011, Virginia Power had approximately 6,800 full-time employees, of which approximately 3,100 employees are subject to collective bargaining agreements.

Principal Executive Offices

Dominion and Virginia Power's principal executive offices are located at 120 Tredegar Street, Richmond, Virginia 23219 and their telephone number is (804) 819-2000.

Where You Can Find More Information About Dominion and Virginia Power

Dominion and Virginia Power file their annual, quarterly and current reports, proxy statements and other information with the SEC. Their SEC filings are available to the public over the Internet at the SEC's website at http://www.sec.gov. You may also read and copy any document they file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

Dominion and Virginia Power make their SEC filings available, free of charge, including the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, through Dominion's internet website, www.dom.com, as soon as practicable after filing or furnishing the material to the SEC. You may also request a copy of these filings, at no cost, by writing or telephoning Dominion at: Corporate Secretary, Dominion, 120 Tredegar Street, Richmond, Virginia 23219, Telephone (804) 819-2000. Information contained on Dominion's website is not incorporated by reference in this report.

Acquisitions and Dispositions

Following are significant divestitures by Dominion and Virginia Power during the last five years. There were no significant acquisitions by either registrant during this period.

Sale of E&P Properties

In 2010, Dominion completed the sale of substantially all of its Appalachian E&P operations, including its rights to associated Marcellus acreage, to a newly-formed subsidiary of CONSOL for approximately $3.5 billion. See Note 4 to the Consolidated Financial Statements for additional information.

In 2007, Dominion completed the sale of its non-Appalachian natural gas and oil E&P operations and assets for approximately $13.9 billion.

The historical results of the non-Appalachian E&P operations are included in the Corporate and Other segment. The historical results of the Appalachian E&P operations are included in the Dominion Energy segment.

Sale of Peoples

In February 2010, Dominion completed the sale of Peoples to PNG Companies LLC and netted after-tax proceeds of approximately $542 million. The historical results of these operations are included in the Corporate and Other segment and presented in discontinued operations. See Note 4 to the Consolidated Financial Statements for additional information.

Assignment of Marcellus Acreage

In 2008, Dominion completed a transaction with Antero Resources to assign drilling rights to approximately 117,000 acres in the Marcellus Shale formation located in West Virginia and Pennsylvania. Dominion received proceeds of approximately $347 million. Under the agreement, Dominion received a 7.5% overriding royalty interest on future natural gas production from the assigned acreage. The overriding royalty interest was transferred to CONSOL as part of the sale of substantially all of Dominion's Appalachian E&P operations in 2010.

Sale of Merchant Facilities

In March 2007, Dominion sold three Peaker facilities for net cash proceeds of $254 million. The Peaker facilities included the 625 MW Armstrong facility in Shelocta, Pennsylvania; the 600 MW Troy facility in Luckey, Ohio; and the 313 MW Pleasants facility in St. Mary's, West Virginia. The results of these operations were presented in discontinued operations.

Sale of Dresden

In September 2007, Dominion completed the sale of Dresden to AEP Generating Company for $85 million.

Sale of Certain DCI Operations

In March 2008, Dominion reached an agreement to sell its remaining interest in the subordinated notes of a third-party CDO entity held as an investment by DCI and in April 2008 received proceeds of $54 million, including accrued interest. Dominion deconsolidated the CDO entity as of March 31, 2008.

In August 2007, Dominion completed the sale of Gichner, LLC, all of the issued and outstanding shares of the capital stock of Gichner, Inc. (an affiliate of Gichner, LLC) and Dallastown Realty for approximately $30 million.

Operating Segments

Dominion manages its daily operations through three primary operating segments: DVP, Dominion Generation and Dominion Energy. Dominion also reports a Corporate and Other segment, which includes its corporate, service company and other functions (including unallocated debt) and the net impact of the operations and sale of Peoples, which is discussed in Note 4 to the Consolidated Financial Statements. In addition, Corporate and Other includes specific items attributable to Dominion's operating segments that are not included in profit measures evaluated by executive management in assessing the segments' performance or allocating resources among the segments.

Virginia Power manages its daily operations through two primary operating segments: DVP and Dominion Generation. It also reports a Corporate and Other segment that primarily includes specific items attributable to its operating segments that are not included in profit measures evaluated by executive management in assessing the segments' performance or allocating resources among the segments.

While daily operations are managed through the operating segments previously discussed, assets remain wholly-owned by Dominion and Virginia Power and their respective legal subsidiaries.

A description of the operations included in the Companies' primary operating segments is as follows:

Primary Operating Segment	Description of Operations	Dominion	Virginia Power
DVP	Regulated electric distribution	X	X
	Regulated electric transmission	X	X
	Nonregulated retail energy marketing (electric and gas)	X	
Dominion Generation	Regulated electric fleet	X	X
	Merchant electric fleet	X	
Dominion Energy	Gas transmission and storage	X	
	Gas distribution and storage	X	
	LNG import and storage	X	
	Producer services	X	

For additional financial information on operating segments, including revenues from external customers, see Note 26 to the Consolidated Financial Statements. For additional information on operating revenue related to Dominion's and Virginia Power's principal products and services, see Notes 2 and 5 to the Consolidated Financial Statements, which information is incorporated herein by reference.

DVP

The DVP Operating Segment of Virginia Power includes Virginia Power's regulated electric transmission and distribution (including customer service) operations, which serve approximately 2.4 million residential, commercial, industrial and governmental customers in Virginia and North Carolina.

Virginia Power has announced its five-year investment plan, which includes spending approximately $4 billion from 2012 through 2016 to upgrade or add new transmission and distribution lines, substations and other facilities to meet growing electricity demand within its service territory and maintain reliability. The proposed electric delivery infrastructure projects are intended to address both continued population growth and increases in electricity consumption by the typical consumer. In addition, data centers continue to contribute to anticipated demand growth, with an expected load of approximately 715 MW by the end of 2013.

Revenue provided by electric distribution operations is based primarily on rates established by state regulatory authorities and state law. Variability in earnings is driven primarily by changes in rates, weather, customer growth and other factors impacting consumption such as the economy and energy conservation, in addition to operating and maintenance expenditures. Operationally, electric distribution continues to focus on improving service levels while striving to reduce costs and link investments to operational results. As a result, electric service reliability and customer service have improved. The three-year average SAIDI has improved from 127 minutes at the end of 2006 to 111 minutes at the end of 2011. Likewise, ASA has also shown significant improvement. The three-year average ASA has improved from 60 seconds at the end of 2006 to 40 seconds at the end of 2011. Customer service options continue to be enhanced and expanded through the use of technology. Customers now have the ability to use the Internet for routine billing and payment transactions, connecting and disconnecting service, reporting outages and obtaining outage updates. Additionally, customers can follow progress to restore electric service following major outages by accessing Facebook or Twitter. As electric distribution moves forward, safety, electric service reliability and customer service will remain key focal areas.

Revenue provided by Virginia Power's electric transmission operations is based primarily on rates approved by FERC. The profitability of this business is dependent on its ability, through the rates it is permitted to charge, to recover costs and earn a reasonable return on its capital investments. Variability in earnings primarily results from changes in rates and the timing of property additions, retirements and depreciation.

Virginia Power is a member of PJM, an RTO, and its electric transmission facilities are integrated into PJM wholesale electricity markets. Consistent with the increased authority given to NERC by EPACT, Virginia Power's electric transmission operations are committed to meeting NERC standards, modernizing its infrastructure and maintaining superior system reliability. Virginia Power's electric transmission operations will continue to focus on safety, operational performance, NERC compliance and execution of PJM's RTEP.

The DVP Operating Segment of Dominion includes all of Virginia Power's regulated electric transmission and distribution operations as discussed above, as well as Dominion's nonregulated retail energy marketing operations.

Dominion's retail energy marketing operations compete in nonregulated energy markets. The retail business requires limited capital investment and currently employs approximately 190 people. The retail customer base includes 2.2 million customers and is diversified across three product lines-natural gas, electricity and home warranty services. Dominion has a heavy concentration of natural gas customers in markets where utilities have a long-standing commitment to customer choice. Dominion pursues customers in electricity markets where utilities have divested of generation assets and where customers are permitted and have opted to purchase from the market. Major growth drivers are net customer additions, new market penetration, product development and expanded sales channels and supply optimization.

Competition

DVP Operating Segment—Dominion and Virginia Power

Within Virginia Power's service territory in Virginia and North Carolina, there is no competition for electric distribution service. Additionally, since its electric transmission facilities are integrated into PJM, electric transmission services are administered by PJM and are not subject to competition in relation to transmission service provided to customers within the PJM region. Virginia Power is seeing continued growth in new customers in its transmission and distribution operations.

DVP Operating Segment—Dominion

Dominion's retail energy marketing operations compete against incumbent utilities and other energy marketers in nonregulated energy markets for natural gas and electricity. Customers in these markets have the right to select a retail marketer and typically do so based upon price savings or price stability; however, incumbent utilities have the advantage of long-standing relationships with their customers and greater name recognition in their markets.

Regulation

Virginia Power's electric retail service, including the rates it may charge to jurisdictional customers, is subject to regulation by the Virginia Commission and the North Carolina Commission. Virginia Power's electric transmission rates, tariffs and terms of service are subject to regulation by FERC. Electric transmission siting authority remains the jurisdiction of the Virginia and North Carolina Commissions. However, EPACT provides FERC with certain backstop authority for transmission siting. See *State Regulations and Federal Regulations* in *Regulation* and Note 14 to the Consolidated Financial Statements for additional information, including a discussion of the 2011 Biennial Review Order.

Properties

Virginia Power has approximately 6,300 miles of electric transmission lines of 69 kV or more located in the states of North Carolina, Virginia and West Virginia. Portions of Virginia Power's electric transmission lines cross national parks and forests under permits entitling the federal government to use, at specified charges, any surplus capacity that may exist in these lines. While Virginia Power owns and maintains its electric transmission facilities, they are a part of PJM, which coordinates the planning, operation, emergency assistance and exchange of capacity and energy for such facilities.

Each year, as part of PJM's RTEP process, reliability projects are authorized. In 2011, Virginia Power completed construction of two of the major construction projects authorized in 2006, Meadow Brook-to-Loudoun and Carson-to-Suffolk, which are each designed to improve the reliability of service to customers and the region.

As part of subsequent annual PJM RTEP processes, PJM authorized additional electric transmission upgrade projects including Hayes-to-Yorktown in December 2008 and Mt. Storm-to-Doubs and Dooms-to-Bremo in December 2010. See Note 14 to the Consolidated Financial Statements for additional information on these and other electric transmission projects.

In addition, Virginia Power's electric distribution network includes approximately 56,800 miles of distribution lines, exclusive of service level lines, in Virginia and North Carolina. The grants for most of its electric lines contain rights-of-way that have been obtained from the apparent owner of real estate, but underlying titles have not been examined. Where rights-of-way have not been obtained, they could be acquired from private owners by condemnation, if necessary. Many electric lines are on publicly-owned property, where permission to operate can be revoked.

Sources of Energy Supply

DVP Operating Segment—Dominion and Virginia Power

DVP's supply of electricity to serve Virginia Power customers is produced or procured by Dominion Generation. See *Dominion Generation* for additional information.

DVP Operating Segment—Dominion

The supply of electricity to serve Dominion's retail energy marketing customers is procured through market wholesalers and RTO or ISO transactions. DVP's supply of gas to serve its customers is procured through market wholesalers or by Dominion Energy. See *Dominion Energy* for additional information.

SEASONALITY

DVP Operating Segment—Dominion and Virginia Power

DVP's earnings vary seasonally as a result of the impact of changes in temperature and the availability of alternative sources for heating on demand by residential and commercial customers. Generally, the demand for electricity peaks during the summer and winter months to meet cooling and heating needs. An increase in heating degree-days for DVP's electric utility related operations does not produce the same increase in revenue as an increase in cooling degree-days, due to seasonal pricing differentials and because alternative heating sources are more readily available.

DVP Operating Segment—Dominion

The earnings of Dominion's retail energy marketing operations also vary seasonally. Generally, the demand for electricity peaks during the summer and winter months to meet cooling and heating needs, while the demand for gas peaks during the winter months to meet heating needs.

Dominion Generation

The Dominion Generation Operating Segment of Virginia Power includes the generation operations of the Virginia Power regulated electric utility and its related energy supply operations. Virginia Power's utility generation operations primarily serve the supply requirements for the DVP segment's utility customers.

Earnings for the Generation operating segment of Virginia Power primarily result from the sale of electricity generated by its utility fleet. Revenue is based primarily on rates established by state regulatory authorities and state law. Approximately 80% of revenue comes from serving Virginia jurisdictional customers. Rates for the Virginia jurisdiction are set using a modified cost-of-service rate model. The cost of fuel and purchased power is generally collected through fuel cost-recovery mechanisms established by regulators and does not materially impact net income. Variability in earnings for Virginia Power's generation operations results from changes in rates, the demand for services, which is primarily weather dependent, and labor and benefit costs, as well as the timing, duration and costs of scheduled and unscheduled outages. See *Electric Regulation in Virginia* under *Regulation* and Note 14 to the Consolidated Financial Statements for additional information, including a discussion of the 2011 Biennial Review Order.

The Dominion Generation Operating Segment of Dominion includes Virginia Power's generation facilities and its related energy supply operations described above as well as the generation operations of Dominion's merchant fleet and energy marketing and price risk management activities for these assets. The Generation operating segment of Dominion derives its earnings primarily from the sale of electricity generated by Virginia Power's utility and Dominion's merchant generation assets, as well as associated capacity and ancillary services from Dominion's merchant generation assets.

Variability in earnings provided by Dominion's merchant fleet relates to changes in market-based prices received for electricity and capacity. Market-based prices for electricity are largely dependent on commodity prices, primarily natural gas, and the demand for electricity, which is primarily dependent upon weather. Capacity prices are dependent upon resource requirements in relation to the supply available (both existing and new) in the forward capacity auctions, which are held approximately three years in advance of the associated delivery year. Dominion manages electric and capacity price volatility of its merchant fleet by hedging a substantial portion of its expected near-term sales with derivative instruments and also entering into long-term power sales agreements. However, earnings have been adversely impacted due to a sustained decline in commodity prices. Variability also results from changes in the cost of fuel consumed, labor and benefits and the timing, duration and costs of scheduled and unscheduled outages.

COMPETITION

Dominion Generation Operating Segment—Dominion and Virginia Power

Virginia Power's generation operations are not subject to significant competition as only a limited number of its Virginia jurisdictional electric utility customers have retail choice. See *Regulation-State Regulations-Electric* for more information. Currently, North Carolina does not offer retail choice to electric customers.

Dominion Generation Operating Segment—Dominion

Unlike Dominion Generation's regulated generation fleet, its merchant generation fleet is dependent on its ability to operate in a competitive environment and does not have a predetermined rate structure that allows for a rate of return on its capital investments. Competition for the merchant fleet is impacted by electricity and fuel prices, new market entrants, construction by others of generating assets and transmission capacity, technological advances in power generation, the actions of environmental and other regulatory authorities and other factors. These competitive factors may negatively impact the merchant fleet's ability to profit from the sale of electricity and related products and services.

Dominion Generation's merchant generation fleet owns and operates several facilities in the Midwest that operate within functioning RTOs. A significant portion of the output from these facilities is sold under long-term contracts, with expiration dates ranging from December 31, 2012 to August 31, 2017, and is therefore largely unaffected by price competition during the term of these contracts. Following expiration of these contracts, earnings could be adversely impacted if prevailing prices for energy, capacity and ancillary services are lower than the levels currently received under these contracts.

Dominion Generation's other merchant assets also operate within functioning RTOs and primarily compete on the basis of price. Competitors include other generating assets bidding to operate within the RTOs. These RTOs have clearly identified market rules that ensure the competitive wholesale market is functioning properly. Dominion Generation's merchant units have a variety of short- and medium-term contracts, and also compete in the spot market with other generators to sell a variety of products including energy, capacity and ancillary services. It is difficult to compare various types of generation given the wide range of fuels, fuel procurement strategies, efficiencies and operating characteristics of the fleet within any given RTO. However, Dominion applies its expertise in operations, dispatch and risk management to maximize the degree to which its merchant fleet is competitive compared to similar assets within the region.

Regulation

Virginia Power's utility generation fleet and Dominion's merchant generation fleet are subject to regulation by FERC, the NRC, the EPA, the DOE, the Army Corps of Engineers and other federal, state and local authorities. Virginia Power's utility generation fleet is also subject to regulation by the Virginia Commission and the North Carolina Commission. See *State Regulations* and *Federal Regulations* in *Regulation* for more information.

Properties

For a listing of Dominion's and Virginia Power's existing generation facilities, see Item 2. Properties.

Dominion Generation Operating Segment—Dominion and Virginia Power

The generation capacity of Virginia Power's electric utility fleet totals 18,985 MW. The generation mix is diversified and includes coal, nuclear, gas, oil, hydro and renewables. Virginia Power's generation facilities are located in Virginia, West Virginia and North Carolina and serve load in Virginia and northeastern North Carolina.

Based on available generation capacity and current estimates of growth in customer demand in its utility service area, Virginia Power will need additional generation capacity over the next decade. Virginia Power has announced a comprehensive generation growth program, referred to as *Powering Virginia*, which involves the development, financing, construction and operation of new multi-fuel, multi-technology generation capacity to meet the anticipated growing demand in its core market in Virginia. Significant projects under construction or development include:

- The Virginia City Hybrid Energy Center located in Wise County, Virginia, is expected to generate about 585 MW when completed. The baseload facility is estimated to cost $1.8 billion, excluding financing costs. Construction was approximately 95% complete at the end of 2011, and commercial operations are expected to commence in the summer of 2012.
- Warren County is expected to generate more than 1,300 MW of electricity when operational. In February 2012, the Virginia Commission authorized the construction of this power station, which is estimated to cost approximately $1.1 billion, excluding financing costs. Commercial operations are scheduled to commence by late 2014. In connection with the air permit process for Warren County, Virginia Power reached an agreement to permanently retire North Branch, a 74 MW coal-fired plant located in West Virginia, once Warren County begins commercial operations.
- Virginia Power plans to convert three coal-fired Virginia generating stations to biomass, a renewable energy source. The conversions of the power stations in Altavista, Hopewell and Southampton County would increase Dominion's renewable generation by more than 150 MW and are expected to cost approximately $165 million, excluding financing costs. After approvals by the Virginia Department of Environmental Quality and the Virginia Commission, construction will begin; these conversions are expected to be complete by the end of 2013.
- Subject to the receipt of certain regulatory approvals, Virginia Power plans to construct a combined-cycle natural gas-fired power station in Brunswick County, Virginia, that is expected to generate more than 1,300 MW. If the project is approved, commercial operations are expected to commence in 2016. Brunswick County has approved a conditional use permit to allow for construction of the plant. This facility would more than offset the expected reduction in capacity caused by the anticipated retirement of coal-fired units at Chesapeake and Yorktown during 2015 and 2016 primarily due to the cost of compliance with MATS. The facility would be similar to the power station being built in Warren County, Virginia, which is estimated to cost approximately $1.1 billion, excluding financing costs.

In May 2011, Virginia Power completed construction of Bear Garden, at a total cost of approximately $620 million, excluding financing costs, and the 590 MW combined-cycle, natural gas-fired power station commenced commercial operations.

In addition to the projects above, Virginia Power is considering the construction of a third nuclear unit at a site located at North Anna. See Note 14 to the Consolidated Financial Statements for more information on this project.

Dominion Generation Operating Segment—Dominion

The generation capacity of Dominion's merchant fleet totals 9,157 MW. The generation mix is diversified and includes nuclear, coal, gas, oil and renewables. Merchant generation facilities are located in Connecticut, Illinois, Indiana, Massachusetts, Pennsylvania, Rhode Island, West Virginia and Wisconsin with a majority of that capacity concentrated in New England. Dominion is the largest generator in ISO-NE and, mirroring the region's load demand, has principally baseload units with the remainder split between intermediate and peaking.

In the first quarter of 2011, Dominion decided to pursue the sale of Kewaunee. Any sale of Kewaunee would be subject to the approval of Dominion's Board of Directors, as well as applicable state and federal approvals.

During the second quarter of 2011, Dominion announced its intention to retire State Line by mid-2014 and to retire two of the four units at Salem Harbor by the end of 2011 and the remaining two Salem Harbor units on June 1, 2014. These decisions were prompted by the economic outlook for both facilities, in combination with the expectation that State Line would be impacted by potential environmental regulations that would likely require significant capital expenditures. During the third quarter of 2011, Dominion announced an accelerated schedule for State Line, with the facility to be retired in the first quarter of 2012, given a continued decline in power prices and the expected cost to comply with environmental regulations.

Salem Harbor units 1 and 2 were retired as planned on December 31, 2011.

SOURCES OF ENERGY SUPPLY

Dominion Generation Operating Segment—Dominion and Virginia Power

Dominion Generation uses a variety of fuels to power its electric generation and purchases power for utility system load requirements and to satisfy physical forward sale requirements, as described below. Some of these agreements have fixed commitments and are included as contractual obligations in *Future Cash Payments for Contractual Obligations and Planned Capital Expenditures* in Item 7. MD&A.

Nuclear Fuel—Dominion Generation primarily utilizes long-term contracts to support its nuclear fuel requirements. Worldwide market conditions are continuously evaluated to ensure a range of supply options at reasonable prices which are dependent on the market environment. Current agreements, inventories and spot market availability are expected to support current and planned fuel supply needs. Additional fuel is purchased as required to ensure optimal cost and inventory levels.

Fossil Fuel—Dominion Generation primarily utilizes coal, oil and natural gas in its fossil fuel plants.

Dominion Generation's coal supply is obtained through long-term contracts and short-term spot agreements from both domestic and international suppliers.

Dominion Generation's natural gas and oil supply is obtained from various sources including: purchases from major and independent producers in the Mid-Continent and Gulf Coast regions, purchases from local producers in the Appalachian area, purchases from gas marketers and withdrawals from underground storage fields owned by Dominion or third parties.

Dominion Generation manages a portfolio of natural gas transportation contracts (capacity) that allows flexibility in delivering natural gas to its gas turbine fleet, while minimizing costs.

Purchased Power—Dominion Generation purchases electricity from the PJM spot market and through power purchase agreements with other suppliers to provide for utility system load requirements.

Dominion Generation also occasionally purchases electricity from the PJM, ISO-NE and MISO spot markets to satisfy physical forward sale requirements as part of its merchant generation operations.

Dominion Generation Operating Segment—Virginia Power

Presented below is a summary of Virginia Power's actual system output by energy source:

Source	2011	2010	2009
Purchased power, net	**33%**	29%	25%
Nuclear(1)	**28**	28	32
Coal(2)	**26**	31	33
Natural gas	**12**	10	9
Other(3)	**1**	2	1
Total	**100%**	100%	100%

(1) Excludes ODEC's 11.6% ownership interest in North Anna.

(2) Excludes ODEC's 50.0% ownership interest in the Clover power station. The average cost of coal for 2011 Virginia in-system generation was $33.55 per MWh.

(3) Includes oil, hydro and biomass.

SEASONALITY

Sales of electricity for Dominion Generation typically vary seasonally as a result of the impact of changes in temperature and the availability of alternative sources for heating on demand by residential and commercial customers. Generally, the demand for electricity peaks during the summer and winter months to meet cooling and heating needs. An increase in heating degree-days does not produce the same increase in revenue as an increase in cooling degree-days, due to seasonal pricing differentials and because alternative heating sources are more readily available.

NUCLEAR DECOMMISSIONING

In June 2011, the NRC amended its regulations to improve decommissioning planning. As applied to the operators of nuclear power plants, these amendments require licensees to conduct operations in a manner minimizing introduction of residual radioactivity into the site, perform additional surveys, and maintain records of their results. In addition, the amendments make minor changes to financial assurance methods and require additional information on decommissioning and spent fuel management costs after a plant permanently ceases operations. The revised regulations will become effective in December 2012 and are not expected to significantly affect the decommissioning cost estimates or funding for Dominion's or Virginia Power's units.

Dominion Generation Operating Segment—Dominion and Virginia Power

Virginia Power has a total of four licensed, operating nuclear reactors at its Surry and North Anna power stations in Virginia.

Decommissioning involves the decontamination and removal of radioactive contaminants from a nuclear power station once operations have ceased, in accordance with standards established by the NRC. Amounts collected from ratepayers and placed into trusts have been invested to fund the expected future costs of decommissioning the Surry and North Anna units.

Virginia Power believes that the decommissioning funds and their expected earnings for the Surry and North Anna units will be sufficient to cover expected decommissioning costs, particularly when combined with future ratepayer collections and contributions to these decommissioning trusts, if such future collections and contributions are required. This reflects the long-term investment horizon, since the units will not be decommissioned for decades, and a positive long-term outlook for trust fund investment returns. Virginia Power will continue to monitor these trusts to ensure they meet the NRC minimum financial assurance requirement, which may include the use of parent company guarantees, surety bonding or other financial guarantees recognized by the NRC.

The total estimated cost to decommission Virginia Power's four nuclear units is $2.2 billion in 2011 dollars and is primarily based upon site-specific studies completed in 2009. The current cost estimates assume decommissioning activities will begin shortly after cessation of operations, which will occur when the operating licenses expire. Virginia Power expects to decommission the Surry and North Anna units during the period 2032 to 2067.

Dominion Generation Operating Segment—Dominion

In addition to the four nuclear units discussed above, Dominion has three licensed, operating nuclear reactors, two at Millstone in Connecticut and one at Kewaunee in Wisconsin. A third Millstone unit ceased operations before Dominion acquired the power station. As part of Dominion's acquisition of both Millstone and Kewaunee, it acquired decommissioning funds for the related units. Any funds remaining in Kewaunee's trust after decommissioning is completed are required to be refunded to Wisconsin ratepayers. Dominion believes that the amounts currently available in the decommissioning trusts and their expected earnings will be sufficient to cover expected decommissioning costs for the Millstone and Kewaunee units. Dominion will continue to monitor these trusts to ensure they meet the NRC minimum financial assurance requirement, which may include the use of parent company guarantees, surety bonding or other financial guarantees recognized by the NRC. The total estimated cost to decommission Dominion's eight units is $4.7 billion in 2011 dollars and is primarily based upon site-specific studies completed in 2009. For the Millstone and Kewaunee operating units, the current cost estimate assumes decommissioning activities will begin shortly after cessation of operations, which will occur when the operating licenses expire. Millstone Unit 1 is not in service and selected minor decommissioning activities are being performed. This unit will continue to be monitored until full decommissioning activities begin for the remaining Millstone operating units. Dominion expects to start minor decommissioning activities at Millstone Unit 2 in 2035, with full decommissioning of Millstone Units 1, 2 and 3 at the permanent cessation of operations of Millstone Unit 3 during the period 2045 to 2069. In February 2011, the NRC approved the renewal of the Kewaunee operating license. The renewal permits Kewaunee to operate through December 21, 2033 with full decommissioning of Kewaunee during the period 2033 to 2065.

The estimated decommissioning costs and license expiration dates for the nuclear units owned by Dominion and Virginia Power are shown in the following table.

	NRC license expiration year	Most recent cost estimate (2011 dollars)(1)	Funds in trusts at December 31, 2011	2011 Contributions To Trusts
(dollars in millions)				
Surry				
Unit 1	**2032**	**$ 562**	**$ 387**	**$0.6**
Unit 2	**2033**	**584**	**382**	**0.6**
North Anna				
Unit 1(2)	**2038**	**509**	**310**	**0.4**
Unit 2(2)	**2040**	**522**	**291**	**0.3**
Total (Virginia Power)		**2,177**	**1,370**	**1.9**
Millstone				
Unit 1(3)	**n/a**	**450**	**321**	**—**
Unit 2	**2035**	**676**	**398**	**—**
Unit 3(4)	**2045**	**706**	**393**	**—**
Kewaunee				**—**
Unit 1	**2033**	**681**	**517**	**—**
Total (Dominion)		**$4,690**	**$2,999**	**$1.9**

(1) The cost estimates shown above are total decommissioning cost estimates and differ from the cost estimates used to calculate Dominion's and Virginia Power's nuclear decommissioning AROs. Among other items, the cost estimates above do not reflect any reduction for the expected future recovery from the DOE of certain spent fuel costs based on the Companies' contracts with the DOE for disposal of spent nuclear fuel.

(2) North Anna is jointly owned by Virginia Power (88.4%) and ODEC (11.6%). However, Virginia Power is responsible for 89.26% of the decommissioning obligation. Amounts reflect 89.26% of the decommissioning cost for both of North Anna's units.

(3) Unit 1 ceased operations in 1998, before Dominion's acquisition of Millstone.

(4) Millstone Unit 3 is jointly owned by Dominion Nuclear Connecticut, with a 6.53% undivided interest in Unit 3 owned by Massachusetts Municipal Wholesale Electric Company and Central Vermont Public Service Corporation. Decommissioning cost is shown at 100% and the trust funds are shown at Dominion's ownership percentage. At December 31, 2011, the minority owners held approximately $27 million of trust funds related to Millstone Unit 3 that are not reflected in the table above.

Also see Note 15 and Note 23 to the Consolidated Financial Statements for further information about AROs and nuclear decommissioning, respectively.

Dominion Energy

Dominion Energy includes Dominion's regulated natural gas distribution companies, regulated gas transmission pipeline and storage operations, natural gas gathering and by-products extraction activities and regulated LNG operations. Dominion Energy also includes producer services, which aggregates natural gas supply, engages in natural gas trading and marketing activities and natural gas supply management and provides price risk management services to Dominion affiliates.

The gas transmission pipeline and storage business serves gas distribution businesses and other customers in the Northeast, mid-Atlantic and Midwest. Included in Dominion's gas transmission pipeline and storage business is its gas gathering and extraction activity, which sells extracted products at market rates. Dominion's LNG operations involve the import and storage of LNG at Cove Point and the transportation of regasified LNG to the interstate pipeline grid and mid-Atlantic and Northeast markets. In connection with the recent increase in Eastern U.S. natural gas production, including from the Marcellus and Utica shale formations, Dominion has requested regulatory authority to operate Cove Point as a bi-directional facility, able to import LNG, and vaporize it as natural gas, and liquefy natural gas and export it as LNG. See *Future Issues and Other Matters* in MD&A for more information.

Revenue provided by Dominion's regulated gas transmission and storage and LNG operations is based primarily on rates established by FERC. Additionally, Dominion receives revenue from firm fee-based contractual arrangements, including negotiated rates, for certain gas transportation, gas storage, LNG storage and regasification services. Dominion's gas distribution operations serve residential, commercial and industrial gas sales and transportation customers. Revenue provided by its gas distribution operations is based primarily on rates established by the Ohio and West Virginia Commissions. The profitability of these businesses is dependent on Dominion's ability, through the rates it is permitted to charge, to recover costs and earn a reasonable return on its capital investments. Variability in earnings results from operating and maintenance expenditures, as well as changes in rates and the demand for services, which are dependent on weather, changes in commodity prices and the economy.

In October 2008, East Ohio implemented a rate case settlement which provided for a straight-fixed-variable rate design.

Under this rate design, East Ohio recovers a larger portion of its fixed operating costs through a flat monthly charge accompanied by a reduced volumetric base delivery rate. Accordingly, East Ohio's revenue is less impacted by weather-related fluctuations in natural gas consumption than under the traditional rate design.

Earnings from Dominion Energy's producer services business are unregulated, and are subject to variability associated with changes in commodity prices. Producer services uses physical and financial arrangements to hedge this price risk.

Competition

Dominion Energy's gas transmission operations compete with domestic and Canadian pipeline companies. Dominion also competes with gas marketers seeking to provide or arrange transportation, storage and other services. Alternative energy sources, such as oil or coal, provide another level of competition. Although competition is based primarily on price, the array of services that can be provided to customers is also an important factor. The combination of capacity rights held on certain long-line pipelines, a large storage capability and the availability of numerous receipt and delivery points along its own pipeline system enable Dominion to tailor its services to meet the needs of individual customers.

Retail competition for gas supply exists to varying degrees in the two states in which Dominion's gas distribution subsidiaries operate. In Ohio, there has been no legislation enacted to require supplier choice for residential and commercial natural gas consumers. However, Dominion offers an Energy Choice program to customers, in cooperation with the Ohio Commission. At December 31, 2011, approximately 1 million of Dominion's 1.2 million Ohio customers were participating in this Energy Choice Program. West Virginia does not require customers to choose their provider in its retail natural gas markets at this time. However, the West Virginia Commission has issued regulations to govern pooling services, one of the tools that natural gas suppliers may utilize to provide retail customers a choice in the future and has issued rules requiring competitive gas service providers to be licensed in West Virginia. See *Regulation-State Regulations-Gas* for additional information.

Regulation

Dominion Energy's natural gas transmission pipeline, storage and LNG operations are regulated primarily by FERC. Dominion Energy's gas distribution service, including the rates that it may charge customers, is regulated by the Ohio and West Virginia Commissions. See *State Regulations* and *Federal Regulations* in *Regulation* for more information.

Properties

Dominion Energy's gas distribution network is located in the states of Ohio and West Virginia. This network involves approximately 21,800 miles of pipe, exclusive of service lines of two inches in diameter or less. The rights-of-way grants for many natural gas pipelines have been obtained from the actual owner of real estate, as underlying titles have been examined. Where rights-of-way have not been obtained, they could be acquired from private owners by condemnation, if necessary. Many natural gas pipelines are on publicly-owned property, where company rights and actions are determined on a case-by-case basis, with results that range from reimbursed relocation to revocation of permission to operate.

Dominion Energy has approximately 11,000 miles of gas transmission, gathering and storage pipelines located in the states of Maryland, New York, Ohio, Pennsylvania, Virginia and West Virginia. Dominion Energy operates gas processing and fractionation facilities in West Virginia with a total processing capacity of 267,000 mcf per day and fractionation capacity of 582,000 gallons per day. Dominion Energy also operates 20 underground gas storage fields located in New York, Ohio, Pennsylvania and West Virginia, with almost 2,000 storage wells and approximately 349,000 acres of operated leaseholds.

The total designed capacity of the underground storage fields operated by Dominion Energy is approximately 947 bcf. Certain storage fields are jointly-owned and operated by Dominion Energy. The capacity of those fields owned by Dominion's partners totals about 242 bcf. Dominion Energy also has about 15 bcf of above-ground storage capacity at Cove Point. Dominion Energy has about 128 compressor stations with more than 777,000 installed compressor horsepower.

In August 2009, Dominion announced the proposed development of the Keystone Connector Project, a joint venture with The Williams Companies that would transport new natural gas supplies from the Appalachian Basin to Transcontinental Gas Pipe Line Corporation's Station 195, providing access to markets throughout the eastern U.S. The joint venture was terminated in June 2011. DTI is currently independently marketing its Keystone Connector Project. Project timing is subject to producer drilling plans in the Appalachian Basin, as well as customer demand throughout the mid-Atlantic and Northeast regions.

In January 2011, Dominion completed the $50 million Cove Point Pier Reinforcement Project to upgrade, expand and modify the existing pier at the Cove Point terminal to accommodate the next generation of LNG vessels (up to 267,000 cubic meters) that are much larger than those that could previously be accommodated (no larger than 148,000 cubic meters).

DTI has announced the Gathering Enhancement Project, a $253 million expansion of its natural gas gathering, processing and liquids facilities in West Virginia. The project is designed to increase the efficiency and reduce high pressures in its gathering system, thus increasing the amount of natural gas local producers can move through DTI's West Virginia system. Construction started in 2009 and is expected to be completed by the fourth quarter of 2012. The cost of the project will be paid for by rates charged to producers.

In June 2011, FERC approved DTI's $634 million Appalachian Gateway Project. The project is expected to provide approximately 484,000 dekatherms per day of firm transportation services for new Appalachian gas supplies in West Virginia and southwestern Pennsylvania to an interconnection with Texas Eastern Transmission, LP at Oakford, Pennsylvania. Construction has commenced and transportation services are scheduled to begin by September 2012.

In August 2011, DTI received FERC authorization for the Northeast Expansion Project. The project is expected to provide approximately 200,000 dekatherms per day of firm transportation services for CONSOL's Marcellus Shale natural gas production from various receipt points in central and southwestern Pennsylvania to a nexus of market pipelines and storage facilities in Leidy, Pennsylvania. The project is expected to cost approximately $100 million. Construction of new compression facilities at three existing compressor stations in central Pennsylvania is expected to begin in March 2012, with a projected in-service date of November 2012.

In September 2011, FERC approved DTI's proposed Ellisburg-to-Craigs project. The project is expected to have capacity of approximately 150,000 dekatherms per day, which will be leased by TGP to move Marcellus shale natural gas supplies from TGP's 300 Line pipeline system in northern Pennsylvania to its 200 Line pipeline system in upstate New York. The project is expected to cost approximately $46 million. Construction of additional compression facilities and a new measurement and regulating station is expected to begin in March 2012, with a projected in-service date of November 2012.

In November 2011, DTI filed a FERC application for approval to construct the $17 million Sabinsville to Morrisville project, a pipeline to move additional Marcellus supplies from a TGP pipeline in northeast Pennsylvania to its line in upstate New York. DTI executed a binding precedent agreement with TGP in October 2010 to provide this firm transportation service up to 92,000 dekatherms per day for a 14-year term. Construction is expected to commence April 2013 with an expected in service date of November 2013.

DTI is developing the Allegheny Storage Project, which is expected to provide approximately 7.5 bcf of incremental storage service and 125,000 dekatherms per day of associated year-round firm transportation service to three local distribution companies under 15-year contracts. Storage capacity for the project will be provided from storage pool enhancements at DTI and capacity leased from East Ohio. DTI intends to construct additional compression facilities and upgrade measurement and regulation in order to provide 115,000 dekatherms per day of transportation service. The remaining 10,000 dekatherms per day of transportation service will not require construction of additional facilities. The $112 million project is expected to be in service in 2014, subject to FERC approval, which DTI requested in February 2012.

In February 2011, DTI concluded a binding open season for its $67 million Tioga Area Expansion Project, which is designed to provide approximately 270,000 dekatherms per day of firm transportation service from supply interconnects in Tioga and Potter Counties in Pennsylvania to DTI's Crayne interconnect with Texas Eastern Transmission, LP in Greene County, Pennsylvania and the Leidy interconnect with Transcontinental Gas Pipe Line Company in Clinton County, Pennsylvania. Two customers have contracted for the service under 15-year terms. DTI filed a certificate application with FERC in November 2011. Subject to the receipt of regulatory approvals, the project is anticipated to be in service in November 2013.

In January 2011, Dominion announced the development of a natural gas processing and fractionation facility in Natrium, West Virginia, and in July 2011 it executed a contract for the construction of the first phase of the facility. This phase of the project is fully contracted and is expected to be in service by December 2012. The Phase 1 costs for processing, fractionation, plant inlet and outlet natural gas transportation, gathering, and various modes of NGL transportation is approximately $500 million. Dominion is also in negotiations for the possible construction of Phase 2 at Natrium, which could be in service by the fourth quarter of 2013. The complete project is designed to process up to 400,000 mcf of natural gas per day and fractionate up to 59,000 barrels of NGLs per day.

In March 2011, East Ohio filed a request with the Ohio Commission to accelerate the PIR program by nearly doubling its PIR spending to more than $200 million annually. East Ohio identified 1,450 miles of pipeline that need to be replaced, in addition to the pipeline originally identified in the PIR project scope. See Note 14 to the Consolidated Financial Statements for additional information.

Sources of Energy Supply

Dominion Energy's natural gas supply is obtained from various sources including purchases from major and independent producers in the Mid-Continent and Gulf Coast regions, local producers in the Appalachian area and gas marketers. Dominion's large underground natural gas storage network and the location of its pipeline system are a significant link between the country's major interstate gas pipelines, including the Rockies Express East pipeline, and large markets in the Northeast and mid-Atlantic regions. Dominion's pipelines are part of an interconnected gas transmission system, which provides access to supplies nationwide for local distribution companies, marketers, power generators and industrial and commercial customers.

Dominion's underground storage facilities play an important part in balancing gas supply with consumer demand and are essential to serving the Northeast, mid-Atlantic and Midwest regions. In addition, storage capacity is an important element in the effective management of both gas supply and pipeline transmission capacity.

Seasonality

Dominion Energy's natural gas distribution business earnings vary seasonally, as a result of the impact of changes in temperature on demand by residential and commercial customers for gas to meet heating needs. Historically, the majority of these earnings have been generated during the heating season, which is generally from November to March, however implementation of the straight-fixed-variable rate design at East Ohio has reduced the earnings impact of weather-related fluctuations. Demand for services at Dominion's pipeline and storage business can also be weather sensitive. Commodity prices can be impacted by seasonal weather changes, the effects of unusual weather events on operations and the economy. Dominion's producer services business is affected by seasonal changes in the prices of commodities that it transports, stores and actively markets and trades.

Corporate and Other

Corporate and Other Segment—Virginia Power

Virginia Power's Corporate and Other segment primarily includes certain specific items attributable to its operating segments that are not included in profit measures evaluated by executive management in assessing the segments' performance or allocating resources among the segments.

Corporate and Other Segment—Dominion

Dominion's Corporate and Other segment includes its corporate, service company and other functions (including unallocated debt) and the net impact of the operations and sale of Peoples, which is discussed in Note 4 to the Consolidated Financial Statements. In addition, Corporate and Other includes specific items attributable to Dominion's operating segments that are not included in profit measures evaluated by executive management in assessing the segments' performance or allocating resources among the segments.

Environmental Strategy

Dominion and Virginia Power are committed to being good environmental stewards. Their ongoing objective is to provide reliable, affordable energy for their customers while being environmentally responsible. The integrated strategy to meet this objective consists of five major elements:

- Compliance with applicable environmental laws, regulations and rules;
- Conservation and load management;
- Renewable generation development;
- Other generation development to maintain fuel diversity, including clean coal, advanced nuclear energy, and natural gas; and
- Improvements in other energy infrastructure.

This strategy incorporates Dominion's and Virginia Power's efforts to voluntarily reduce GHG emissions, which are described below. See *Dominion Generation—Properties* for more information on certain of the projects described below, as well as other projects under current development.

Environmental Compliance

Dominion and Virginia Power remain committed to compliance with all applicable environmental laws, regulations and rules related to their operations. Additional information related to Dominion's and Virginia Power's environmental compliance matters can be found in *Future Issues and Other Matters* in MD&A and in Note 23 to the Consolidated Financial Statements.

Conservation and Load Management

Conservation plays a significant role in meeting the growing demand for electricity. The Regulation Act provides incentives for energy conservation and sets a voluntary goal to reduce electricity consumption by retail customers in 2022 by ten percent of the amount consumed in 2006 through the implementation of conservation programs. Legislation in 2009 added definitions of peak-shaving and energy efficiency programs and allowed for a margin on operating expenses and revenue reductions related to energy efficiency programs.

Virginia Power's DSM programs provide important incremental steps toward achieving the voluntary ten percent energy conservation goal. The conservation and load management plan includes the following DSM programs, which were approved by the Virginia Commission in March 2010 and were rolled out in May 2010:

- Residential Lighting Program—an instant, in-store discount on the purchase of qualifying compact fluorescent lights;
- Home Energy Improvement—energy audits and improvements for homes of low-income customers;
- Smart Cooling Rewards—incentives for residential customers who voluntarily enroll to allow Virginia Power to cycle their air conditioners and heat pumps during periods of peak demand;
- Commercial Heating, Ventilating and Air Conditioning Upgrade Program—incentives for commercial customers to improve the energy efficiency of their heating and/or cooling units; and
- Commercial Lighting Program—incentives for commercial customers to install energy-efficient lighting.

In September 2011, Virginia Power filed an application for approval of six additional DSM programs and to expand the approved Commercial Lighting and Commercial Heating, Ventilating and Air Conditioning Upgrade programs, in addition to requesting annual recovery of DSM program costs. The proposed DSM programs include:

- Commercial Energy Audit Program—an on-site energy audit providing commercial customers with information to evaluate potential energy cost savings options;
- Commercial Duct Testing & Sealing—an incentive for commercial customers to seal duct and air distribution systems to improve system efficiency;
- Commercial Refrigeration Program—an incentive for commercial customers to install more efficient refrigeration technologies;
- Commercial Distributed Generation—a redesigned distributed generation program allowing customers to commit their on-site back-up generators to Virginia Power during periods of peak demand;
- Residential Lighting Phase II—an extension of the initial in-store discount on the purchase of qualifying compact fluorescent lighting as well as light-emitting diode bulbs to phase out and replace conventional incandescent bulbs; and
- Residential Bundle Program—a bundle of four residential programs to be available to residential customers, including a Residential Home Energy Check-up Program, Residential Duct Testing & Sealing Program, Residential Heat Pump Tune-Up Program and Residential Heat Pump Upgrade Program.

In September 2010, Virginia Power filed with the North Carolina Commission an application for approval and its initial request for cost recovery of the five DSM programs initially approved in Virginia, as well as the distributed generation program. In February 2011, the North Carolina Commission approved the five DSM programs approved in Virginia, and Virginia Power subsequently launched the residential lighting program in May 2011 and the remainder of the approved programs in June 2011. In a separate order issued in September of 2011, the North Carolina Commission denied approval of Virginia Power's proposed distributed generation program.

Virginia Power continues to assess smart grid technologies through a demonstration designed to indicate how these technologies may enhance Virginia Power's electric distribution system by allowing energy to be delivered more efficiently. The demonstration involves a limited deployment, within Virginia Power's Virginia service territory, of smart meters that use digital technology to enable two-way communication between the meter and Virginia Power's electric distribution system. Dependent upon the outcome of the demonstration and certain regulatory proceedings, Virginia Power may make a significant investment in replacing existing meters with Advanced Metering Infrastructure. The technology is intended to help customers monitor and control their energy use. It is also expected to lead to more efficient use of the power grid, which is expected to result in energy savings and lower environmental emissions. Moreover, deployment of smart grid technology is expected to provide more accurate outage information, fewer service calls, and faster service restoration.

Renewable Generation

Renewable energy is also an important component of a diverse and reliable energy mix. Both Virginia and North Carolina have passed legislation setting targets for renewable power. Virginia Power is committed to meeting Virginia's goals of 12% renewable power by 2022 and 15% by 2025, and North Carolina's RPS of 12.5% by 2021. In May 2010, the Virginia Commission approved Virginia Power's participation in the state's RPS program. As a participant, Virginia Power is permitted to seek recovery, through rate adjustment clauses, of the costs of programs designed to meet RPS goals. Virginia Power plans to meet the respective RPS targets in Virginia and North Carolina by utilizing existing renewable facilities, as well as through additional renewable generation where it makes sense for customers. In addition, Virginia Power intends to purchase renewable energy certificates, as permitted by each RPS program, to meet any remaining annual requirement needs. Virginia Power continues to explore opportunities to develop new renewable facilities within its service territory, the energy attributes of which would qualify for inclusion in the RPS programs.

Dominion has invested in wind energy through two joint ventures. Dominion is a 50% owner of NedPower. Dominion's share of this project produces 132 MW of renewable energy. Dominion is also a 50% owner with BP of the first phase of Fowler Ridge, which has a generating capacity of 300 MW. Dominion has a long-term agreement with Fowler Ridge to purchase 200 MW of energy, capacity and environmental attributes from this first phase. In the first quarter of 2011, Dominion completed the sale of its remaining share of the development assets of the second phase of Fowler Ridge to BP.

In October 2011, Virginia Power filed with the Virginia Commission an application to conduct a solar distributed generation demonstration program, consisting of up to a combined 30 MW of company-owned solar distributed generation facilities to be located at selected commercial, industrial and community locations throughout its Virginia service territory, as well as up to a combined 3 MW of customer-owned solar distributed generation facilities that will be subject to a tariff filed with the Virginia Commission in 2012. If approved, this program is expected to generate enough electricity to power about 6,000 homes during peak daylight hours.

Other Generation Development

Virginia Power has announced a comprehensive generation growth program, referred to as *Powering Virginia*, which involves the development, financing, construction and operation of new multi-fuel, multi-technology generation capacity to meet the anticipated growth in demand in its core market of Virginia. Virginia Power expects that these investments collectively will provide the following benefits: expanded electricity production capability, increased technological and fuel diversity and a reduction in the CO_2 emission intensity of its generation fleet.

Improvements in Other Energy Infrastructure

Virginia Power's five-year investment plan includes significant capital expenditures to upgrade or add new transmission and distribution lines, substations and other facilities to meet growing electricity demand within its service territory and maintain reliability. These enhancements are primarily aimed at meeting Virginia Power's continued goal of providing reliable service, and are intended to address both continued population growth and increases in electricity consumption by the typical consumer. An additional benefit will be added capacity to efficiently deliver electricity from the renewable projects now being developed or to be developed in the future.

Virginia Power is taking measures to ensure that its electrical infrastructure can support the expected demand from electric vehicles, which have significantly lower carbon intensity than conventional vehicles. Virginia Power has partnered with Ford Motor Company to help prepare Virginia for the operation of electric vehicles, in a collaboration that involves consumer outreach, educational programs and the exchange of information on vehicle charging requirements.

Dominion, in connection with its five-year growth plan, is also pursuing the construction or upgrade of regulated infrastructure in its natural gas business.

Dominion and Virginia Power's Strategy for Voluntarily Reducing GHG Emissions

While Dominion and Virginia Power have not established a stand-alone GHG emissions reduction target or timetable, they are actively engaged in voluntary reduction efforts, as well as working toward achieving required RPS standards established by existing state regulations, as set forth above. The Companies have an integrated voluntary strategy for reducing overall GHG emission intensity that is based on maintaining a diverse fuel mix, including nuclear, coal, gas, oil, hydro and renewable energy, investing in renewable energy projects and promoting energy conservation and efficiency efforts. Below are some of the Companies' efforts that have or are expected to reduce the Companies' overall carbon emissions or intensity:

- In 2003, Virginia Power retired two oil-fired units at its Possum Point power station, replacing them with a new 559 MW combined-cycle natural gas unit. Virginia Power also converted two coal-fired units at Possum Point to cleaner burning natural gas.
- Since 2000, Dominion has added over 2,600 MW of non-emitting nuclear generation and over 3,500 MW of new lower-emitting natural gas-fired generation including nearly 1,600 MW at Virginia Power (excluding Possum Point), to its generation mix.
- Virginia Power added 83 MW of renewable biomass and has plans to convert three coal-fired power stations to biomass, which is anticipated to be considered carbon neutral by regulatory agencies.
- Dominion has over 800 MW of wind energy in operation or development.
- Virginia Power completed construction of the natural gas-fired Bear Garden generating facility in May 2011.
- Virginia Power is constructing the natural gas-fired Warren County power station. In connection with the air permit process for Warren County, Virginia Power reached an

agreement with the National Park Service to permanently retire the North Branch power station, a 74 MW coal fired plant located in West Virginia, once Warren County begins commercial operations.

- Virginia Power plans to construct an additional combined-cycle natural gas-fired power station similar in size to Warren County to replace coal-fired units at Chesapeake and Yorktown that are anticipated to be retired in 2015 and 2016.
- Virginia Power has received an Early Site Permit from the NRC for the possible addition of approximately 1,500 MW of nuclear generation in Virginia. Virginia Power has not yet committed to building a new nuclear unit.
- Virginia Power has developed the DSM programs described above.
- Virginia Power has initiated a demonstration of smart grid technologies as described above.
- In October 2011, Virginia Power announced plans to develop the community solar power program described above.
- Dominion retired two coal-fired units at Salem Harbor in 2011 and announced that the remaining units at Salem Harbor will be retired during the second quarter of 2014.
- Dominion has announced its plans to retire State Line during the first quarter of 2012.

While Virginia Power's new Virginia City Hybrid Energy Center, which is currently under construction in southwest Virginia, will be a new source of GHG emissions upon entering service, Virginia Power has taken steps to minimize the impact on the environment. The new plant is expected to use at least 10% biomass for fuel and is designed to be carbon-capture compatible, meaning that technology to capture CO_2 can be added to the station if or when it becomes commercially available. Also, Virginia Power has announced plans to convert its coal units at Bremo to natural gas, contingent upon the Virginia City Hybrid Energy Center entering service and receipt of necessary approvals. It is currently estimated that the Virginia City Hybrid Energy Center will have the potential to emit about 4.8 million metric tonnes of direct CO_2 emissions in a year assuming a 100% capacity factor and 100% coal-fired operation. Actual emissions will depend on the capacity factor of the facility and the extent to which biomass is burned.

Dominion also developed a comprehensive GHG inventory for calendar year 2010. For Dominion Generation, Dominion's and Virginia Power's direct CO_2 equivalent emissions, based on equity share (ownership), were approximately 52.4 million metric tonnes and 32.4 million metric tonnes, respectively. For the DVP operating segment's electric transmission and distribution operations, direct CO_2 equivalent emissions were approximately 0.2 million metric tonnes. DTI's (including Cove Point) direct CO_2 equivalent emissions were approximately 3.0 million metric tonnes and East Ohio's direct CO_2 equivalent emissions were approximately 1.4 million metric tonnes. While the Companies do not have final 2011 emissions data, they do not expect a significant variance in emissions from 2010 amounts. With respect to electric generation, primary facility stack emissions of CO_2 from carbon based fuel combustion are directly measured via continuous emissions monitor system methods set forth under 40 CFR Part 75 of the U.S. Electric Code of Federal Regulation. For those emission sources not covered under 40 CFR Part 75, and for methane and nitrous oxide emissions, quantification is based on fuel combustion, higher heating values, emission factors, and global warming potentials as specified in the EPA's Mandatory Reporting of Greenhouse Gases Rule. For the DVP operating segment's electric transmission and distribution emissions, the protocol used was *The Climate Registry*. For Dominion's natural gas businesses, combustion related emissions were calculated using the EPA Mandatory Reporting of Greenhouse Gases Rule as described above. For DTI, the protocol used to calculate the non-combustion related emissions reported above was *Greenhouse Gas Emission Estimation Guidelines for Natural Gas Transmission and Storage, Volume 1-GHG Estimation Methodologies and Procedures-Revision 2, September 28, 2005* developed by the Interstate Natural Gas Association of America. For East Ohio, the protocol used to calculate the non-combustion related emissions was the American Gas Association's April 2008 Greenhouse Emissions Estimation Methodologies and Procedures for Natural Gas Distribution Operations.

Since 2000, the Companies have tracked the emissions of their electric generation fleet. Their electric generation fleet employs a mix of fuel and renewable energy sources. Comparing annual year 2000 to annual year 2010, Dominion and Virginia Power's electric generating fleet (based on ownership percentage) reduced their average CO_2 emissions rate per MWh of energy produced from electric generation by about 21% and 10%, respectively. During such time period the capacity of Dominion and Virginia Power's electric generation fleet has grown.

Alternative Energy Initiatives

In addition to the environmental strategy described above, Dominion formed the AES department in April 2009 to conduct research in the renewable and alternative energy technologies sector and to support strategic investments to advance Dominion's base of understanding of such technologies. AES participates in federal and state policy development on alternative energy and identifies potential alternative energy resource and technology opportunities for Dominion's business units. For example, in March 2011, AES initiated a Dominion scoping study for a high-voltage underwater transmission line from Virginia Beach into the ocean to support multiple offshore wind farms; the first of many steps with the goal being the development of a transmission line making offshore wind resources available to its customers. A 2010 Dominion study of its existing transmission system in eastern Virginia showed that it is possible to interconnect large scale wind facilities up to an installed capability of 4,500 MW.

REGULATION

Dominion and Virginia Power are subject to regulation by the Virginia Commission, North Carolina Commission, SEC, FERC, EPA, DOE, NRC, Army Corps of Engineers and other federal, state and local authorities.

State Regulations

ELECTRIC

Virginia Power's electric utility retail service is subject to regulation by the Virginia Commission and the North Carolina Commission.

Virginia Power holds certificates of public convenience and necessity which authorize it to maintain and operate its electric facilities now in operation and to sell electricity to customers. However, Virginia Power may not construct generating facilities or large capacity transmission lines without the prior approval of various state and federal government agencies. In addition, the Virginia Commission and the North Carolina Commission regulate Virginia Power's transactions with affiliates, transfers of certain facilities and the issuance of certain securities.

Electric Regulation in Virginia

The enactment of the Regulation Act in 2007 significantly changed electric service regulation in Virginia by instituting a modified cost-of-service rate model. With respect to most classes of customers, the Regulation Act ended Virginia's planned transition to retail competition for its electric supply service. Base rates are set by a process that allows Virginia Power to recover its operating costs and an ROIC. The Virginia Commission reviews Virginia Power's base rates, terms and conditions for generation and distribution services on a biennial basis in a proceeding that involves the determination of Virginia Power's actual earned ROE during a combined two-year historic test period, and the determination of Virginia Power's authorized ROE prospectively. If, as a result of the earnings test review, the Virginia Commission determines that Virginia Power's historic earnings for the two-year test period are more than 50 basis points above the authorized level, between 60% and 100% of earnings above this level must be shared with customers through a refund process. Under certain circumstances described in the Regulation Act, the Virginia Commission may also order a base rate increase or reduction during the biennial review. Circumstances where the Virginia Commission may order a base rate decrease include a determination by the Virginia Commission that Virginia Power has exceeded its authorized level of earnings by more than 50 basis points for two consecutive biennial review periods. Virginia Power's authorized ROE can be set no lower than the average, for a three-year historic period, of the actual returns reported to the SEC by not less than a majority of comparable utilities within the Southeastern U.S., with certain limitations as described in the Regulation Act. Virginia Power's ROE may be increased or decreased by up to 100 basis points based on operating performance criteria, or alternatively, will be increased by 50 basis points for compliance with Virginia's RPS.

In addition, the Regulation Act authorizes stand-alone rate adjustment clauses for recovery of costs for new generation facilities or major unit modifications of existing facilities, FERC-approved transmission costs, environmental compliance, conservation and energy efficiency programs and renewable energy programs. It provides for enhanced returns on capital expenditures relating to the construction or major modification of facilities that are nuclear-powered, clean coal/carbon capture compatible-powered, or renewable-powered, as well as conventional coal and combined-cycle combustion turbine facilities. Costs of fuel used for the generation of electricity, along with costs of purchased power, are recovered from customers through an annually approved fuel rider, as provided under a separate section of the Virginia Code. Decisions of the Virginia Commission may be appealed to the Supreme Court of Virginia.

If the Virginia Commission's future rate decisions, including actions relating to Virginia Power's rate adjustment clause filings, differ materially from Virginia Power's expectations, it could adversely affect its results of operations, financial condition and cash flows.

2009 Base Rate Review

Pursuant to the Regulation Act, the Virginia Commission initiated a review of Virginia Power's base rates, terms and conditions in 2009, including a review of Virginia Power's earnings for test year 2008. In March 2010, the Virginia Commission issued the Virginia Settlement Approval Order, thus concluding the 2009 case and resolving open issues relating to Virginia Power's base rates, fuel factor and Riders R, S, T, C1 and C2.

2011 Biennial Review

Pursuant to the Regulation Act and the Virginia Settlement Approval Order, in March 2011, Virginia Power submitted its base rate filing and accompanying schedules in support of the first biennial review of its base rates, terms and conditions, as well as of its earnings for the 2009 and 2010 test period. In November 2011, the Virginia Commission issued the Biennial Review Order.

In the 2011 Biennial Review Order, the Virginia Commission determined that Virginia Power earned an ROE of approximately 13.3% during the 2009 and 2010 combined test years, which exceeded the authorized ROE earnings band of 11.4% to 12.4% established in the Virginia Settlement Approval Order, resulting in an order that Virginia Power refund 60% of earnings above the upper end of the authorized ROE earnings band, or approximately $78 million, to its customers. The actual refund amount is expected to total approximately $81 million, taking into account refunds to be paid to certain non-jurisdictional customers pursuant to their customer contracts. The Virginia Commission also determined that Virginia Power's new authorized ROE is 10.9%, inclusive of a performance incentive of 50 basis points for meeting RPS targets. Subject to the outcome of Virginia Power's petition for rehearing or reconsideration described below, this ROE will serve as the ROE against which Virginia Power's earned return will be compared for all or part of the test periods in the 2013 biennial review proceeding.

With respect to Virginia Power's rate adjustment clauses, the Virginia Commission determined that, effective December 1, 2011, the ROE applicable to Riders C1 and C2 is 10.4% and the ROE applicable to Riders R and S is 11.4%, inclusive of a statutory enhancement of 100 basis points. The Virginia Commission also found that, as a result of its determination that credits will be applied to customers' bills, the Regulation Act requires the combination of its existing Riders T, C1, and C2 with Virginia Power's base costs, revenues and investments, and these Riders will thereafter be considered part of Virginia Power's base costs, revenues and investments for purposes of future biennial review proceedings. Accordingly, the Virginia Commission directed that Virginia Power's tariff filings pursuant to the Biennial Review Order reflect such combination. The Virginia Commission has initiated a proceeding to address further implementation of this directive. As a result of the Virginia Settlement Approval Order and the Regulation Act, Virginia Power's base rates will otherwise remain unchanged through at least December 1, 2013.

In December 2011, Virginia Power filed a petition with the Virginia Commission seeking rehearing or reconsideration of the Biennial Review Order, to clarify whether the effective date of the newly authorized base ROE is prospective from the date the Virginia Commission issued the Biennial Review Order or retrospective to January 1, 2011. Also, in December 2011, Virginia Power filed with the Virginia Commission a Notice of Appeal of the Biennial Review Order to the Supreme Court of Virginia.

See Note 14 to the Consolidated Financial Statements for additional information.

Electric Regulation in North Carolina

Virginia Power's retail electric base rates in North Carolina are regulated on a cost-of-service/rate-of-return basis subject to North Carolina statutes and the rules and procedures of the North Carolina Commission. North Carolina base rates are set by a process that allows Virginia Power to recover its operating costs and an ROIC. If retail electric earnings exceed the returns established by the North Carolina Commission, retail electric rates may be subject to review and possible reduction by the North Carolina Commission, which may decrease Virginia Power's future earnings. Additionally, if the North Carolina Commission does not allow recovery of costs incurred in providing service on a timely basis, Virginia Power's future earnings could be negatively impacted. Fuel rates are subject to revision under annual fuel cost adjustment proceedings. Virginia Power intends to file an application with the North Carolina Commission by March 30, 2012, to increase its base rates. See Note 14 to the Consolidated Financial Statements for additional information.

GAS

Dominion's gas distribution services are regulated by the Ohio Commission and the West Virginia Commission.

Status of Competitive Retail Gas Services

Both of the states in which Dominion has gas distribution operations have considered legislation regarding a competitive deregulation of natural gas sales at the retail level.

Ohio—Ohio has not enacted legislation requiring supplier choice for residential or commercial natural gas consumers. However, in cooperation with the Ohio Commission, Dominion offers retail choice to residential and commercial customers. At December 31, 2011, approximately 1.0 million of Dominion's 1.2 million Ohio customers were participating in this Energy Choice program. In October 2006, East Ohio implemented a program approved by the Ohio Commission as a transitional step towards the improvement and expansion of the Energy Choice program, under which East Ohio entered into gas purchase contracts with selected suppliers at a fixed price above the NYMEX month-end settlement. This Standard Service Offer pricing mechanism replaced the traditional gas cost recovery rate with a monthly market price that eliminated the true-up adjustment, making it easier for customers to compare and switch to competitive suppliers if they so choose.

In June 2008, the Ohio Commission approved a settlement filed in response to East Ohio's application seeking approval of Phase 2 of its plan to restructure its commodity service. Under that settlement, the existing Standard Service Offer program was continued through March 2009 with an update to the fixed rate adder to the NYMEX price. Starting in April 2009, East Ohio buys natural gas under the Standard Service Offer program for customers not eligible to participate in the Energy Choice program and places Energy Choice-eligible customers in a direct retail relationship with selected suppliers, which is designated on the customers' bills. Subject to the Ohio Commission's approval, East Ohio may eventually exit the gas merchant function in Ohio entirely and have all customers select an alternate gas supplier. East Ohio continues to be the provider of last resort in the event of default by a supplier. Large industrial customers in Ohio also source their own natural gas supplies.

West Virginia—At this time, West Virginia has not enacted legislation to require customers to choose in the retail natural gas markets served by Hope. However, the West Virginia Commission has issued regulations to govern pooling services, one of the tools that natural gas suppliers may utilize to provide retail customers a choice in the future and has issued rules requiring competitive gas service providers to be licensed in West Virginia.

Rates

Dominion's gas distribution subsidiaries are subject to regulation of rates and other aspects of their businesses by the states in which they operate - Ohio and West Virginia. When necessary, Dominion's gas distribution subsidiaries seek general base rate increases to recover increased operating costs and a fair return on rate base investments. Base rates are set based on the cost of service by rate class. A straight-fixed-variable rate design, in which the majority of operating costs are recovered through a monthly charge rather than a volumetric charge, is utilized to establish rates for a majority of East Ohio's customers pursuant to a 2008 rate case settlement. Base rates for Hope are designed primarily based on a rate design methodology in which the majority of operating costs are recovered through volumetric charges. In addition to general rate increases, Dominion's gas distribution subsidiaries make routine separate filings with their respective state regulatory commissions to reflect changes in the costs of purchased gas. The majority of these purchased gas costs are subject to rate recovery through a mechanism that ensures dollar for dollar recovery of prudently incurred costs. Costs that are expected to be recovered in future rates are deferred as regulatory assets. The purchased gas cost recovery filings generally cover prospective one-, three- or twelve-month periods. Approved increases or decreases in gas cost recovery rates result in increases or decreases in revenues with corresponding increases or decreases in net purchased gas cost expenses. The Ohio Commission has also approved several standalone cost recovery mechanisms to recover specified costs and a return for infrastructure projects and certain other costs that vary widely over time; such costs are excluded from general base rates. See Note 14 to the Consolidated Financial Statements for additional information.

Federal Regulations

FEDERAL ENERGY REGULATORY COMMISSION

Electric

Under the Federal Power Act, FERC regulates wholesale sales and transmission of electricity in interstate commerce by public utilities. Virginia Power purchases and sells electricity in the PJM wholesale market and Dominion's merchant generators sell electricity in the PJM, MISO and ISO-NE wholesale markets under Dominion's market-based sales tariffs authorized by FERC. In addition, Virginia Power has FERC approval of a tariff to sell wholesale power at capped rates based on its embedded cost of generation. This cost-based sales tariff could be used to sell to loads within or outside Virginia Power's service territory. Any such sales would be voluntary.

Dominion and Virginia Power are subject to FERC's Standards of Conduct that govern conduct between transmission function employees of interstate gas and electricity transmission providers and the marketing function employees of their affiliates. The rule defines the scope of transmission and marketing-related functions that are covered by the standards and is designed to prevent transmission providers from giving their affiliates undue preferences.

Dominion and Virginia Power are also subject to FERC's affiliate restrictions that (1) prohibit power sales between Virginia Power and Dominion's merchant plants without first receiving FERC authorization, (2) require the merchant plants and Virginia Power to conduct their wholesale power sales operations separately, and (3) prohibit Virginia Power from sharing market information with merchant plant operating personnel. The rules are designed to prohibit Virginia Power from giving the merchant plants a competitive advantage.

EPACT included provisions to create an ERO. The ERO is required to promulgate mandatory reliability standards governing the operation of the bulk power system in the U.S. FERC has certified NERC as the ERO and also issued an initial order approving many reliability standards that went into effect in 2007. Entities that violate standards will be subject to fines of between $1 thousand and $1 million per day, and can also be assessed non-monetary penalties, depending upon the nature and severity of the violation.

Dominion and Virginia Power plan and operate their facilities in compliance with approved NERC reliability requirements. Dominion and Virginia Power employees participate on various NERC committees, track the development and implementation of standards, and maintain proper compliance registration with NERC's regional organizations. Dominion and Virginia Power anticipate incurring additional compliance expenditures over the next several years as a result of the implementation of new cybersecurity programs as well as efforts to ensure appropriate facility ratings for Virginia Power's transmission lines. In October 2010, NERC issued an industry alert identifying possible discrepancies between the design and actual field conditions of transmission facilities as a potential reliability issue. The alert recommends that entities review their current facilities rating methodology to verify that the methodology is based on actual field conditions, rather than solely on design documents, and to take corrective action if necessary. Virginia Power is evaluating its transmission facilities for any discrepancies between design and actual field conditions. In addition, NERC has requested the industry to increase the number of assets subject to NERC reliability standards that are designated as critical assets, including cybersecurity assets. While Dominion and Virginia Power expect to incur additional compliance costs in connection with the above NERC requirements and initiatives, such expenses are not expected to significantly affect results of operations.

In April 2008, FERC granted an application for Virginia Power's electric transmission operations to establish a forward-looking formula rate mechanism that updates transmission rates on an annual basis and approved an ROE of 11.4%, effective as of January 1, 2008. The formula rate is designed to recover the expected revenue requirement for each calendar year and is updated based on actual costs. The FERC-approved formula method, which is based on projected costs, allows Virginia Power to earn a current return on its growing investment in electric transmission infrastructure.

Gas

FERC regulates the transportation and sale for resale of natural gas in interstate commerce under the Natural Gas Act of 1938 and the Natural Gas Policy Act of 1978, as amended. Under the Natural Gas Act, FERC has authority over rates, terms and conditions of services performed by Dominion's interstate natural gas company subsidiaries, including DTI, Cove Point and the Dominion South Pipeline Company, LP. FERC also has jurisdiction over siting, construction and operation of natural gas import facilities and interstate natural gas pipeline facilities.

Dominion's interstate gas transmission and storage activities are generally conducted on an open access basis, in accordance with certificates, tariffs and service agreements on file with FERC.

Dominion is also subject to the Pipeline Safety Acts of 2002 and 2011, which mandate inspections of interstate and intrastate natural gas transmission and storage pipelines, particularly those located in areas of high-density population. Dominion has evaluated its natural gas transmission and storage properties, as required by the Department of Transportation regulations under these Acts, and has implemented a program of identification, testing and potential remediation activities. These activities are ongoing.

See *Future Issues and Other Matters* in MD&A and Note 14 to the Consolidated Financial Statements for additional information.

Environmental Regulations

Each of Dominion's and Virginia Power's operating segments faces substantial laws, regulations and compliance costs with respect to environmental matters. In addition to imposing continuing compliance obligations, these laws and regulations authorize the imposition of substantial penalties for noncompliance, including fines, injunctive relief and other sanctions. The cost of complying with applicable environmental laws, regulations and rules is expected to be material to the Companies. If expenditures for pollution control technologies and associated operating costs are not recoverable from customers through regulated rates (in regulated jurisdictions) or market prices (in deregulated jurisdictions), those costs could adversely affect future results of operations and cash flows. Dominion and Virginia Power have applied for or obtained the necessary environmental permits for the operation of their facilities. Many of these permits are subject to reissuance and continuing review. For a discussion of significant aspects of these matters, including current and planned capital expenditures relating to environmental compliance required to be discussed in this Item, see *Environmental Matters* in *Future Issues and Other Matters* in MD&A, which information is incorporated herein by reference. Additional information can also be found in Item 3. Legal Proceedings and Note 23 to the Consolidated Financial Statements.

Global Climate Change

The national and international attention in recent years on GHG emissions and their relationship to climate change has resulted in federal, regional and state legislative or regulatory action in this area. Dominion and Virginia Power support national climate change legislation that would provide a consistent, economy-wide approach to addressing this issue and are currently taking action to protect the environment and address climate change while meeting the future needs of their growing service territory. Dominion's CEO and operating segment CEOs are responsible for compliance with the laws and regulations governing environmental matters, including climate change, and Dominion's Board of Directors receives periodic updates on these matters. See *Environmental Strategy* above, *Environmental Matters* in *Future Issues and Other Matters* in MD&A and Note 23 to the Consolidated Financial Statements for information on climate change legislation and regulation, which information is incorporated herein by reference.

Nuclear Regulatory Commission

All aspects of the operation and maintenance of Dominion's and Virginia Powers' nuclear power stations, which are part of the Dominion Generation segment, are regulated by the NRC. Operating licenses issued by the NRC are subject to revocation, suspension or modification, and the operation of a nuclear unit may be suspended if the NRC determines that the public interest, health or safety so requires.

From time to time, the NRC adopts new requirements for the operation and maintenance of nuclear facilities. In many cases, these new regulations require changes in the design, operation and maintenance of existing nuclear facilities. If the NRC adopts such requirements in the future, it could result in substantial increases in the cost of operating and maintaining Dominion's and Virginia Power's nuclear generating units. See *Nuclear Matters* in *Future Issues and Other Matters* in MD&A for further information.

The NRC also requires Dominion and Virginia Power to decontaminate their nuclear facilities once operations cease. This process is referred to as decommissioning, and the Companies are required by the NRC to be financially prepared. For information on decommissioning trusts, see *Dominion Generation-Nuclear Decommissioning* and Note 10 to the Consolidated Financial Statements. See Note 23 to the Consolidated Financial Statements for information on spent nuclear fuel.

Item 1A. Risk Factors

Dominion's and Virginia Power's businesses are influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond their control. A number of these factors have been identified below. For other factors that may cause actual results to differ materially from those indicated in any forward-looking statement or projection contained in this report, see *Forward-Looking Statements* in Item 7. MD&A.

Dominion's and Virginia Power's results of operations can be affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas, and affect the price of energy commodities. In addition, severe weather, including hurricanes and winter storms, can be destructive, causing outages and property damage that require incurring additional expenses. Droughts can result in reduced water levels that could adversely affect operations at some of the Companies' power stations. Furthermore, the Companies' operations could be adversely affected and their physical plant placed at greater risk of damage should changes in global climate produce, among other possible conditions, unusual variations in temperature and weather patterns, resulting in more intense, frequent and extreme weather events, abnormal levels of precipitation and, for operations located on or near coastlines, a change in sea level.

Dominion and Virginia Power are subject to complex governmental regulation that could adversely affect their results of operations. Dominion's and Virginia Power's operations are subject to extensive federal, state and local regulation and require numerous permits, approvals and certificates from various governmental agencies. These operations are also subject to legislation governing taxation at the federal, state and local level. They must also comply with environmental legislation and associated regulations. Management believes that the necessary approvals have been obtained for existing operations and that the business is conducted in accordance with applicable laws. However, new laws or regulations, the revision or reinterpretation of existing laws or regulations, or penalties imposed for non-compliance with existing laws or regulations may result in substantial expense.

Dominion and Virginia Power could be subject to penalties as a result of mandatory reliability standards. As a result of EPACT, owners and operators of generation facilities and bulk electric transmission systems, including Dominion and Virginia Power, are subject to mandatory reliability standards enacted by NERC and enforced by FERC. Compliance with the mandatory reliability standards may subject the Companies to higher operating costs and may result in increased capital expenditures. If either Dominion or Virginia Power is found not to be in compliance with the mandatory reliability standards it could be subject to remediation costs, as well as sanctions, including substantial monetary penalties.

Dominion's and Virginia Power's costs of compliance with environmental laws are significant. The costs of compliance with future environmental laws, including laws and regulations designed to address global climate change, air quality, coal combustion by-products, cooling water and other matters could make certain of the Companies' generation facilities uneconomical to maintain or operate. Dominion's and Virginia Power's operations are subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, natural resources, and health and safety. Compliance with these legal requirements requires the Companies to commit significant capital toward permitting, emission fees, environmental monitoring, installation and operation of pollution control equipment and purchase of allowances and/or offsets. Additionally, the Companies could be responsible for expenses relating to remediation and containment obligations, including at sites where they have been identified by a regulatory agency as a potentially responsible party. Expenditures relating to environmental compliance have been significant in the past, and Dominion and Virginia Power expect that they will remain significant in the future.

Existing environmental laws and regulations may be revised and/or new laws may be adopted or become applicable to Dominion or Virginia Power. The EPA is expected to issue additional regulations with respect to air quality under the CAA, including revised NAAQS and regulations governing the emissions of GHGs from electric generating units. Risks relating to potential regulation of GHG emissions are discussed below. Dominion and

Virginia Power also expect additional federal water and waste regulations, including regulations concerning cooling water intake structures and coal combustion by-product handling and disposal practices that are expected to be applicable to at least some of its generating facilities.

Compliance costs cannot be estimated with certainty due to the inability to predict the requirements and timing of implementation of any new environmental rules or regulations. Other factors which affect the ability to predict future environmental expenditures with certainty include the difficulty in estimating clean-up costs and quantifying liabilities under environmental laws that impose joint and several liability on all responsible parties. However, such expenditures, if material, could make the Companies' generation facilities uneconomical to operate, result in the impairment of assets, or otherwise adversely affect Dominion's or Virginia Power's results of operations, financial performance or liquidity.

If additional federal and/or state requirements are imposed on energy companies mandating limitations on GHG emissions or requiring efficiency improvements, such requirements may result in compliance costs that alone or in combination could make some of Dominion's or Virginia Power's electric generation units or natural gas facilities uneconomical to maintain or operate. The EPA, environmental advocacy groups, other organizations and some state and other federal agencies are focusing considerable attention on GHG emissions from power generation facilities and their potential role in climate change. Dominion and Virginia Power expect that additional EPA regulations, and possibly additional state legislation and/or regulations, may be issued resulting in the imposition of additional limitations on GHG emissions or requiring efficiency improvements from fossil fuel-fired electric generating units.

There are also potential impacts on Dominion's natural gas businesses as federal or state GHG legislation or regulations may require GHG emission reductions from the natural gas sector and could affect demand for natural gas. Additionally, GHG requirements could result in increased demand for energy conservation and renewable products. Several regions of the U.S. have moved forward with GHG emission regulations including regions where Dominion has operations. For example, Massachusetts and Rhode Island have implemented regulations requiring reductions in CO_2 emissions through RGGI, a cap and trade program covering CO_2 emissions from power plants in the Northeast, which affects several of Dominion's facilities.

Compliance with GHG emission reduction requirements may require increasing the energy efficiency of equipment at facilities, committing significant capital toward carbon capture and storage technology, purchase of allowances and/or offsets, fuel switching, and/or retirement of high-emitting generation facilities and potential replacement with lower emitting generation facilities. The cost of compliance with GHG emission legislation and/or regulation is subject to significant uncertainties due to the outcome of several interrelated assumptions and variables, including timing of the implementation of rules, required levels of reductions, allocation requirements of the new rules, the maturation and commercialization of carbon capture and storage technology, and the selected compliance alternatives. The Companies cannot estimate the aggregate effect of such requirements on their results of operations, financial condition or their customers. However, such expenditures, if material, could make the Companies' generation facilities uneconomical to operate, result in the impairment of assets, or otherwise adversely affect Dominion's or Virginia Power's results of operations, financial performance or liquidity.

The rates of Virginia Power are subject to regulatory review. In the Biennial Review Order, the Virginia Commission determined that Virginia Power's actual ROE during the 2009 and 2010 combined test years exceeded the upper end of the authorized ROE earnings band for that period, resulting in an order that Virginia Power refund approximately $78 million to its customers. The Virginia Commission also determined that Virginia Power's new authorized ROE is 10.9%, inclusive of a performance incentive of 50 basis points for meeting certain renewable energy targets. Subject to the outcome of the petition for rehearing or reconsideration described below, this ROE will serve as the ROE against which Virginia Power's earned return will be compared for all or part of the test periods in the 2013 biennial review proceeding. In December 2011, Virginia Power filed a petition with the Virginia Commission seeking a rehearing or reconsideration of the Biennial Review Order to clarify whether the effective date of the newly authorized ROE is the date the Virginia Commission issued the 2011 Biennial Review Order or January 1, 2011. If the Virginia Commission orders that the effective date of the newly authorized ROE is January 1, 2011, such effective date may adversely affect the outcome of the earnings test in the 2013 biennial review. In addition, Virginia Power's base rates are subject to reduction if the Virginia Commission concludes, in the 2013 biennial review, that Virginia Power's actual ROE during the test period exceeded the upper end of the authorized ROE earnings band for that period, under circumstances described in the Regulation Act. The Virginia Commission could also order Virginia Power to refund to customers 60% of any such excess earnings for the 2011-2012 earnings test period. The Virginia Commission may alternatively order Virginia Power to refund up to 100% of earnings that exceed the earnings band in a biennial review if it finds that Virginia Power's total aggregate regulated rates have exceeded annual increases in the U.S. Consumer Price Index, as described in the Regulation Act.

In the 2011 Biennial Review Order, as a result of the Virginia Commission's determination that credits will be applied to customers' bills, the Virginia Commission, as required by the Regulation Act, directed Virginia Power to combine its existing Riders T, C1, and C2 with Virginia Power's base costs, revenues and investments, and to file revised tariffs reflecting such combination. These existing Riders will thereafter be considered part of Virginia Power's base costs, revenues and investments for purposes of future biennial review proceedings. The Virginia Commission has initiated a proceeding to address how this combination will be implemented. Depending on how the Virginia Commission orders the combination of existing Riders T, C1 and C2 to be effected, Virginia Power may be required to discontinue deferral accounting and could potentially not receive full recovery of costs associated with these existing riders. At this time, Virginia Power is not able to estimate the impact, if any, of the outcome of these proceedings.

The rates of Virginia Power's electric transmission operations and Dominion's gas transmission and distribution operations are subject to regulatory review. Revenue provided by Virginia Power's electric transmission operations and Dominion's gas transmission and distribution operations is based primarily on rates approved by federal and state regulatory agencies. The profitability of these businesses is dependent on their ability, through the rates that they are permitted to charge, to recover costs and earn a reasonable rate of return on their capital investment.

Virginia Power's wholesale charges for electric transmission service are adjusted on an annual basis through operation of a FERC-approved formula rate mechanism. Through this mechanism, Virginia Power's wholesale electric transmission cost of service is estimated and thereafter adjusted as appropriate to reflect actual costs allocated to Virginia Power by PJM. These wholesale rates are subject to FERC review and prospective adjustment in the event that customers and/or interested state commissions file a complaint with FERC and are able to demonstrate that Virginia Power's wholesale revenue requirement is no longer just and reasonable.

Similarly, various rates and charges assessed by Dominion's gas transmission businesses are subject to review by FERC. In addition, Dominion's gas distribution businesses are subject to state regulatory review in the jurisdictions in which they operate.

Risks arising from the reliability of electric generation, transmission and distribution equipment, supply chain disruptions or personnel issues could result in lost revenues and increased expenses, including higher maintenance costs. Operation of the Companies' generation, transmission and distribution facilities involves risk, including the risk of potential breakdown or failure of equipment or processes due to aging infrastructure, fuel supply or transportation disruptions, accidents, labor disputes or work stoppages by employees, acts of terrorism or sabotage, construction delays or cost overruns, shortages of or delays in obtaining equipment, material and labor, operational restrictions resulting from environmental limitations and governmental interventions, and performance below expected levels. In addition, weather-related incidents, earthquakes and other natural disasters can disrupt generation, transmission and distribution facilities. Because Virginia Power's transmission facilities are interconnected with those of third parties, the operation of its facilities could be adversely affected by unexpected or uncontrollable events occurring on the systems of such third parties.

Operation of the Companies' generation facilities below expected capacity levels could result in lost revenues and increased expenses, including higher maintenance costs. Unplanned outages of generating units and extensions of scheduled outages due to mechanical failures or other problems occur from time to time and are an inherent risk of the Companies' business. Unplanned outages typically increase the Companies' operation and maintenance expenses and may reduce their revenues as a result of selling less energy or may require the Companies to incur significant costs as a result of operating higher cost units or obtaining replacement energy and capacity from third parties in the open market to satisfy forward energy and capacity obligations. Moreover, if the Companies are unable to perform their contractual obligations, penalties or liability for damages could result.

Dominion's merchant power business is operating in a challenging market, which could adversely affect its results of operations and future growth. The success of Dominion's merchant power business depends upon favorable market conditions including the ability to purchase and sell power at prices sufficient to cover its operating costs. Dominion operates in active wholesale markets that expose it to price volatility for electricity and fuel as well as the credit risk of counterparties. Dominion attempts to manage its price risk by entering into hedging transactions, including short-term and long-term fixed price sales and purchase contracts.

In these wholesale markets, the spot market price of electricity for each hour is generally determined by the cost of supplying the next unit of electricity to the market during that hour. In many cases, the next unit of electricity supplied would be provided by generating stations that consume fossil fuels, primarily natural gas. Consequently, the open market wholesale price for electricity generally reflects the cost of natural gas plus the cost to convert the fuel to electricity. Therefore, changes in the price of natural gas generally affect the open market wholesale price of electricity. To the extent Dominion does not enter into long-term power purchase agreements or otherwise effectively hedge its output, these changes in market prices could adversely affect its financial results.

Dominion purchases fuel under a variety of terms, including long-term and short-term contracts and spot market purchases. Dominion is exposed to fuel cost volatility for the portion of its fuel obtained through short-term contracts or on the spot market. Fuel prices can be volatile and the price that can be obtained for power produced from such fuel may not change at the same rate as fuel costs, thus adversely impacting Dominion's financial results.

Dominion's and Virginia Power's generation business may be negatively affected by possible FERC actions that could change market design in the wholesale markets or affect pricing rules or revenue calculations in the RTO markets. Dominion's and Virginia Power's generation stations operating in RTO markets sell capacity, energy and ancillary services into wholesale electricity markets regulated by FERC. The wholesale markets allow these generation stations to take advantage of market price opportunities, but also expose them to market risk. Properly functioning competitive wholesale markets in PJM, MISO and ISO-NE depend upon FERC's continuation of clearly identified market rules. From time to time FERC may investigate and authorize PJM, MISO and ISO-NE to make changes in market design. FERC also periodically reviews Dominion's authority to sell at market-based rates. Material changes by FERC to the design of the wholesale markets, Dominion's or Virginia Power's authority to sell power at market-based rates, or changes to pricing rules or rules involving revenue calculations, could adversely impact the future results of Dominion's or Virginia Power's generation business.

War, acts and threats of terrorism, natural disaster and other significant events could adversely affect Dominion's and Virginia Power's operations. Dominion and Virginia Power cannot predict the impact that any future terrorist attacks may have on the energy industry in general, or on the Companies' business in particular. Any retaliatory military strikes or sustained military campaign may affect the Companies' operations in unpredictable ways, such as changes in insurance markets and disruptions of fuel supplies and markets. In addition, infrastructure facilities, such as electric generation, electric and gas transmission and distribution facilities could be direct targets of, or indirect casualties of, an act of terror. Furthermore, the physical or cybersecurity compromise of the Companies' facilities could adversely affect the Companies' ability to manage these facilities effectively. Instability in financial markets as a result of terrorism, war, natural disasters, pandemic, credit crises, recession or other factors could result in a significant decline in the U.S. economy and increase the cost of insurance coverage. This could negatively impact the Companies' results of operations and financial condition.

Dominion and Virginia Power have substantial ownership interests in and operate nuclear generating units; as a result, each may incur substantial costs and liabilities. Dominion's and Virginia Power's nuclear facilities are subject to operational, environmental, health and financial risks such as the on-site storage of spent nuclear fuel, the ability to dispose of such spent nuclear fuel, the ability to maintain adequate reserves for decommissioning, limitations on the amounts and types of insurance available, potential operational liabilities and extended outages, the costs of replacement power, the costs of maintenance and the costs of securing the facilities against possible terrorist attacks. Dominion and Virginia Power maintain decommissioning trusts and external insurance coverage to minimize the financial exposure to these risks; however, it is possible that future decommissioning costs could exceed amounts in the decommissioning trusts and/or damages could exceed the amount of insurance coverage. If Dominion and Virginia Power are not allowed to recover the additional costs incurred through insurance, or in the case of Virginia Power through regulatory mechanisms, their results of operations could be negatively impacted.

Dominion's and Virginia Power's nuclear facilities are also subject to complex government regulation which could negatively impact their results of operations. The NRC has broad authority under federal law to impose licensing and safety-related requirements for the operation of nuclear generating facilities. In the event of noncompliance, the NRC has the authority to impose fines, set license conditions, shut down a nuclear unit, or take some combination of these actions, depending on its assessment of the severity of the situation, until compliance is achieved. Revised safety requirements promulgated by the NRC could require Dominion and Virginia Power to make substantial expenditures at their nuclear plants. In addition, although the Companies have no reason to anticipate a serious nuclear incident at their plants, if an incident did occur, it could materially and adversely affect their results of operations and/or financial condition. A major incident at a nuclear facility anywhere in the world, such as the nuclear events in Japan in 2011, could cause the NRC to adopt increased safety regulations or otherwise limit or restrict the operation or licensing of domestic nuclear units.

The use of derivative instruments could result in financial losses and liquidity constraints. Dominion and Virginia Power use derivative instruments, including futures, swaps, forwards, options and FTRs, to manage commodity and financial market risks. In addition, Dominion purchases and sells commodity-based contracts primarily in the natural gas market for trading purposes. The Companies could recognize financial losses on these contracts, including as a result of volatility in the market values of the underlying commodities, if a counterparty fails to perform under a contract or upon the failure or insolvency of a financial intermediary, exchange or clearinghouse used to enter, execute or clear these transactions. In the absence of actively-quoted market prices and pricing information from external sources, the valuation of these contracts involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts.

The use of derivatives to hedge future sales may limit the benefit Dominion would otherwise receive from increases in commodity prices. These hedge arrangements generally include collateral requirements that require Dominion to deposit funds or post letters of credit with counterparties, financial intermediaries or clearinghouses to cover the fair value of covered contracts in excess of agreed upon credit limits. For instance, when commodity prices rise to levels substantially higher than the levels where it has hedged future sales, Dominion may be required to use a material portion of its available liquidity or obtain additional liquidity to cover these collateral requirements. In some circumstances, this could have a compounding effect on Dominion's financial liquidity and results of operations. In addition, the availability or security of the collateral delivered by Dominion may be adversely affected by the failure or insolvency of a financial intermediary, exchange or clearinghouse used to enter, execute or clear these types of transactions.

Derivatives designated under hedge accounting, to the extent not fully offset by the hedged transaction, can result in ineffectiveness losses. These losses primarily result from differences between the location and/or specifications of the derivative hedging instrument and the hedged item and could adversely affect Dominion's results of operations.

Dominion's and Virginia Power's operations in regards to these transactions are subject to multiple market risks including market liquidity, price volatility, credit strength of the Companies' counterparties and the financial condition of the financial intermediaries, exchanges and clearinghouses used for the types of transactions. These market risks are beyond the Companies' control and could adversely affect their results of operations, liquidity and future growth.

The Dodd-Frank Act, which was enacted into law in July 2010, includes provisions that will require certain over-the-counter derivatives, or swaps, to be centrally cleared and executed through an exchange or other approved trading platform. Final rules for the over-the-counter derivatives-related provisions of the Dodd-Frank Act, including the clearing, exchange trading and capital and margin requirements, will be established through the on-going rulemaking process of each applicable regulator, including the CFTC and SEC. In June 2011, both the CFTC and SEC confirmed that they would not complete the required rulemakings by the July 2011 deadline under the Dodd-Frank Act. Each agency has granted temporary relief from most derivative-related provisions of the Dodd-Frank Act until the effective date of the applicable rules. Currently, the CFTC's temporary relief would expire no later than July 16, 2012, if not extended. If, as a result of the rulemaking process, Dominion's or Virginia Power's derivative activities are not exempted from the clearing, exchange trading or margin requirements, the Companies could be subject to higher costs for their derivative activities, including from higher margin requirements. In addition, implementation of, and compliance with, the over-the-counter derivatives provisions of the Dodd-Frank Act by the Companies' swap counterparties could result in increased costs related to the Companies' derivative activities.

Dominion depends on third parties to produce the natural gas it gathers and processes, and the NGLs it fractionates at its facilities. A reduction in these quantities could reduce Dominion's revenues.

Dominion obtains its supply of natural gas and NGLs from numerous third-party producers. Such producers are under no obligation to deliver a specific quantity of natural gas or NGLs to Dominion's facilities, although the producers that have contracted to supply natural gas to Dominion's natural gas processing and fractionation facility under development in Natrium, West Virginia will generally be subject to contractual minimum fee payments. If producers were to decrease the supply of natural gas or NGLs to Dominion's systems and facilities for any reason, Dominion could experience lower revenues to the extent it is unable to replace the lost volumes on similar terms.

Exposure to counterparty performance may adversely affect the Companies' financial results of operations. Dominion and Virginia Power are exposed to credit risks of their counterparties and the risk that one or more counterparties may fail or delay the performance of their contractual obligations, including but not limited to payment for services. Counterparties could fail or delay the performance of their contractual obligations for a number of reasons, including the effect of regulations on their operations. Such defaults by customers, suppliers or other third parties may adversely affect the Companies' financial results.

Dominion and Virginia Power may not complete plant construction or expansion projects that they commence, or they may complete projects on materially different terms or timing than initially anticipated and they may not be able to achieve the intended benefits of any such project, if completed. Several plant construction and expansion projects have been announced and additional projects may be considered in the future. Projects may not be able to be completed on time as a result of weather conditions, delays in obtaining or failure to obtain regulatory approvals, delays in obtaining key materials, labor difficulties, difficulties with partners or potential partners, a decline in the credit strength of their counterparties or vendors, or other factors beyond their control. Even if plant construction and expansion projects are completed, the total costs of the projects may be higher than anticipated and the performance of the business of Dominion and Virginia Power following the projects may not meet expectations. Additionally, Dominion and Virginia Power may not be able to timely and effectively integrate the projects into their operations and such integration may result in unforeseen operating difficulties or unanticipated costs. Further, regulators may disallow recovery of some of the costs of a project if they are deemed not to be prudently incurred. Any of these or other factors could adversely affect the Companies' ability to realize the anticipated benefits from the plant construction and expansion projects.

Energy conservation could negatively impact Dominion's and Virginia Power's financial results. Certain regulatory and legislative bodies have introduced or are considering requirements and/or incentives to reduce energy consumption by a fixed date. Additionally, technological advances driven by federal laws mandating new levels of energy efficiency in end-use electric devices, including lighting and electric heat pumps, could lead to declines in per capita energy consumption. To the extent conservation results in reduced energy demand or significantly slowed growth in demand, the value of the Companies' business activities could be adversely impacted.

An inability to access financial markets could adversely affect the execution of Dominion's and Virginia Power's business plans. Dominion and Virginia Power rely on access to short-term money markets and longer-term capital markets as significant sources of funding and liquidity for capital expenditures, normal working capital and collateral requirements related to hedges of future sales and purchases of energy-related commodities. Deterioration in the Companies' creditworthiness, as evaluated by credit rating agencies or otherwise, or declines in market reputation either for the Companies or their industry in general, or general financial market disruptions outside of Dominion's and Virginia Power's control could increase their cost of borrowing or restrict their ability to access one or more financial markets. Further market disruptions could stem from delays in the current economic recovery, the bankruptcy of an unrelated company, general market disruption due to general credit market or political events, or the failure of financial institutions on which the Companies rely. Increased costs and restrictions on the Companies' ability to access financial markets may be severe enough to affect their ability to execute their business plans as scheduled.

Market performance and other changes may decrease the value of decommissioning trust funds and benefit plan assets or increase Dominion's liabilities, which could then require significant additional funding. The performance of the capital markets affects the value of the assets that are held in trusts to satisfy future obligations to decommission Dominion's nuclear plants and under its pension and other postretirement benefit plans. Dominion has significant obligations in these areas and holds significant assets in these trusts. These assets are subject to market fluctuation and will yield uncertain returns, which may fall below expected return rates.

With respect to decommissioning trust funds, a decline in the market value of these assets may increase the funding requirements of the obligations to decommission Dominion's nuclear plants or require additional NRC-approved funding assurance.

A decline in the market value of the assets held in trusts to satisfy future obligations under Dominion's pension and other postretirement benefit plans may increase the funding requirements under such plans. Additionally, changes in interest rates affect the liabilities under Dominion's pension and other postretirement benefit plans; as interest rates decrease, the liabilities increase, potentially requiring additional funding. Further, changes in demographics, including increased numbers of retirements or changes in life expectancy assumptions, may also increase the funding requirements of the obligations related to the pension and other postretirement benefit plans.

If the decommissioning trust funds and benefit plan assets are negatively impacted by market fluctuations or other factors, Dominion's results of operations, financial condition and/or cash flows could be negatively affected.

Changing rating agency requirements could negatively affect Dominion's and Virginia Power's growth and business strategy. In order to maintain appropriate credit ratings to obtain needed credit at a reasonable cost in light of existing or future rating agency requirements, Dominion and Virginia Power may find it necessary to take steps or change their business plans in ways that may adversely affect their growth and earnings. A reduction in Dominion's credit ratings or the credit ratings of Virginia Power could result in an increase in borrowing costs, loss of access to certain markets, or both, thus adversely affecting operating results and could require Dominion to post additional collateral in connection with some of its price risk management activities.

Potential changes in accounting practices may adversely affect Dominion's and Virginia Power's financial results. Dominion and Virginia Power cannot predict the impact that future changes in accounting standards or practices may have on public companies in general, the energy industry or their operations specifically. New accounting standards could be issued that could change the way they record revenues, expenses, assets and liabilities. These changes in accounting standards could adversely affect reported earnings or could increase reported liabilities.

Failure to retain and attract key executive officers and other skilled professional and technical employees could have an adverse effect on Dominion's and Virginia Power's operations. Dominion's and Virginia Power's business strategy is dependent on their ability to recruit, retain and motivate employees. Competition for skilled employees in some areas is high and the inability to retain and attract these employees could adversely affect their business and future operating results.

Hostile cyber intrusions could severely impair Dominion's and Virginia Power's operations, lead to the disclosure of confidential information, damage the reputation of the Companies and otherwise have an adverse effect on Dominion's and Virginia Power's business. The Companies own assets deemed as critical infrastructure, the operation of which is dependent on information technology systems. Further, the computer systems that run the Companies' facilities are not completely isolated from external networks. Parties that wish to disrupt the U.S. bulk power system or the Companies' operations could view the Companies' computer systems, software or networks as attractive targets for cyber attack. In addition, the Companies' business requires that they collect and maintain sensitive customer data, as well as confidential employee and shareholder information, which is subject to electronic theft or loss.

A successful cyber attack on the systems that control the Companies' electric generation, electric or gas transmission or distribution assets could severely disrupt business operations, preventing the Companies from serving customers or collecting revenues. The breach of certain business systems could affect the Companies' ability to correctly record, process and report financial information. A major cyber incident could result in significant expenses to investigate and repair security breaches or system damage and could lead to litigation, fines, other remedial action, heightened regulatory scrutiny and damage to the Companies' reputation. In addition, the misappropriation, corruption or loss of personally identifiable information and other confidential data could lead to significant breach notification expenses and mitigation expenses such as credit monitoring. The Companies maintain property and casualty insurance that may cover certain damage caused by potential cybersecurity incidents, however, other damage and claims arising from such incidents may not be covered or may exceed the amount of any insurance available. For these reasons, a significant cyber incident could materially and adversely affect the Companies business, financial condition and results of operations.

In an effort to reduce the likelihood and severity of cyber intrusions, the Companies have a comprehensive cybersecurity program designed to protect and preserve the confidentiality, integrity and availability of data and systems. In addition, Dominion and Virginia Power are subject to mandatory cybersecurity regulatory requirements. However, cyber threats continue to evolve and adapt, and, as a result, there is a risk that the Companies could experience a successful cyber attack despite their current security posture and regulatory compliance efforts.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2011, Dominion owned its principal executive office and three other corporate offices, all located in Richmond, Virginia. Dominion also leases corporate offices in other cities in which its subsidiaries operate. Virginia Power shares its principal office in Richmond, Virginia, which is owned by Dominion. In addition, Virginia Power's DVP and Generation segments share certain leased buildings and equipment. See Item 1. Business for additional information about each segment's principal properties, which information is incorporated herein by reference.

Dominion's assets consist primarily of its investments in its subsidiaries, the principal properties of which are described here and in Item 1. Business.

Substantially all of Virginia Power's property is subject to the lien of the Indenture of Mortgage securing its First and Refunding Mortgage Bonds. There were no bonds outstanding as of December 31, 2011; however, by leaving the indenture open, Virginia Power retains the flexibility to issue mortgage bonds in the future. Certain of Dominion's merchant generation facilities are also subject to liens.

Power Generation

Dominion and Virginia Power generate electricity for sale on a wholesale and a retail level. The Companies supply electricity demand either from their generation facilities or through purchased power contracts. As of December 31, 2011, Dominion Generation's total utility and merchant generating capacity was 28,142 MW.

The following tables list Dominion Generation's utility and merchant generating units and capability, as of December 31, 2011:

Virginia Power Utility Generation

Plant	Location	Net Summer Capability (MW)	Percentage Net Summer Capability
Coal			
Mt. Storm	Mt. Storm, WV	1,591	
Chesterfield	Chester, VA	1,240	
Chesapeake(1)	Chesapeake, VA	595	
Clover	Clover, VA	433(5)	
Yorktown(1)	Yorktown, VA	323	
Bremo(2)	Bremo Bluff, VA	227	
Mecklenburg	Clarksville, VA	138	
North Branch(3)	Bayard, WV	74	
Altavista(3),(4)	Altavista, VA	63	
Hopewell(4)	Hopewell, VA	63	
Southampton(4)	Southampton, VA	63	
Total Coal		4,810	25%
Gas			
Ladysmith (CT)	Ladysmith, VA	783	
Remington (CT)	Remington, VA	608	
Bear Garden (CC)	Buckingham County, VA	590	
Possum Point (CC)	Dumfries, VA	559	
Chesterfield (CC)	Chester, VA	397	
Elizabeth River (CT)	Chesapeake, VA	348	
Possum Point	Dumfries, VA	316	
Bellemeade (CC)	Richmond, VA	267	
Gordonsville Energy (CC)	Gordonsville, VA	218	
Gravel Neck (CT)	Surry, VA	170	
Darbytown (CT)	Richmond, VA	168	
Rosemary (CC)	Roanoke Rapids, NC	165	
Total Gas		4,589	24
Nuclear			
Surry	Surry, VA	1,678	
North Anna	Mineral, VA	1,647(6)	
Total Nuclear		3,325	18
Oil			
Yorktown	Yorktown, VA	818	
Possum Point	Dumfries, VA	786	
Gravel Neck (CT)	Surry, VA	198	
Darbytown (CT)	Richmond, VA	168	
Possum Point (CT)	Dumfries, VA	72	
Chesapeake (CT)	Chesapeake, VA	51	
Low Moor (CT)	Covington, VA	48	
Northern Neck (CT)	Lively, VA	47	
Total Oil		2,188	12
Hydro			
Bath County	Warm Springs, VA	1,802(7)	
Gaston	Roanoke Rapids, NC	220	
Roanoke Rapids	Roanoke Rapids, NC	95	
Other	Various	3	
Total Hydro		2,120	11
Biomass			
Pittsylvania	Hurt, VA	83	—
Various			
Other	Various	11	—
		17,126	
Power Purchase Agreements		1,859	10
Total Utility Generation		18,985	100%

Note: (CT) denotes combustion turbine and (CC) denotes combined cycle.

(1) Certain coal-fired units are expected to be retired at Chesapeake and Yorktown during 2015 and 2016 as a result of the issuance of the MATS rule.

(2) Planned to convert to gas subject to Virginia City Hybrid Energy Center entering service and necessary approvals.

(3) Facility has been placed into cold reserve status, but can be restarted within a reasonably short period if necessary. North Branch will be permanently retired upon commencement of commercial operations at Warren County.

(4) Seeking regulatory approval to convert to biomass.
(5) Excludes 50% undivided interest owned by ODEC.
(6) Excludes 11.6% undivided interest owned by ODEC.
(7) Excludes 40% undivided interest owned by Allegheny Generating Company, a subsidiary of Allegheny Energy, Inc.

Dominion Merchant Generation

Plant	Location	Net Summer Capability (MW)	Percentage Net Summer Capability
Coal			
Kincaid[1]	Kincaid, IL	1,158	
Brayton Point	Somerset, MA	1,103	
State Line[2]	Hammond, IN	515	
Salem Harbor[3]	Salem, MA	314	
Total Coal		3,090	34%
Nuclear			
Millstone	Waterford, CT	2,016[6]	
Kewaunee[4]	Kewaunee, WI	556	
Total Nuclear		2,572	28
Gas			
Fairless (CC)[1][5]	Fairless Hills, PA	1,196	
Elwood (CT)[1]	Elwood, IL	712[7]	
Manchester (CC)	Providence, RI	432	
Total Gas		2,340	26
Oil			
Salem Harbor[3]	Salem, MA	440	
Brayton Point	Somerset, MA	425	
Total Oil		865	9
Wind			
Fowler Ridge[1]	Benton County, IN	150[8]	
NedPower Mt. Storm[1]	Grant County, WV	132[9]	
Total Wind		282	3
Various			
Other	Various	8	—
Total Merchant Generation		9,157	100%

Note: (CT) denotes combustion turbine and (CC) denotes combined cycle.
(1) Subject to a lien securing the facility's debt. Also see Note 18 to the Consolidated Financial Statements for additional information on liens related to Kincaid and Fairless.
(2) State Line will be retired in the first quarter of 2012.
(3) Two coal-fired units at Salem Harbor with capacity of 163 MW were retired at the end of 2011 and the Company plans to retire the remaining units on June 1, 2014.
(4) In the first quarter of 2011, Dominion decided to pursue the sale of Kewaunee.
(5) Includes generating units that Dominion operates under leasing arrangements.
(6) Excludes 6.53% undivided interest in Unit 3 owned by Massachusetts Municipal Wholesale Electric Company and Central Vermont Public Service Corporation.
(7) Excludes 50% membership interest owned by J. POWER Elwood, LLC.
(8) Excludes 50% membership interest owned by BP.
(9) Excludes 50% membership interest owned by Shell.

Item 3. Legal Proceedings

From time to time, Dominion and Virginia Power are alleged to be in violation or in default under orders, statutes, rules or regulations relating to the environment, compliance plans imposed upon or agreed to by the Companies, or permits issued by various local, state and/or federal agencies for the construction or operation of facilities. Administrative proceedings may also be pending on these matters. In addition, in the ordinary course of business, the Companies and their subsidiaries are involved in various legal proceedings.

In February 2008, Dominion received a request for information pursuant to Section 114 of the CAA from the EPA. The request concerns historical operating changes and capital improvements undertaken at State Line and Kincaid. In April 2009, Dominion received a second request for information. Dominion provided information in response to both requests. Also in April 2009, Dominion received a Notice and Finding of Violations from the EPA claiming violations of the CAA New Source Review requirements, New Source Performance Standards, and Title V permit program and the stations' respective State Implementation Plans. The Notice states that the EPA may issue an order requiring compliance with the relevant CAA provisions and may seek injunctive relief and/or civil penalties, all pursuant to the EPA's enforcement authority under the CAA.

Dominion believes that it complied with applicable laws and the EPA regulations and interpretations in effect at the time the work in question took place. The CAA authorizes maximum civil penalties of $25,000 to $37,500 per day, per violation at each generating unit, depending on the date of the alleged violation. In addition to any such penalties that may be awarded, an adverse outcome could require substantial capital expenditures or affect the timing of currently budgeted capital expenditures that cannot be determined at this time. Such expenditures could affect future results of operations, cash flows, and financial condition. Dominion is currently unable to make an estimate of the potential financial statement impacts related to these matters.

See Notes 14 and 23 to the Consolidated Financial Statements and *Future Issues and Other Matters* in MD&A, which information is incorporated herein by reference, for discussion of various environmental and other regulatory proceedings to which the Companies are a party.

Item 4. Mine Safety Disclosures

Not applicable.

Executive Officers of Dominion

Information concerning the executive officers of Dominion, each of whom is elected annually, is as follows:

Name and Age	Business Experience Past Five Years[1]
Thomas F. Farrell II (57)	Chairman of the Board of Directors of Dominion from April 2007 to date; President and CEO of Dominion from January 2006 to date; Chairman of the Board of Directors and CEO of Virginia Power from February 2006 to date; Chairman of the Board of Directors, President and CEO of CNG from January 2006 to June 2007; Director of Dominion from March 2005 to April 2007.
Mark F. McGettrick (54)	Executive Vice President and CFO of Dominion and Virginia Power from June 2009 to date; Executive Vice President of Dominion from April 2006 to May 2009; President and COO-Generation of Virginia Power from February 2006 to May 2009.
Paul D. Koonce (52)	Executive Vice President of Dominion from April 2006 to date; President and COO of Virginia Power from June 2009 to date; President and COO-Energy of Virginia Power from February 2006 to September 2007.
David A. Christian (57)	Executive Vice President of Dominion from May 2011 to date; President and COO of Virginia Power from June 2009 to date; President and CNO of Virginia Power from October 2007 to May 2009; Senior Vice President-Nuclear Operations and CNO of Virginia Power from April 2000 to September 2007.
David A. Heacock (54)	President and CNO of Virginia Power from June 2009 to date; Senior Vice President of Dominion and President and COO-DVP of Virginia Power from June 2008 to May 2009; Senior Vice President-DVP of Virginia Power from October 2007 to May 2008; Senior Vice President-Fossil & Hydro of Virginia Power from April 2005 to September 2007.
Gary L. Sypolt (58)	Executive Vice President of Dominion from May 2011 to date; President of DTI from June 2009 to date; President-Transmission of DTI from January 2003 to May 2009; President and COO-Transmission of Virginia Power from February 2006 to September 2007.
Robert M. Blue (44)	Senior Vice President-Law, Public Policy and Environment of Dominion, Virginia Power and DRS from January 2011 to date; Senior Vice President-Public Policy and Environment of Dominion and DRS from February 2010 to December 2010; Senior Vice President-Public Policy and Corporate Communications of Dominion and DRS from May 2008 to January 2010; Vice President-State and Federal Affairs of DRS from September 2006 to May 2008.
Steven A. Rogers (50)	Senior Vice President and Chief Administrative Officer of Dominion and President and Chief Administrative Officer of DRS from October 2007 to date; Senior Vice President and CAO of Dominion and Virginia Power from January 2007 to September 2007 and CNG from January 2007 to June 2007.
Ashwini Sawhney (62)	Vice President-Accounting and Controller (CAO) of Dominion from May 2010 to date; Vice President and Controller (CAO) of Dominion from July 2009 to May 2010; Vice President-Accounting of Virginia Power from April 2006 to date; Vice President and Controller of Dominion from April 2007 to June 2009; Vice President-Accounting and Controller of Dominion from January 2007 to April 2007 and of CNG from January 2007 to June 2007.

(1) Any service listed for Virginia Power, CNG, DTI, DEI and DRS reflects service at a subsidiary of Dominion.

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Dominion

Dominion's common stock is listed on the NYSE. At January 31, 2012, there were approximately 142,000 record holders of Dominion's common stock. The number of record holders is comprised of individual shareholder accounts maintained on Dominion's transfer agent records and includes accounts with shares held in (1) certificate form, (2) book-entry in the Direct Registration System and (3) book-entry under Dominion Direct. Discussions of expected dividend payments and restrictions on Dominion's payment of dividends required by this Item are contained in *Liquidity and Capital Resources* in Item 7. MD&A and Notes 18 and 21 to the Consolidated Financial Statements. Cash dividends were paid quarterly in 2011 and 2010. Quarterly information concerning stock prices and dividends is disclosed in Note 27 to the Consolidated Financial Statements, which information is incorporated herein by reference.

The following table presents certain information with respect to Dominion's common stock repurchases during the fourth quarter of 2011.

Dominion Purchases of Equity Securities

Period	Total Number of Shares (or Units) Purchased[1]	Average Price Paid per Share (or Unit)[2]	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased under the Plans or Programs[3]
10/1/2011-10/31/11	**1,284**	**$50.77**	**N/A**	**19,629,059 shares/$1.18 billion**
11/1/2011-11/30/11	**361**	**$51.59**	**N/A**	**19,629,059 shares/$1.18 billion**
12/1/2011-12/31/11	**294**	**$51.62**	**N/A**	**19,629,059 shares/$1.18 billion**
Total	**1,939**	**$51.05**	**N/A**	**19,629,059 shares/$1.18 billion**

(1) In October, November and December 2011, 1,284 shares, 361 shares and 294 shares, respectively, were tendered by employees to satisfy tax withholding obligations on vested restricted stock.

(2) Represents the weighted-average price paid per share.

(3) The remaining repurchase authorization is pursuant to repurchase authority granted by the Dominion Board of Directors in February 2005, as modified in June 2007. The aggregate authorization granted by the Dominion Board of Directors was 86 million shares (as adjusted to reflect a two-for-one stock split distributed in November 2007) not to exceed $4 billion.

Virginia Power

There is no established public trading market for Virginia Power's common stock, all of which is owned by Dominion. Restrictions on Virginia Power's payment of dividends are discussed in *Dividend Restrictions* in Item 7. MD&A and Note 21 to the Consolidated Financial Statements. Virginia Power paid quarterly cash dividends on its common stock as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
(millions)					
2011	**$131**	**$118**	**$199**	**$109**	**$557**
2010	108	81	171	140	500

Item 6. Selected Financial Data

DOMINION

Year Ended December 31,	2011	2010	2009	2008	2007
(millions, except per share amounts)					
Operating revenue	**$14,379**	$15,197	$14,798	$15,895	$14,456
Income from continuing operations before extraordinary item(1)	**1,408**	2,963	1,261	1,644	2,661
Income (loss) from discontinued operations, net of tax(1)	**—**	(155)	26	190	36
Extraordinary item, net of tax(1)	**—**	—	—	—	(158)
Net income attributable to Dominion	**1,408**	2,808	1,287	1,834	2,539
Income from continuing operations before extraordinary item per common share-basic	**2.46**	5.03	2.13	2.84	4.09
Net income attributable to Dominion per common share-basic	**2.46**	4.77	2.17	3.17	3.90
Income from continuing operations before extraordinary item per common share-diluted	**2.45**	5.02	2.13	2.83	4.06
Net income attributable to Dominion per common share-diluted	**2.45**	4.76	2.17	3.16	3.88
Dividends paid per common share	**1.97**	1.83	1.75	1.58	1.46
Total assets	**45,614**	42,817	42,554	42,053	39,139
Long-term debt	**17,394**	15,758	15,481	14,956	13,235

(1) Amounts attributable to Dominion's common shareholders.

2011 results include a $139 million after-tax charge reflecting generation plant balances that are not expected to be recovered in future periods due to the anticipated retirement of certain utility coal-fired generating units and a $59 million after-tax charge reflecting restoration costs associated with damage caused by Hurricane Irene.

2010 results include a $1.4 billion after-tax net income benefit from the sale of substantially all of Dominion's Appalachian E&P operations, net of charges related to the divestiture and a $206 million after-tax charge primarily reflecting severance pay and other benefits related to a workforce reduction program, as discussed in Notes 4 and 23 to the Consolidated Financial Statements, respectively. Also in 2010, Dominion recorded $127 million of after-tax impairment charges at certain merchant generation facilities, as discussed in Note 7 to the Consolidated Financial Statements. The loss from discontinued operations in 2010 includes a $140 million after-tax loss on the sale of Peoples.

2009 results include a $435 million after-tax charge in connection with the settlement of Virginia Power's 2009 base rate case proceedings discussed in Note 14 to the Consolidated Financial Statements. Also in 2009, Dominion recorded a $281 million after-tax ceiling test impairment charge related to the carrying value of its Appalachian E&P properties.

2008 results include $109 million of after-tax charges reflecting other-than-temporary declines in the fair value of certain securities held as investments in nuclear decommissioning trusts. In addition, income from discontinued operations in 2008 includes a $120 million after-tax benefit due to the reversal of deferred tax liabilities associated with the sale of Peoples.

2007 results include a $1.5 billion after-tax benefit from the disposition of Dominion's non-Appalachian E&P operations and a $252 million after-tax impairment charge associated with the sale of Dresden. Also in 2007, Dominion recorded a $137 million after-tax charge resulting from the termination of the long-term power sales agreement associated with State Line. In addition, the reapplication of accounting guidance for cost-based rate regulation to the Virginia jurisdiction of Virginia Power's generation operations in 2007 resulted in a $158 million after-tax extraordinary charge.

VIRGINIA POWER

Year Ended December 31,	2011	2010	2009	2008	2007
(millions)					
Operating revenue	**$ 7,246**	$ 7,219	$ 6,584	$ 6,934	$ 6,181
Income from operations before extraordinary item	**822**	852	356	864	606
Extraordinary item, net of tax	**—**	—	—	—	(158)
Net income	**822**	852	356	864	448
Balance available for common stock	**805**	835	339	847	432
Total assets	**23,544**	22,262	20,118	18,802	17,063
Long-term debt	**6,246**	6,702	6,213	6,000	5,316

2011 results include a $139 million after-tax charge reflecting generation plant balances that are not expected to be recovered in future periods due to the anticipated retirement of certain coal-fired generating units and a $59 million after-tax charge reflecting restoration costs associated with damage caused by Hurricane Irene.

2010 results include a $123 million after-tax charge primarily reflecting severance pay and other benefits related to a workforce reduction program, discussed in Note 23 to the Consolidated Financial Statements.

2009 results include a $427 million after-tax charge in connection with the settlement of Virginia Power's 2009 base rate case proceedings discussed in Note 14 to the Consolidated Financial Statements.

2007 results reflect the reapplication of accounting guidance for cost-based rate regulation to the Virginia jurisdiction of Virginia Power's generation operations, which resulted in a $158 million after-tax extraordinary charge.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

MD&A discusses Dominion's and Virginia Power's results of operations and general financial condition. MD&A should be read in conjunction with Item 1. Business and the Consolidated Financial Statements in Item 8. Financial Statements and Supplementary Data.

Contents of MD&A

MD&A consists of the following information:

- Forward-Looking Statements
- Accounting Matters
- Dominion
  - Results of Operations
  - Segment Results of Operations
- Virginia Power
  - Results of Operations
  - Segment Results of Operations
- Liquidity and Capital Resources
- Future Issues and Other Matters

Forward-Looking Statements

This report contains statements concerning Dominion's and Virginia Power's expectations, plans, objectives, future financial performance and other statements that are not historical facts. These statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In most cases, the reader can identify these forward-looking statements by such words as "anticipate," "estimate," "forecast," "expect," "believe," "should," "could," "plan," "may," "continue," "target" or other similar words.

Dominion and Virginia Power make forward-looking statements with full knowledge that risks and uncertainties exist that may cause actual results to differ materially from predicted results. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. Additionally, other factors may cause actual results to differ materially from those indicated in any forward-looking statement. These factors include but are not limited to:

- Unusual weather conditions and their effect on energy sales to customers and energy commodity prices;
- Extreme weather events and other natural disasters, including hurricanes, high winds, severe storms, and earthquakes that can cause outages and property damage to facilities;
- Federal, state and local legislative and regulatory developments;
- Changes to federal, state and local environmental laws and regulations, including those related to climate change, the tightening of emission or discharge limits for GHGs and other emissions, more extensive permitting requirements and the regulation of additional substances;
- Cost of environmental compliance, including those costs related to climate change;
- Risks associated with the operation of nuclear facilities, including costs associated with the disposal of spent nuclear fuel, decommissioning, plant maintenance and changes in existing regulations governing such facilities;
- Unplanned outages of the Companies' facilities;
- Fluctuations in energy-related commodity prices and the effect these could have on Dominion's earnings and Dominion's and Virginia Power's liquidity position and the underlying value of their assets;
- Counterparty credit and performance risk;
- Capital market conditions, including the availability of credit and the ability to obtain financing on reasonable terms;
- Risks associated with Virginia Power's membership and participation in PJM, including risks related to obligations created by the default of other participants;
- Price risk due to investments held in nuclear decommissioning trusts by Dominion and Virginia Power and in benefit plan trusts by Dominion;
- Fluctuations in interest rates;
- Changes in federal and state tax laws and regulations;
- Changes in rating agency requirements or credit ratings and their effect on availability and cost of capital;
- Changes in financial or regulatory accounting principles or policies imposed by governing bodies;
- Employee workforce factors including collective bargaining agreements and labor negotiations with union employees;
- The risks of operating businesses in regulated industries that are subject to changing regulatory structures;
- Receipt of approvals for and timing of closing dates for acquisitions and divestitures;
- Changes in rules for RTOs and ISOs in which Dominion and Virginia Power participate, including changes in rate designs, pricing rules and rules involving revenue calculations and new and evolving capacity models;
- Political and economic conditions, including inflation and deflation;
- Domestic terrorism and other threats to the Companies' physical and intangible assets, as well as threats to cybersecurity;
- Industrial, commercial and residential growth or decline in the Companies' service areas and changes in customer growth or usage patterns, including as a result of energy conservation programs;
- Additional competition in electric markets in which Dominion's merchant generation facilities operate;
- Changes in technology, particularly with respect to new, developing or alternative sources of generation and smart grid technologies;
- Changes to regulated electric rates collected by Virginia Power and regulated gas distribution, transportation and storage rates, including LNG storage, collected by Dominion;
- Timing and receipt of regulatory approvals necessary for planned construction or expansion projects;
- The inability to complete planned construction projects within the terms and time frames initially anticipated; and
- Adverse outcomes in litigation matters.

Additionally, other risks that could cause actual results to differ from predicted results are set forth in Item 1A. Risk Factors.

Accounting Matters

Critical Accounting Policies and Estimates

Dominion and Virginia Power have identified the following accounting policies, including certain inherent estimates, that as a result of the judgments, uncertainties, uniqueness and complexities of the underlying accounting standards and operations involved, could result in material changes to their financial condition or results of operations under different conditions or using different assumptions. Dominion and Virginia Power have discussed the development, selection and disclosure of each of these policies with the Audit Committees of their Boards of Directors. Virginia Power's Board of Directors also serves as its Audit Committee.

Accounting for Regulated Operations

The accounting for Virginia Power's regulated electric and Dominion's regulated gas operations differs from the accounting for nonregulated operations in that they are required to reflect the effect of rate regulation in their Consolidated Financial Statements. For regulated businesses subject to federal or state cost-of-service rate regulation, regulatory practices that assign costs to accounting periods may differ from accounting methods generally applied by nonregulated companies. When it is probable that regulators will permit the recovery of current costs through future rates charged to customers, these costs are deferred as regulatory assets that otherwise would be expensed by nonregulated companies. Likewise, regulatory liabilities are recognized when it is probable that regulators will require customer refunds through future rates or when revenue is collected from customers for expenditures that have yet to be incurred. Generally, regulatory assets and liabilities are amortized into income over the period authorized by the regulator.

The Companies evaluate whether or not recovery of their regulatory assets through future rates is probable and make various assumptions in their analyses. The expectations of future recovery are generally based on orders issued by regulatory commissions or historical experience, as well as discussions with applicable regulatory authorities. If recovery of a regulatory asset is determined to be less than probable, it will be written off in the period such assessment is made. See Notes 13 and 14 to the Consolidated Financial Statements for additional information.

Asset Retirement Obligations

Dominion and Virginia Power recognize liabilities for the expected cost of retiring tangible long-lived assets for which a legal obligation exists and the ARO can be reasonably estimated. These AROs are recognized at fair value as incurred and are capitalized as part of the cost of the related long-lived assets. In the absence of quoted market prices, the Companies estimate the fair value of their AROs using present value techniques, in which they make various assumptions including estimates of the amounts and timing of future cash flows associated with retirement activities, credit-adjusted risk free rates and cost escalation rates. The impact on measurements of new AROs or remeasurements of existing AROs, using different cost escalation rates in the future, may be significant. When the Companies revise any assumptions used to calculate the fair value of existing AROs, they adjust the carrying amount of both the ARO liability and the related long-lived asset. The Companies accrete the ARO liability to reflect the passage of time.

In 2011, 2010 and 2009, Dominion recognized $84 million, $85 million and $89 million, respectively, of accretion, and expects to recognize $75 million in 2012. In 2011, 2010 and 2009, Virginia Power recognized $36 million, $35 million and $35 million, respectively, of accretion, and expects to recognize $35 million in 2012. Virginia Power records accretion and depreciation associated with utility nuclear decommissioning AROs as an adjustment to its regulatory liability for nuclear decommissioning.

A significant portion of the Companies' AROs relates to the future decommissioning of Dominion's merchant and Virginia Power's utility nuclear facilities. These nuclear decommissioning AROs are reported in the Dominion Generation segment. At December 31, 2011, Dominion's nuclear decommissioning AROs totaled $1.2 billion, representing approximately 83% of its total AROs. At December 31, 2011, Virginia Power's nuclear decommissioning AROs totaled $559 million, representing approximately 89% of its total AROs. Based on their significance, the following discussion of critical assumptions inherent in determining the fair value of AROs relates to those associated with the Companies' nuclear decommissioning obligations.

The Companies obtain from third-party specialists periodic site-specific base year cost studies in order to estimate the nature, cost and timing of planned decommissioning activities for their nuclear plants. These cost studies are based on relevant information available at the time they are performed; however, estimates of future cash flows for extended periods of time are by nature highly uncertain and may vary significantly from actual results. In addition, the Companies' cost estimates include cost escalation rates that are applied to the base year costs. The Companies determine cost escalation rates, which represent projected cost increases over time due to both general inflation and increases in the cost of specific decommissioning activities, for each nuclear facility. The selection of these cost escalation rates is dependent on subjective factors which are considered to be a critical assumption.

In December 2011, Dominion recorded a decrease of $290 million in the nuclear decommissioning AROs for its units. Virginia Power recorded a decrease of $95 million in the nuclear decommissioning AROs for its units. The ARO revision was driven by a reduction in anticipated future decommissioning costs due to the expected future recovery from the DOE of certain spent fuel costs based on the Companies' contracts with the DOE for disposal of spent nuclear fuel, as well as updated escalation rates. In 2009, as a result of updated decommissioning cost studies and applicable escalation rates, Dominion recorded a decrease of $309 million in the nuclear decommissioning AROs of its units, including a $103 million ($62 million after-tax) reduction in other operations and maintenance expense due to a downward revision in the nuclear decommissioning ARO for a power station unit that is no longer in service. Virginia Power recorded a decrease of $119 million in the nuclear decommissioning AROs for its units.

Income Taxes

Judgment and the use of estimates are required in developing the provision for income taxes and reporting of tax-related assets and liabilities. The interpretation of tax laws involves uncertainty, since tax authorities may interpret the laws differently. Ultimate resolution of income tax matters may result in favorable or unfavorable impacts to net income and cash flows, and adjustments to tax-related assets and liabilities could be material.

Given the uncertainty and judgment involved in the determination and filing of income taxes, there are standards for recognition and measurement in financial statements of positions taken or expected to be taken by an entity in its income tax returns. Positions taken by an entity in its income tax returns that are recognized in the financial statements must satisfy a more-likely-than-not recognition threshold, assuming that the position will be examined by tax authorities with full knowledge of all relevant information. At December 31, 2011, Dominion had $347 million and Virginia Power had $114 million of unrecognized tax benefits.

Deferred income tax assets and liabilities are recorded representing future effects on income taxes for temporary differences between the bases of assets and liabilities for financial reporting and tax purposes. Dominion and Virginia Power evaluate quarterly the probability of realizing deferred tax assets by considering current and historical financial results, expectations for future taxable income and the availability of tax planning strategies that can be implemented, if necessary, to realize deferred tax assets. Failure to achieve forecasted taxable income or successfully implement tax planning strategies may affect the realization of deferred tax assets. The Companies establish a valuation allowance when it is more-likely-than-not that all or a portion of a deferred tax asset will not be realized. At December 31, 2011, Dominion had established $96 million of valuation allowances and Virginia Power had no valuation allowances.

Accounting for Derivative Contracts and Other Instruments at Fair Value

Dominion and Virginia Power use derivative contracts such as futures, swaps, forwards, options and FTRs to manage commodity and financial market risks of their business operations. Derivative contracts, with certain exceptions, are reported in the Consolidated Balance Sheets at fair value. Accounting requirements for derivatives and related hedging activities are complex and may be subject to further clarification by standard-setting bodies. The majority of investments held in Dominion's and Virginia Power's nuclear decommissioning and Dominion's rabbi and benefit plan trust funds are also subject to fair value accounting. See Notes 7 and 22 to the Consolidated Financial Statements for further information on these fair value measurements.

Fair value is based on actively-quoted market prices, if available. In the absence of actively-quoted market prices, management seeks indicative price information from external sources, including broker quotes and industry publications. When evaluating pricing information provided by brokers and other pricing services, the Companies consider whether the broker is willing and able to trade at the quoted price, if the broker quotes are based on an active market or an inactive market and the extent to which brokers are utilizing a particular model if pricing is not readily available. If pricing information from external sources is not available, or if the Companies believe that observable pricing information is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases, the Companies must estimate prices based on available historical and near-term future price information and use of statistical methods, including regression analysis, that reflect their market assumptions.

The Companies maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Use of Estimates in Goodwill Impairment Testing

As of December 31, 2011, Dominion reported $3.1 billion of goodwill in its Consolidated Balance Sheet. A significant portion resulted from the acquisition of the former CNG in 2000.

In April of each year, Dominion tests its goodwill for potential impairment, and performs additional tests more frequently if an event occurs or circumstances change in the interim that would more-likely-than-not reduce the fair value of a reporting unit below its carrying amount. The 2011, 2010 and 2009 annual tests and any interim tests did not result in the recognition of any goodwill impairment.

In general, Dominion estimates the fair value of its reporting units by using a combination of discounted cash flows and other valuation techniques that use multiples of earnings for peer group companies and analyses of recent business combinations involving peer group companies. For Dominion's Appalachian E&P operations and Peoples and Hope operations, negotiated sales prices were used as fair value for the tests conducted in 2010 and 2009. Fair value estimates are dependent on subjective factors such as Dominion's estimate of future cash flows, the selection of appropriate discount and growth rates, and the selection of peer group companies and recent transactions. These underlying assumptions and estimates are made as of a point in time; subsequent modifications, particularly changes in discount rates or growth rates inherent in Dominion's estimates of future cash flows, could result in a future impairment of goodwill. Although Dominion has consistently applied the same methods in developing the assumptions and estimates that underlie the fair value calculations, such as estimates of future cash flows, and based those estimates on relevant information available at the time, such cash flow estimates are highly uncertain by nature and may vary significantly from actual results. If the estimates of future cash flows used in the most recent tests had been 10% lower, the resulting fair values would have still been greater than the carrying values of each of those reporting units tested, indicating that no impairment was present. See Note 12 to the Consolidated Financial Statements for additional information.

Use of Estimates in Long-Lived Asset Impairment Testing

Impairment testing for an individual or group of long-lived assets or for intangible assets with definite lives is required when circumstances indicate those assets may be impaired. When an asset's carrying amount exceeds the undiscounted estimated future cash flows associated with the asset, the asset is considered impaired to the extent that the asset's fair value is less than its carrying amount. Performing an impairment test on long-lived assets involves judgment in areas such as identifying if circumstances indicate an impairment may exist, identifying and grouping affected assets, and developing the undiscounted and discounted estimated future cash flows (used to estimate fair value in the absence of market-based value) associated with the asset, including probability weighting such cash flows to reflect expectations about possible variations in their amounts or timing and the selection of an appropriate discount rate. Although cash flow estimates are based on relevant information available at the time the estimates are made, estimates of future cash flows are, by nature, highly uncertain and may vary significantly from actual results. For example, estimates of future cash flows would contemplate factors which may change over time, such as the expected use of the asset, including future production and sales levels, and expected fluctuations of prices of commodities sold and consumed. See Note 7 to the Consolidated Financial Statements for a discussion of impairments related to certain long-lived assets.

Employee Benefit Plans

Dominion sponsors noncontributory defined benefit pension plans and other postretirement benefit plans for eligible active employees, retirees and qualifying dependents. The projected costs of providing benefits under these plans are dependent, in part, on historical information such as employee demographics, the level of contributions made to the plans and earnings on plan assets. Assumptions about the future, including the expected long-term rate of return on plan assets, discount rates applied to benefit obligations and the anticipated rate of increase in healthcare costs and participant compensation, also have a significant impact on employee benefit costs. The impact of changes in these factors, as well as differences between Dominion's assumptions and actual experience, is generally recognized in the Consolidated Statements of Income over the remaining average service period of plan participants, rather than immediately.

The expected long-term rates of return on plan assets, discount rates and healthcare cost trend rates are critical assumptions. Dominion determines the expected long-term rates of return on plan assets for pension plans and other postretirement benefit plans by using a combination of:

- Expected inflation and risk-free interest rate assumptions;
- Historical return analysis to determine long term historic returns as well as historic risk premiums for various asset classes;
- Expected future risk premiums, asset volatilities and correlations;
- Forward-looking return expectations derived from the yield on long-term bonds and the price earnings ratios of major stock market indices; and
- Investment allocation of plan assets. The strategic target asset allocation for Dominion's pension funds is 28% U.S. equity, 18% non-U.S. equity, 33% fixed income, 3% real estate and 18% other alternative investments, such as private equity investments.

Strategic investment policies are established for Dominion's prefunded benefit plans based upon periodic asset/liability studies. Factors considered in setting the investment policy include those mentioned above such as employee demographics, liability growth rates, future discount rates, the funded status of the plans and the expected long-term rate of return on plan assets. Deviations from the plans' strategic allocation are a function of Dominion's assessments regarding short-term risk and reward opportunities in the capital markets and/or short-term market movements which result in the plans' actual asset allocations varying from the strategic target asset allocations. Through periodic rebalancing, actual allocations are brought back in line with the target. Future asset/liability studies will focus on strategies to further reduce pension and other postretirement plan risk, while still achieving attractive levels of returns.

Dominion develops assumptions, which are then compared to the forecasts of other independent investment advisors to ensure reasonableness. An internal committee selects the final assumptions. Dominion calculated its pension cost using an expected long-term rate of return on plan assets assumption of 8.50% for 2011, 2010 and 2009. Dominion calculated its other postretirement benefit cost using an expected long-term rate of return on plan assets assumption of 7.75% for 2011, 2010 and 2009. The rate used in calculating other postretirement benefit cost is lower than the rate used in calculating pension cost because of differences in the relative amounts of various types of investments held as plan assets.

Dominion determines discount rates from analyses of AA/Aa rated bonds with cash flows matching the expected payments to be made under its plans. The discount rates used to calculate pension cost and other postretirement benefit cost were 5.9% in 2011 and 6.60% in 2010 and 2009. Dominion selected a discount rate of 5.50% for determining its December 31, 2011 projected pension and other postretirement benefit obligations.

Dominion establishes the healthcare cost trend rate assumption based on analyses of various factors including the specific provisions of its medical plans, actual cost trends experienced and projected, and demographics of plan participants. Dominion's healthcare cost trend rate assumption as of December 31, 2011 is 7% and is expected to gradually decrease to 4.60% by 2060 and continue at that rate for years thereafter.

The following table illustrates the effect on cost of changing the critical actuarial assumptions previously discussed, while holding all other assumptions constant:

		Increase in Net Periodic Cost	
	Change in Actuarial Assumption	Pension Benefits	Other Postretirement Benefits
(millions, except percentages)			
Discount rate	**(0.25)%**	**$ 13**	**$ 2**
Long-term rate of return on plan assets	**(0.25)%**	**13**	**3**
Healthcare cost trend rate	**1%**	**N/A**	**20**

In addition to the effects on cost, at December 31, 2011, a 0.25% decrease in the discount rate would increase Dominion's projected pension benefit obligation by $163 million and its accumulated postretirement benefit obligation by $43 million, while a 1.00% increase in the healthcare cost trend rate would increase its accumulated postretirement benefit obligation by $174 million. See Note 22 to the Consolidated Financial Statements for additional information.

Revenue Recognition—Unbilled Revenue

Virginia Power recognizes and records revenues when energy is delivered to the customer. The determination of sales to individual customers is based on the reading of their meters, which is performed on a systematic basis throughout the month. At the end of each month, the amount of electric energy delivered to customers, but not yet billed, is estimated and recorded as unbilled revenue. This estimate is reversed in the following month and actual revenue is recorded based on meter readings. Virginia Power's customer receivables included $360 million and $397 million of accrued unbilled revenue at December 31, 2011 and 2010, respectively.

The calculation of unbilled revenues is complex and includes numerous estimates and assumptions including historical usage, applicable customer rates, weather factors and total daily electric generation supplied, adjusted for line losses. Changes in generation patterns, customer usage patterns and other factors, which are the basis for the estimates of unbilled revenues, could have a significant effect on the calculation and therefore on Virginia Power's results of operations and financial condition.

Other

Accounting Standards and Policies

During 2009, Dominion and Virginia Power were required to adopt several new accounting standards, which are discussed in Note 3 to the Consolidated Financial Statements.

Dominion

Results of Operations

Presented below is a summary of Dominion's consolidated results:

Year Ended December 31,	2011	$ Change	2010	$ Change	2009
(millions, except EPS)					
Net Income attributable to Dominion	**$1,408**	**$(1,400)**	$2,808	$1,521	$1,287
Diluted EPS	**2.45**	**(2.31)**	4.76	2.59	2.17

Overview

2011 vs. 2010

Net income attributable to Dominion decreased by 50%. Unfavorable drivers include the absence of a gain on the sale of Dominion's Appalachian E&P operations, lower margins from merchant generation operations, and the impact of less favorable weather, including Hurricane Irene, on electric utility operations. Favorable drivers include the absence of charges related to a workforce reduction program and the absence of a loss on the sale of Peoples, and higher earnings from rate adjustment clauses.

2010 vs. 2009

Net income attributable to Dominion increased by 118%. Favorable drivers include a gain on the sale of Dominion's Appalachian E&P operations, lower ceiling test impairment charges related to these properties, the absence of a charge in connection with the settlement of Virginia Power's 2009 base rate case proceedings and the impact of favorable weather on electric utility operations. Unfavorable drivers include charges related to a workforce reduction program, a loss on the sale of Peoples, lower margins from merchant generation operations and impairment charges related to certain merchant generation facilities.

Analysis of Consolidated Operations

Presented below are selected amounts related to Dominion's results of operations:

Year Ended December 31,	2011	$ Change	2010	$ Change	2009
(millions)					
Operating Revenue	**$14,379**	**$ (818)**	$15,197	$ 399	$14,798
Electric fuel and other energy-related purchases	**4,194**	**44**	4,150	(135)	4,285
Purchased electric capacity	**454**	**1**	453	42	411
Purchased gas	**1,764**	**(286)**	2,050	(150)	2,200
Net Revenue	**7,967**	**(577)**	8,544	642	7,902
Other operations and maintenance	**3,483**	**(241)**	3,724	12	3,712
Depreciation, depletion and amortization	**1,069**	**14**	1,055	(83)	1,138
Other taxes	**554**	**22**	532	49	483
Gain on sale of Appalachian E&P operations	**—**	**(2,467)**	2,467	2,467	—
Other income	**179**	**10**	169	(25)	194
Interest and related charges	**869**	**37**	832	(57)	889
Income tax expense	**745**	**(1,312)**	2,057	1,461	596
Income (loss) from discontinued operations	**—**	**155**	(155)	(181)	26

An analysis of Dominion's results of operations follows:

2011 vs. 2010

Net Revenue decreased 7%, primarily reflecting:

- A $519 million decrease from merchant generation operations, primarily due to a decrease in realized prices ($347 million) and lower generation ($163 million); and
- A $125 million decrease reflecting the sale of substantially all of Dominion's Appalachian E&P operations in April 2010.

These decreases were partially offset by:

- A $32 million increase from Dominion's gas transmission business primarily related to an increase in revenue from NGLs;
- A $28 million increase in producer services primarily related to higher physical margins and favorable price changes on economic hedging positions, all associated with natural gas aggregation, marketing and trading activities;
- A $13 million increase from electric utility operations, primarily reflecting:
  - The impact of rate adjustment clauses ($169 million); and
  - A decrease in net capacity expenses ($44 million); partially offset by
  - The impact ($120 million) of a decrease in sales to retail customers, primarily due to a decrease in heating and cooling degree days ($220 million), partially offset by an increase in sales due to the effect of favorable economic conditions on customer usage and other factors ($100 million); and
  - A decrease due to a charge based on the Biennial Review Order to refund revenues to customers ($81 million).

Other operations and maintenance decreased 6%, primarily reflecting:

- A $441 million decrease in salaries, wages and benefits primarily related to a 2010 workforce reduction program; partially offset by
- A $96 million increase due to restoration costs associated with damage caused by Hurricane Irene; and
- An $89 million net increase in impairment charges related to certain utility and merchant coal-fired generating units.

Gain on sale of Appalachian E&P operations reflects a gain on the sale of these operations, as described in Note 4 to the Consolidated Financial Statements.

Interest and related charges increased 4%, primarily due to the absence of a benefit recorded in 2010 resulting from the discontinuance of hedge accounting for certain interest rate derivatives ($73 million) and an increase in debt issuances in 2011 ($18 million), partially offset by the recognition of hedging gains that had previously been deferred as regulatory liabilities as a result of the Biennial Review Order ($50 million).

Income tax expense decreased $1.3 billion, primarily reflecting lower federal and state taxes largely due to the absence of a gain from the sale of Dominion's Appalachian E&P operations recorded in 2010.

Loss from discontinued operations reflects the sale of Peoples in 2010.

2010 vs. 2009

Net Revenue increased 8%, primarily reflecting:

- A $1.1 billion increase from electric utility operations, primarily reflecting:
    - The absence of a charge for the settlement of Virginia Power's 2009 base rate case proceedings ($570 million);
    - The impact of rate adjustment clauses ($279 million);
    - An increase in sales to retail customers primarily due to an increase in cooling degree days ($248 million); and
    - An increase in ancillary revenues received from PJM ($78 million), primarily reflecting an increase in the scheduled dispatch of gas and oil-fired generation units to meet higher demand; partially offset by
    - A decrease primarily due to the impact of unfavorable economic conditions on customer usage and other factors ($75 million);
- A $98 million increase from regulated natural gas distribution operations primarily reflecting increased rider revenue associated with the recovery of bad debt expense ($60 million) and an increase in base rates ($40 million); and
- A $46 million increase related to natural gas transmission operations largely due to the completion of the Cove Point expansion project.

These increases were partially offset by:

- A $356 million decrease from merchant generation operations due to a decrease at certain nuclear generating facilities ($237 million) primarily due to lower realized prices, a decline in margins at certain fossil generation facilities ($70 million) primarily due to an increase in fuel prices and the expiration of certain requirements-based power sales contracts in December 2009 ($49 million);
- A $222 million decrease reflecting the sale of substantially all of Dominion's Appalachian E&P operations in April 2010; and
- A $40 million decrease in producer services primarily related to unfavorable price changes on economic hedging positions and lower physical margins, all associated with natural gas aggregation, marketing and trading activities.

Other operations and maintenance increased $12 million primarily reflecting:

- A $240 million net increase in salaries, wages and benefits primarily related to a workforce reduction program;
- Impairment charges related to certain merchant generating facilities ($194 million);
- A $103 million increase due to the absence of a benefit in 2009 from a downward revision in the nuclear decommissioning ARO for a unit that is no longer in service;
- A $56 million increase in bad debt expense at regulated natural gas distribution operations, primarily related to low income assistance programs ($60 million). These expenses are recovered through rates and do not impact net income; and
- A $42 million increase in certain electric transmission-related expenditures.

These increases were partially offset by:

- A $434 million decrease in ceiling test impairment charges related to the carrying value of Dominion's E&P properties;
- The absence of a $142 million write-off of previously deferred RTO costs in connection with the settlement of Virginia Power's 2009 base rate case proceedings; and
- A $48 million decrease in outage costs due to a decrease in scheduled outage days primarily at certain merchant generation facilities.

DD&A decreased 7%, primarily due to the sale of Dominion's Appalachian E&P operations ($45 million) and lower amortization due to decreased cost of emissions allowances consumed ($37 million).

Other taxes increased 10%, primarily due to additional property tax from increased investments and higher rates ($16 million), an increase in gross receipts tax due to new non-regulated retail energy customers ($14 million) and higher payroll taxes associated with a workforce reduction program ($12 million).

Gain on sale of Appalachian E&P operations reflects a gain on the sale of these operations, as described in Note 4 to the Consolidated Financial Statements.

Other income decreased 13%, primarily reflecting an increase in charitable contributions ($46 million) and a decrease in interest income ($15 million); partially offset by the absence of an impairment loss on an equity method investment ($30 million) and higher realized gains (including investment income) on nuclear decommissioning trust funds ($12 million).

Interest and related charges decreased 6%, primarily due to a benefit resulting from the net effect of the discontinuance of hedge accounting for certain interest rate hedges and subsequent changes in fair value of these interest rate derivatives ($73 million), partially offset by an increase in interest expense associated with the June 2009 hybrid issuance ($26 million).

Income tax expense increased $1.5 billion, primarily reflecting higher federal and state taxes largely due to the gain on the sale of Dominion's Appalachian E&P business.

Loss from discontinued operations primarily reflects a loss on the sale of Peoples.

Outlook

Dominion's strategy is to continue focusing on its regulated businesses while maintaining upside potential in well-positioned nonregulated businesses. The goals of this strategy are to provide earnings per share growth, a growing dividend and to maintain a stable credit profile. Dominion's 2011 results were negatively impacted by lower margins from merchant generation operations and less favorable weather on electric utility operations. In 2012, Dominion is expected to experience an increase in net income on a per share basis as compared to 2011. Dominion's anticipated 2012 results reflect the following significant factors:

- The absence of charges incurred in 2011 related to expected plant retirements, impairment of emissions allowances and Hurricane Irene;
- Construction and operation of growth projects in electric utility operations and associated rate adjustment clause revenue, as well as growth projects in gas transmission and distribution operations;
- Growth in weather-normalized electric utility sales of 2-2.5% resulting from the recovering economy and rising energy demand;
- Reductions in certain operations and maintenance expenses; and
- A reduction in interest expense; partially offset by
- Lower realized margins from merchant generation operations due to lower commodity prices and the retirement of certain coal units; and
- An increase in DD&A.

Dominion expects the bonus depreciation provisions of the tax legislation enacted by the U.S. Congress in 2010, discussed in Note 6 to the Consolidated Financial Statements, to reduce income taxes otherwise payable, resulting in cash savings in 2012 and 2013 of approximately $475 million and $700 million, respectively.

Segment Results of Operations

Segment results include the impact of intersegment revenues and expenses, which may result in intersegment profit or loss. Presented below is a summary of contributions by Dominion's operating segments to net income attributable to Dominion:

Year Ended December 31,	2011		2010		2009	
	Net Income attributable to Dominion	Diluted EPS	Net Income attributable to Dominion	Diluted EPS	Net Income attributable to Dominion	Diluted EPS
(millions, except EPS)						
DVP	**$ 501**	**$ 0.87**	$ 448	$0.76	$ 384	$ 0.65
Dominion Generation	**1,003**	**1.74**	1,291	2.19	1,281	2.16
Dominion Energy	**521**	**0.91**	475	0.80	517	0.87
Primary operating segments	**2,025**	**3.52**	2,214	3.75	2,182	3.68
Corporate and Other	**(617)**	**(1.07)**	594	1.01	(895)	(1.51)
Consolidated	**$1,408**	**$ 2.45**	$2,808	$4.76	$1,287	$ 2.17

DVP

Presented below are operating statistics related to DVP's operations:

Year Ended December 31,	2011	% Change	2010	% Change	2009
Electricity delivered (million MWh)	**82.3**	**(3)%**	84.5	4%	81.4
Degree days:					
Cooling	**1,899**	**(9)**	2,090	42	1,477
Heating	**3,354**	**(12)**	3,819	2	3,747
Average electric distribution customer accounts (thousands)(1)	**2,438**	**1**	2,422	1	2,404
Average retail energy marketing customer accounts (thousands)(1)	**2,152**	**6**	2,037	19	1,718

(1) Thirteen-month average.

Presented below, on an after-tax basis, are the key factors impacting DVP's net income contribution:

2011 vs. 2010

	Increase (Decrease)	
	Amount	EPS
(millions, except EPS)		
Regulated electric sales:		
Weather	**$(43)**	**$(0.07)**
Other	**10**	**0.02**
FERC transmission equity return	**44**	**0.07**
Retail energy marketing operations	**6**	**0.01**
Storm damage and service restoration	**9**	**0.02**
Other O&M expense(1)	**28**	**0.04**
Other	**(1)**	**—**
Share accretion	**—**	**0.02**
Change in net income contribution	**$ 53**	**$ 0.11**

(1) Primarily reflects the 2010 implementation of cost containment measures including a workforce reduction program, and lower salaries and wages expenses.

2010 vs. 2009

	Increase (Decrease)	
	Amount	EPS
(millions, except EPS)		
Regulated electric sales:		
Weather	$ 48	$ 0.08
Other	2	—
FERC transmission equity return	23	0.04
Other O&M expenses(1)	7	0.01
Depreciation and amortization	(8)	(0.01)
Storm damage and service restoration	(11)	(0.02)
Other	3	—
Share accretion	—	0.01
Change in net income contribution	$ 64	$ 0.11

(1) Primarily reflects the 2010 implementation of cost containment measures including a workforce reduction program.

Dominion Generation

Presented below are operating statistics related to Dominion Generation's operations:

Year Ended December 31,	2011	% Change	2010	% Change	2009
Electricity supplied (million MWh):					
Utility	**82.3**	**(3)%**	84.5	4%	81.4
Merchant	**43.0**	**(9)**	47.3	(1)	48
Degree days (electric utility service area):					
Cooling	**1,899**	**(9)**	2,090	42	1,477
Heating	**3,354**	**(12)**	3,819	2	3,747

Presented below, on an after-tax basis, are the key factors impacting Dominion Generation's net income contribution:

2011 vs. 2010

	Increase (Decrease)	
	Amount	EPS
(millions, except EPS)		
Merchant generation margin	**$(288)**	**$(0.50)**
Regulated electric sales:		
Weather	**(91)**	**(0.16)**
Other	**59**	**0.10**
Rate adjustment clause equity return	**30**	**0.05**
Outage costs	**(11)**	**(0.02)**
Other O&M expenses(1)	**71**	**0.12**
Interest expense	**(15)**	**(0.02)**
Kewaunee 2010 earnings(2)	**(19)**	**(0.03)**
Other	**(24)**	**(0.03)**
Share accretion	**—**	**0.04**
Change in net income contribution	**$(288)**	**$(0.45)**

(1) Primarily reflects the 2010 implementation of cost containment measures including a workforce reduction program, and lower salaries and wages expenses.

(2) Kewaunee's 2011 results of operations have been reflected in the Corporate and Other segment due to Dominion's decision, in the first quarter of 2011, to pursue a sale of the power station.

2010 vs. 2009

	Increase (Decrease)	
	Amount	EPS
(millions, except EPS)		
Regulated electric sales:		
Weather	$ 104	$ 0.18
Other	(23)	(0.04)
Rate adjustment clause equity return	66	0.11
Outage costs	29	0.05
Other O&M expenses(1)	32	0.05
PJM ancillary services	27	0.05
Merchant generation margin	(209)	(0.36)
Other	(16)	(0.03)
Share accretion	—	0.02
Change in net income contribution	$ 10	$ 0.03

(1) Primarily reflects the 2010 implementation of cost containment measures including a workforce reduction program.

Dominion Energy

Presented below are selected operating statistics related to Dominion Energy's operations. As discussed in Note 4, in April 2010 Dominion completed the sale of substantially all of its Appalachian E&P operations. As a result, production-related operating statistics for the Dominion Energy segment are no longer significant.

Year Ended December 31,	2011	% Change	2010	% Change	2009
Gas distribution throughput (bcf):					
Sales	**30**	**(3)%**	31	(28)%	43
Transportation	**253**	**5**	241	16	208
Heating degree days	**5,584**	**(2)**	5,682	(3)	5,847
Average gas distribution customer accounts (thousands)(1):					
Sales	**256**	**(2)**	260	(19)	321
Transportation	**1,040**	**—**	1,042	5	988

(1) Thirteen-month average.

Presented below, on an after-tax basis, are the key factors impacting Dominion Energy's net income contribution:

2011 vs. 2010

	Increase (Decrease)	
	Amount	EPS
(millions, except EPS)		
Producer services margin	**$ 18**	**$ 0.03**
Gas transmission margin(1)	**15**	**0.03**
Other O&M expenses(2)	**11**	**0.02**
Gas distribution margin:		
AMR and PIR revenue	**9**	**0.02**
Base gas sales	**(4)**	**(0.01)**
E&P disposed operations	**(17)**	**(0.03)**
Other	**14**	**0.02**
Share accretion	**—**	**0.03**
Change in net income contribution	**$ 46**	**$ 0.11**

(1) Primarily reflects an increase in revenue from NGLs.

(2) Primarily reflects the 2010 implementation of cost containment measures including a workforce reduction program, and lower salaries and wages expenses.

2010 vs. 2009

	Increase (Decrease)	
	Amount	EPS
(millions, except EPS)		
E&P disposed operations	$(61)	$(0.11)
Producer services	(27)	(0.05)
Gas distribution margin:		
AMR and PIR revenue(1)	11	0.02
Base gas sale(2)	10	0.02
Weather	(2)	—
Other	15	0.03
Cove Point expansion revenue	20	0.03
Other	(8)	(0.02)
Share accretion	—	0.01
Change in net income contribution	$(42)	$(0.07)

(1) Primarily reflects an allowed return on investment through the AMR and PIR programs.

(2) Reflects East Ohio's sale of 3 bcf of base gas in December 2010 as the Company determined that it could operate its storage system and meet existing and anticipated contractual commitments with less base gas.

Corporate and Other

Presented below are the Corporate and Other segment's after-tax results:

Year Ended December 31,	2011	2010	2009
(millions, except EPS amounts)			
Specific items attributable to operating segments	**$ (375)**	$1,014	$ (688)
Specific items attributable to Corporate and Other segment:			
Peoples discontinued operations	**—**	(155)	26
Other	**29**	(22)	7
Total specific items	**(346)**	837	(655)
Other corporate operations	**(271)**	(243)	(240)
Total net benefit (expense)	**$ (617)**	$ 594	$ (895)
EPS impact	**$(1.07)**	$ 1.01	$(1.51)

Total Specific Items

Corporate and Other includes specific items attributable to Dominion's primary operating segments that are not included in profit measures evaluated by executive management in assessing the segments' performance or allocating resources among the segments. See Note 26 to the Consolidated Financial Statements for discussion of these items.

Virginia Power

Results of Operations

Presented below is a summary of Virginia Power's consolidated results:

Year Ended December 31,	2011	$ Change	2010	$ Change	2009
(millions)					
Net Income	**$822**	**$(30)**	$852	$496	$356

Overview

2011 vs. 2010

Net income decreased by 4%, primarily reflecting less favorable weather, including Hurricane Irene, and an impairment charge related to certain coal-fired power stations, partially offset by higher earnings from rate adjustment clauses and the absence of charges related to a workforce reduction program.

2010 vs. 2009

Net income increased by 139%, primarily reflecting the absence of a charge in connection with the settlement of the 2009 base rate case proceedings, favorable weather and a benefit from rate adjustment clauses, partially offset by charges related to a workforce reduction program.

Analysis of Consolidated Operations

Presented below are selected amounts related to Virginia Power's results of operations:

Year Ended December 31,	2011	$ Change	2010	$ Change	2009
(millions)					
Operating Revenue	**$7,246**	**$ 27**	$7,219	$ 635	$6,584
Electric fuel and other energy-related purchases	**2,506**	**11**	2,495	(477)	2,972
Purchased electric capacity	**452**	**3**	449	40	409
Net Revenue	**4,288**	**13**	4,275	1,072	3,203
Other operations and maintenance	**1,743**	**(2)**	1,745	122	1,623
Depreciation and amortization	**718**	**47**	671	30	641
Other taxes	**222**	**4**	218	27	191
Other income	**88**	**(12)**	100	(4)	104
Interest and related charges	**331**	**(16)**	347	(2)	349
Income tax expense	**540**	**(2)**	542	395	147

An analysis of Virginia Power's results of operations follows:

2011 vs. 2010

Net Revenue increased $13 million, primarily reflecting:
- The impact of rate adjustment clauses ($169 million); and
- A decrease in net capacity expenses ($44 million); partially offset by
- The impact ($120 million) of a decrease in sales to retail customers, primarily due to a decrease in heating and cooling degree days ($220 million), partially offset by an increase in sales due to the effect of favorable economic conditions on customer usage and other factors ($100 million); and
- A decrease due to a charge based on the Biennial Review Order to refund revenues to customers ($81 million).

Other operations and maintenance decreased $2 million, primarily reflecting:
- A $267 million decrease in salaries, wages and benefits as well as certain administrative and general costs primarily due to a 2010 workforce reduction program; and
- A $54 million decrease in planned outage costs primarily due to fewer scheduled outage days at certain generation facilities; partially offset by
- A $228 million impairment charge related to certain coal-fired generating units; and
- A $96 million increase due to restoration costs associated with damage caused by Hurricane Irene.

Depreciation and amortization expense increased 7%, primarily due to property additions.

Other income decreased 12%, primarily due to a decrease in the equity component of AFUDC ($17 million), partially offset by an increase in amounts collectible from customers for taxes in connection with contributions in aid of construction ($5 million).

2010 VS. 2009

Net Revenue increased 33%, primarily reflecting:

- The absence of a charge for the settlement of the 2009 base rate case proceedings ($570 million);
- The impact of rate adjustment clauses ($279 million);
- An increase in sales to retail customers primarily due to an increase in cooling degree days ($248 million); and
- An increase in ancillary revenues received from PJM ($78 million), primarily reflecting an increase in the scheduled dispatch of gas and oil-fired generation units to meet higher demand.

These increases were partially offset by:

- A decrease primarily due to the impact of unfavorable economic conditions on customer usage and other factors ($75 million).

Other operations and maintenance increased 8%, primarily reflecting:

- A $177 million net increase in salaries, wages and benefits primarily due to a workforce reduction program;
- A $42 million increase in certain electric transmission-related expenditures; and
- A $19 million increase in storm damage and service restoration costs.

These increases were partially offset by:

- The absence of a $130 million write-off of previously deferred RTO costs in connection with the settlement of Virginia Power's 2009 base rate case proceedings.

Depreciation and amortization expense increased 5%, primarily due to property additions.

Other taxes increased 14%, primarily reflecting additional property tax due to increased investments and higher rates ($12 million), incremental use tax that is recoverable through a customer surcharge ($8 million) and higher payroll taxes associated with a workforce reduction program ($7 million).

Income tax expense increased $395 million, primarily reflecting higher pretax income in 2010.

Outlook

Virginia Power expects to provide growth in net income in 2012. Virginia Power's anticipated 2012 results reflect the following significant factors:

- The absence of charges incurred in 2011 related to expected plant retirements, impairment of emissions allowances and Hurricane Irene;
- Growth in weather-normalized electric sales of 2-2.5% resulting from the recovering economy and rising energy demand; and
- Construction and operation of growth projects and associated rate adjustment clause revenue; partially offset by
- An increase in planned outages at certain nuclear facilities.

Virginia Power expects the bonus depreciation provisions of the tax legislation enacted by the U.S. Congress in 2010, discussed in Note 6 to the Consolidated Financial Statements, to reduce income taxes otherwise payable, resulting in cash savings of approximately $500 million in 2012.

SEGMENT RESULTS OF OPERATIONS

Presented below is a summary of contributions by Virginia Power's operating segments to net income:

Year Ended December 31,	**2011**	**$ Change**	2010	$ Change	2009
(millions)					
DVP	**$ 426**	**$ 49**	$ 377	$ 64	$ 313
Dominion Generation	**664**	**34**	630	155	475
Primary operating segments	**1,090**	**83**	1,007	219	788
Corporate and Other	**(268)**	**(113)**	(155)	277	(432)
Consolidated	**$ 822**	**$ (30)**	$ 852	$496	$ 356

DVP

Presented below are operating statistics related to Virginia Power's DVP segment:

Year Ended December 31,	**2011**	**% Change**	2010	% Change	2009
Electricity delivered (million MWh)	**82.3**	**(3)%**	84.5	4%	81.4
Degree days (electric service area):					
Cooling	**1,899**	**(9)**	2,090	42	1,477
Heating	**3,354**	**(12)**	3,819	2	3,747
Average electric distribution customer accounts (thousands)(1)	**2,438**	**1**	2,422	1	2,404

(1) Thirteen-month average.

Presented below, on an after-tax basis, are the key factors impacting DVP's net income contribution:

2011 VS. 2010

	Increase (Decrease)
(millions, except EPS)	
Regulated electric sales:	
Weather	**$(43)**
Other	**10**
FERC transmission equity return	**44**
Storm damage and service restoration	**9**
Other O&M expense(1)	**28**
Other	**1**
Change in net income contribution	**$ 49**

(1) Primarily reflects the 2010 implementation of cost containment measures including a workforce reduction program, and lower salaries and wages expenses.

2010 VS. 2009

	Increase (Decrease)
(millions)	
Regulated electric sales:	
Weather	$ 48
Other	2
FERC transmission equity return	23
Other O&M expense(1)	7
Depreciation and amortization	(8)
Storm damage and service restoration	(11)
Other	3
Change in net income contribution	$ 64

(1) Primarily reflects the 2010 implementation of cost containment measures including a workforce reduction program.

Dominion Generation

Presented below are operating statistics related to Virginia Power's Dominion Generation segment:

Year Ended December 31,	2011	% Change	2010	% Change	2009
Electricity supplied (million MWh)	**82.3**	**(3)%**	84.5	4%	81.4
Degree days (electric service area):					
Cooling	**1,899**	**(9)**	2,090	42	1,477
Heating	**3,354**	**(12)**	3,819	2	3,747

Presented below, on an after-tax basis, are the key factors impacting Dominion Generation's net income contribution:

2011 vs. 2010

	Increase (Decrease)
(millions)	
Regulated electric sales:	
Weather	**$(91)**
Other	**59**
Rate adjustment clause equity return	**30**
Outage costs	**33**
Other	**3**
Change in net income contribution	**$ 34**

2010 vs. 2009

	Increase (Decrease)
(millions)	
Regulated electric sales:	
Weather	$104
Other	(23)
Rate adjustment clause equity return	66
PJM ancillary services	27
Energy supply margin(1)	(13)
Other	(6)
Change in net income contribution	$155

(1) Primarily reflects a reduced benefit from FTRs, due to the crediting of certain FTRs allocated to Virginia Power against Virginia jurisdictional fuel factor expenses subject to deferral accounting beginning July 1, 2009.

Corporate and Other

Presented below are the Corporate and Other segment's after-tax results.

Year Ended December 31,	2011	2010	2009
(millions)			
Specific items attributable to operating segments	**$(268)**	$(153)	$(430)
Other corporate operations	**—**	(2)	(2)
Total net expense	**$(268)**	$(155)	$(432)

Specific Items Attributable to Operating Segments

Corporate and Other primarily includes specific items attributable to Virginia Power's primary operating segments that are not included in profit measures evaluated by executive management in assessing the segments' performance or allocating resources among the segments. See Note 26 to the Consolidated Financial Statements for a discussion of these items.

Liquidity and Capital Resources

Dominion and Virginia Power depend on both internal and external sources of liquidity to provide working capital and to fund capital requirements. Short-term cash requirements not met by cash provided by operations are generally satisfied with proceeds from short-term borrowings. Long-term cash needs are met through issuances of debt and/or equity securities.

At December 31, 2011, Dominion had $1.7 billion of unused capacity under its credit facilities, including $341 million of unused capacity under joint credit facilities available to Virginia Power. See additional discussion under *Credit Facilities and Short-Term Debt.*

A summary of Dominion's cash flows is presented below:

Year Ended December 31,	2011	2010	2009
(millions)			
Cash and cash equivalents at beginning of year(1)	**$ 62**	$ 50	$ 71
Cash flows provided by (used in):			
Operating activities	**2,983**	1,825	3,786
Investing activities	**(3,321)**	419	(3,695)
Financing activities	**378**	(2,232)	(112)
Net increase (decrease) in cash and cash equivalents	**40**	12	(21)
Cash and cash equivalents at end of year(2)	**$ 102**	$ 62	$ 50

(1) 2009 amount includes $5 million of cash classified as held for sale in Dominion's Consolidated Balance Sheet.
(2) 2009 amount includes $2 million of cash classified as held for sale in Dominion's Consolidated Balance Sheet.

A summary of Virginia Power's cash flows is presented below:

Year Ended December 31,	2011	2010	2009
(millions)			
Cash and cash equivalents at beginning of year	**$ 5**	$ 19	$ 27
Cash flows provided by (used in):			
Operating activities	**2,024**	1,409	1,970
Investing activities	**(1,947)**	(2,425)	(2,568)
Financing activities	**(53)**	1,002	590
Net increase (decrease) in cash and cash equivalents	**24**	(14)	(8)
Cash and cash equivalents at end of year	**$ 29**	$ 5	$ 19

Operating Cash Flows

In 2011, net cash provided by Dominion's operating activities increased by $1.2 billion, primarily due to lower income tax payments, lower payments related to the Virginia Settlement Approval Order, and the absence of contributions to pension plans made in 2010; partially offset by lower merchant generation margins and the impact of less favorable weather on electric utility operations.

In 2011, net cash provided by Virginia Power's operating activities increased by $615 million, primarily due to higher deferred fuel cost recoveries in its Virginia jurisdiction, lower payments related to the Virginia Settlement Approval Order, and the absence of contributions to Dominion's pension plans made in 2010. The increase was partially offset by the impact of less favorable weather, higher restoration costs due to Hurricane Irene, and net changes in other working capital items.

Dominion believes that its operations provide a stable source of cash flow to contribute to planned levels of capital expenditures and maintain or grow the dividend on common shares. In 2010, Dominion's Board of Directors adopted a new dividend policy that raised its target payout ratio. In 2012, the Board affirmed the dividend policy and established an annual dividend rate of $2.11 per share of common stock, a 7.1% increase over the 2011 rate. Declarations of dividends are subject to further Board approval. Virginia Power believes that its operations provide a stable source of cash flow to contribute to planned levels of capital expenditures and provide dividends to Dominion.

The Companies' operations are subject to risks and uncertainties that may negatively impact the timing or amounts of operating cash flows, and which are discussed in Item 1A. Risk Factors.

CREDIT RISK

Dominion's exposure to potential concentrations of credit risk results primarily from its energy marketing and price risk management activities. Presented below is a summary of Dominion's credit exposure as of December 31, 2011 for these activities. Gross credit exposure for each counterparty is calculated as outstanding receivables plus any unrealized on- or off-balance sheet exposure, taking into account contractual netting rights.

	Gross Credit Exposure	Credit Collateral	Net Credit Exposure
(millions)			
Investment grade(1)	**$349**	**$30**	**$319**
Non-investment grade(2)	**4**	**—**	**4**
No external ratings:			
Internally rated-investment grade(3)	**84**	**—**	**84**
Internally rated-non-investment grade(4)	**97**	**—**	**97**
Total	**$534**	**$30**	**$504**

(1) Designations as investment grade are based upon minimum credit ratings assigned by Moody's and Standard & Poor's. The five largest counterparty exposures, combined, for this category represented approximately 33% of the total net credit exposure.
(2) The five largest counterparty exposures, combined, for this category represented approximately 1% of the total net credit exposure.
(3) The five largest counterparty exposures, combined, for this category represented approximately 8% of the total net credit exposure.
(4) The five largest counterparty exposures, combined, for this category represented approximately 12% of the total net credit exposure.

Virginia Power's exposure to potential concentrations of credit risk results primarily from sales to wholesale customers and was not considered material at December 31, 2011.

Investing Cash Flows

In 2011, net cash used in Dominion's investing activities was $3.3 billion as compared to net cash provided by investing activities of $419 million in 2010, primarily reflecting the absence of the proceeds received in 2010 from the sale of Dominion's Appalachian E&P operations and the sale of Peoples.

In 2011, net cash used in Virginia Power's investing activities decreased by $478 million, primarily due to lower capital expenditures and restricted funds spent in 2011 as compared to restricted funds deposited in 2010 for the purpose of funding certain qualifying construction projects.

Financing Cash Flows and Liquidity

Dominion and Virginia Power rely on capital markets as significant sources of funding for capital requirements not satisfied by cash provided by their operations. As discussed in *Credit Ratings*, the Companies' ability to borrow funds or issue securities and the return demanded by investors are affected by credit ratings. In addition, the raising of external capital is subject to certain regulatory requirements, including registration with the SEC for certain issuances and, in the case of Virginia Power, approval by the Virginia Commission.

Each of the Companies currently meets the definition of a well-known seasoned issuer under SEC rules governing the registration, communications and offering processes under the Securities Act of 1933. The rules provide for a streamlined shelf registration process to provide registrants with timely access to capital. This allows the Companies to use automatic shelf registration statements to register any offering of securities, other than those for business combination transactions.

In 2011, net cash provided by Dominion's financing activities was $378 million as compared to net cash used in financing activities of $2.2 billion in 2010, primarily due to net debt issuances in 2011 as compared to net debt repayments in 2010, reflecting, in part, the use of proceeds in 2010 from the sales of Dominion's Appalachian E&P operations and Peoples to repay debt.

In 2011, net cash used in Virginia Power's financing activities was $53 million as compared to net cash provided by financing activities of $1.0 billion in 2010, primarily reflecting lower net debt issuances in 2011 as compared to 2010 as a result of higher cash flow from operations.

CREDIT FACILITIES AND SHORT-TERM DEBT

Dominion and Virginia Power use short-term debt to fund working capital requirements and as a bridge to long-term debt financings. The levels of borrowing may vary significantly during the course of the year, depending upon the timing and amount of cash requirements not satisfied by cash from operations. In addition, Dominion utilizes cash and letters of credit to fund collateral requirements. Collateral requirements are impacted by commodity prices, hedging levels, Dominion's credit ratings and the credit quality of its counterparties.

In connection with commodity hedging activities, the Companies are required to provide collateral to counterparties under some circumstances. Under certain collateral arrangements, the Companies may satisfy these requirements by electing to either deposit cash, post letters of credit or, in some cases, utilize other forms of security. From time to time, the Companies vary the form of collateral provided to counterparties after weighing the costs and benefits of various factors associated with the different forms of collateral. These factors include short-term borrowing and short-term investment rates, the spread over these short-term rates at which the Companies can issue commercial paper, balance sheet impacts, the costs and fees of alternative collateral postings with these and other counterparties and overall liquidity management objectives.

DOMINION

Commercial paper and letters of credit outstanding, as well as capacity available under credit facilities, were as follows:

December 31, 2011	Facility Limit	Outstanding Commercial Paper	Outstanding Letters of Credit	Facility Capacity Available
(millions)				
Joint revolving credit facility(1)	**$3,000**	**$1,814**	**$—**	**$1,186**
Joint revolving credit facility(2)	**500**	**—**	**36**	**464**
Total	**$3,500**	**$1,814(3)**	**$36**	**$1,650**

(1) This credit facility was entered into in September 2010 with an original maturity date of September 2013. Effective October 1, 2011, pricing was amended and the maturity date was extended to September 2016. This credit facility can be used to support bank borrowings and the issuance of commercial paper, as well as to support up to $1.5 billion of letters of credit.

(2) This credit facility was entered into in September 2010 with an original maturity date of September 2013. Effective October 1, 2011, pricing was amended and the maturity date was extended to September 2016. This credit facility can be used to support bank borrowings, commercial paper and letter of credit issuances.

(3) The weighted-average interest rates of the outstanding commercial paper supported by Dominion's credit facilities were 0.47% at December 31, 2011.

VIRGINIA POWER

Virginia Power's short-term financing is supported by two joint revolving credit facilities with Dominion. These credit facilities are being used for working capital, as support for the combined commercial paper programs of Dominion and Virginia Power and for other general corporate purposes.

Virginia Power's share of commercial paper and letters of credit outstanding, as well as its capacity available under its joint credit facilities with Dominion, were as follows:

December 31, 2011	Facility Sub-limit	Outstanding Commercial Paper	Outstanding Letters of Credit	Facility Sub-limit Capacity Available
(millions)				
Joint revolving credit facility(1)	**$1,000**	**$894**	**$—**	**$106**
Joint revolving credit facility(2)	**250**	**—**	**15**	**235**
Total	**$1,250**	**$894(3)**	**$15**	**$341**

(1) This credit facility was entered into in September 2010 with an original maturity date of September 2013. Effective October 1, 2011, pricing was amended and the maturity date was extended to September 2016. This credit facility can be used to support bank borrowings and the issuance of commercial paper, as well as to support up to $1.5 billion (or the sub-limit, whichever is less) of letters of credit. Virginia Power's current sub-limit under this credit facility can be increased or decreased multiple times per year.

(2) This credit facility was entered into in September 2010 with an original maturity date of September 2013. Effective October 1, 2011, pricing was amended and the maturity date was extended to September 2016. This credit facility can be used to support bank borrowings, commercial paper and letter of credit issuances. Virginia Power's current sub-limit under this credit facility can be increased or decreased multiple times per year.

(3) The weighted-average interest rates of the outstanding commercial paper supported by these credit facilities were 0.46% at December 31, 2011.

In addition to the credit facility commitments mentioned above, Virginia Power also has a $120 million credit facility that was entered into in September 2010 with an original maturity date of September 2013. Effective October 1, 2011, pricing was amended and the maturity date was extended to September 2016. This facility supports certain tax-exempt financings of Virginia Power.

LONG-TERM DEBT

During 2011, Dominion issued the following long-term debt:

Type	Principal	Rate	Maturity	Issuing Company
	(millions)			
Senior notes	**$ 400**	**1.80%**	**2014**	**Dominion**
Senior notes	**450**	**1.95%**	**2016**	**Dominion**
Senior notes	**500**	**4.45%**	**2021**	**Dominion**
Senior notes	**500**	**4.90%**	**2041**	**Dominion**
Total notes issued	**$1,850**			

Virginia Power did not issue senior notes during 2011.

In December 2010, Brayton Point borrowed approximately $160 million and approximately $75 million in connection with the Massachusetts Development Finance Agency Recovery Zone Facility Bonds, Series 2010 A and the Solid Waste Disposal Revenue Bonds, Series 2010 B, respectively, which mature in 2041. The proceeds are being used to finance certain qualifying facilities at Brayton Point. Due to unfavorable market conditions, Dominion acquired the bonds upon issuance in December 2010 with the intention of remarketing them to third parties at a later time. At December 31, 2010, these bonds had not been remarketed and thus were not reflected on the Consolidated Balance Sheet. In July 2011, the Series 2010 B bonds were remarketed to a third party using a remarketing process, and bear interest at a variable rate for the first five years, after which they will bear interest at a market rate to be determined at that time. In August 2011, the Series 2010 A bonds were remarketed to third parties using a remarketing process, and bear interest at a coupon rate of 2.25% for the first five years, after which they will bear interest at a market rate to be determined at that time.

In December 2010 and September 2009, Virginia Power borrowed $100 million and $60 million, respectively, in connection with the $160 million Industrial Development Authority of Wise County Solid Waste and Sewage Disposal Revenue Bonds, Series 2009 A, which mature in 2040. The proceeds are being used to finance certain qualifying facilities at the Virginia City Hybrid Energy Center. Due to unfavorable market conditions, Virginia Power acquired the bonds upon issuance with the intention of remarketing them to third parties at a later time. At December 31, 2010, these bonds had not been remarketed and thus were not reflected on the Consolidated Balance Sheets. In March 2011, the bonds were remarketed to a third party and bear interest at a variable rate for the first five years, after which they will bear interest at a market rate to be determined at that time.

In December 2011, Virginia Power borrowed $75 million in connection with the Economic Development Authority of the County of Chesterfield Pollution Control Refunding Revenue Bonds, Series 2011 A, which mature in 2017 and bear interest during the initial period at a variable rate for the first five years, after which they will bear interest at a market rate to be determined at that time, using a remarketing process. The proceeds were used to refund the principal amount of the Industrial Development Authority of the County of Chesterfield, Virginia Money Market Municipals™ Pollution Control Revenue Bonds, Series 1987 A and Series 1987 B that would otherwise have matured in June 2017.

During 2011, Dominion and Virginia Power repaid and repurchased $637 million and $91 million, respectively, of long-term debt and notes payable.

Issuance of Common Stock

Dominion maintains Dominion Direct® and a number of employee savings plans through which contributions may be invested in the Company's common stock. These shares may either be newly issued or purchased on the open market with proceeds contributed to these plans. During 2011, Dominion Direct® and the Dominion employee savings plans purchased Dominion common stock on the open market with the proceeds received through these programs, rather than having additional new common shares issued. In January 2012, Dominion began issuing new common shares for these plans.

During 2011, Dominion issued approximately 1.2 million shares of common stock and received cash proceeds of $38 million through the exercise of employee stock options.

In January 2012, Dominion filed a new SEC shelf registration for the sale of debt and equity securities including the ability to sell common stock through an at the market program. The Company entered into four separate Sales Agency Agreements with each of BNY Mellon Capital Markets, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, and Goldman Sachs & Co., to effect sales under the program. However, with the exception of issuing approximately $320 million in equity through employee savings plans, direct stock purchase and dividend reinvestment plans, and other employee and director benefit plans, Dominion does not anticipate issuing common stock in 2012.

In 2011, Virginia Power did not issue any shares of its common stock to Dominion.

Repurchase of Common Stock

In 2011, Dominion announced that it intended to repurchase between $600 million and $700 million of common stock with cash tax savings resulting from the extension of the bonus depreciation allowance. During 2011, Dominion repurchased approximately 13 million shares of common stock for approximately $601 million on the open market under this program, at an average price of $46.37 per share. Dominion does not plan to repurchase additional shares under this program during 2012.

Borrowings From Parent

Virginia Power has the ability to borrow funds from Dominion under both short-term and long-term borrowing arrangements and at December 31, 2011, its nonregulated subsidiaries had outstanding borrowings, net of repayments, under the Dominion money pool of $187 million.

Credit Ratings

Credit ratings are intended to provide banks and capital market participants with a framework for comparing the credit quality of securities and are not a recommendation to buy, sell or hold securities. Dominion and Virginia Power believe that their current credit ratings provide sufficient access to the capital markets. However, disruptions in the banking and capital markets not specifically related to Dominion and Virginia Power may affect their ability to access these funding sources or cause an increase in the return required by investors. Dominion's and Virginia Power's credit ratings may affect their liquidity, cost of borrowing under credit facilities and collateral posting requirements under commodity contracts, as well as the rates at which they are able to offer their debt securities.

Both quantitative (financial strength) and qualitative (business or operating characteristics) factors are considered by the credit rating agencies in establishing an individual company's credit rating. Credit ratings should be evaluated independently and are subject to revision or withdrawal at any time by the assigning rating organization. The credit ratings for Dominion and Virginia Power are affected by each company's financial profile, mix of regulated and nonregulated businesses and respective cash flows, changes in methodologies used by the rating agencies and event risk, if applicable, such as major acquisitions or dispositions.

Credit ratings as of February 23, 2012 follow:

	Fitch	Moody's	Standard & Poor's
Dominion			
Senior unsecured debt securities	**BBB+**	**Baa2**	**A-**
Junior subordinated debt securities	**BBB-**	**Baa3**	**BBB**
Enhanced junior subordinated notes	**BBB-**	**Baa3**	**BBB**
Commercial paper	**F2**	**P-2**	**A-2**
Virginia Power			
Mortgage bonds	**A**	**A1**	**A**
Senior unsecured (including tax-exempt) debt securities	**A-**	**A3**	**A-**
Junior subordinated debt securities	**BBB**	**Baa1**	**BBB**
Preferred stock	**BBB**	**Baa2**	**BBB**
Commercial paper	**F2**	**P-2**	**A-2**

As of February 23, 2012, Fitch, Moody's and Standard & Poor's maintained a stable outlook for their respective ratings of Dominion and Virginia Power.

A downgrade in an individual company's credit rating would not necessarily restrict its ability to raise short-term and long-term financing as long as its credit rating remains investment grade, but it would likely increase the cost of borrowing. Dominion and Virginia Power work closely with Fitch, Moody's and Standard & Poor's with the objective of maintaining their current credit ratings. The Companies may find it necessary to modify their business plans to maintain or achieve appropriate credit ratings and such changes may adversely affect growth and EPS.

Debt Covenants

As part of borrowing funds and issuing debt (both short-term and long-term) or preferred securities, Dominion and Virginia Power must enter into enabling agreements. These agreements contain covenants that, in the event of default, could result in the acceleration of principal and interest payments; restrictions on distributions related to capital stock, including dividends, redemptions, repurchases, liquidation payments or guarantee payments; and in some cases, the termination of credit commitments unless a waiver of such requirements is agreed to by the lenders/security holders. These provisions are customary, with each agreement specifying which covenants apply. These provisions are not necessarily unique to Dominion and Virginia Power.

Some of the typical covenants include:

- The timely payment of principal and interest;
- Information requirements, including submitting financial reports filed with the SEC and information about changes in Dominion's and Virginia Power's credit ratings to lenders;
- Performance obligations, audits/inspections, continuation of the basic nature of business, restrictions on certain matters

related to merger or consolidation, and restrictions on disposition of all or substantially all assets;
- Compliance with collateral minimums or requirements related to mortgage bonds; and
- Limitations on liens.

Dominion and Virginia Power are required to pay annual commitment fees to maintain their credit facilities. In addition, their credit agreements contain various terms and conditions that could affect their ability to borrow under these facilities. They include maximum debt to total capital ratios and cross-default provisions.

As of December 31, 2011, the calculated total debt to total capital ratio, pursuant to the terms of the agreements, was as follows:

Company	Maximum Allowed Ratio	Actual Ratio(1)
Dominion	**65%**	**57%**
Virginia Power	**65%**	**47%**

(1) Indebtedness as defined by the bank agreements excludes junior subordinated notes reflected as long-term debt as well as AOCI reflected as equity in the Consolidated Balance Sheets.

These provisions apply separately to Dominion and Virginia Power. If Dominion or Virginia Power or any of either company's material subsidiaries fails to make payment on various debt obligations in excess of $100 million, the lenders could require that company to accelerate its repayment of any outstanding borrowings under the credit facility and the lenders could terminate their commitment to lend funds to that company. Accordingly, any default by Dominion will not affect the lenders' commitment to Virginia Power. However, any default by Virginia Power would affect the lenders' commitment to Dominion under the joint credit agreements.

Dominion executed RCCs in connection with its issuance of the following hybrid securities:
- June 2006 hybrids;
- September 2006 hybrids; and
- June 2009 hybrids.

See Note 18 to the Consolidated Financial Statements for terms of the RCCs.

At December 31, 2011, the termination dates and covered debt under the RCCs associated with Dominion's hybrids were as follows:

Hybrid	RCC Termination Date	Designated Covered Debt Under RCC
June 2006 hybrids	**6/30/2036**	**September 2006 hybrids**
September 2006 hybrids	**9/30/2036**	**June 2006 hybrids**
June 2009 hybrids	**6/15/2034(1)**	**2008 Series B Senior Notes, 7.0% due 2038**

(1) Automatically extended, as set forth in the RCC, for additional quarterly periods, to the extent the maturity date is extended.

Dominion and Virginia Power monitor the debt covenants on a regular basis in order to ensure that events of default will not occur. As of December 31, 2011, there have been no events of default under or changes to Dominion's or Virginia Power's debt covenants.

Dividend Restrictions

The Virginia Commission may prohibit any public service company, including Virginia Power, from declaring or paying a dividend to an affiliate if found to be detrimental to the public interest. At December 31, 2011, the Virginia Commission had not restricted the payment of dividends by Virginia Power.

Certain agreements associated with Dominion's and Virginia Power's credit facilities contain restrictions on the ratio of debt to total capitalization. These limitations did not restrict Dominion or Virginia Power's ability to pay dividends or receive dividends from their subsidiaries at December 31, 2011.

See Note 18 to the Consolidated Financial Statements for a description of potential restrictions on dividend payments by Dominion in connection with the deferral of interest payments on junior subordinated notes, which information is incorporated herein by reference.

Future Cash Payments for Contractual Obligations and Planned Capital Expenditures

Contractual Obligations

Dominion and Virginia Power are party to numerous contracts and arrangements obligating them to make cash payments in future years. These contracts include financing arrangements such as debt agreements and leases, as well as contracts for the purchase of goods and services and financial derivatives. Presented below is a table summarizing cash payments that may result from contracts to which Dominion and Virginia Power are parties as of December 31, 2011. For purchase obligations and other liabilities, amounts are based upon contract terms, including fixed and minimum quantities to be purchased at fixed or market-based prices. Actual cash payments will be based upon actual quantities purchased and prices paid and will likely differ from amounts presented below. The table excludes all amounts classified as current liabilities in the Consolidated Balance Sheets, other than current maturities of long-term debt, interest payable and certain derivative instruments. The majority of Dominion's and Virginia Power's current liabilities will be paid in cash in 2012.

Dominion	2012	2013-2014	2015-2016	2017 and thereafter	Total
(millions)					
Long-term debt(1)	**$1,483**	**$2,623**	**$2,384**	**$12,255**	**$18,745**
Interest payments(2)	**953**	**1,696**	**1,526**	**11,563**	**15,738**
Leases(3)	**83**	**147**	**112**	**185**	**527**
Purchase obligations(4):					
Purchased electric capacity for utility operations	**347**	**710**	**614**	**507**	**2,178**
Fuel commitments for utility operations	**872**	**970**	**415**	**275**	**2,532**
Fuel commitments for nonregulated operations	**202**	**191**	**140**	**183**	**716**
Pipeline transportation and storage	**158**	**211**	**105**	**219**	**693**
Energy commodity purchases for resale(5)	**289**	**52**	**18**	**99**	**458**
Other(6)	**501**	**47**	**9**	**21**	**578**
Other long-term liabilities(7):					
Financial derivative-commodities(5)	**79**	**83**	**5**	**1**	**168**
Other contractual obligations(8)	**22**	**32**	**68**	**3**	**125**
Total cash payments	**$4,989**	**$6,762**	**$5,396**	**$25,311**	**$42,458**

(1) Based on stated maturity dates rather than the earlier redemption dates that could be elected by instrument holders.
(2) Includes interest payments over the terms of the debt. Interest is calculated using the applicable interest rate or forward interest rate curve at December 31, 2011 and outstanding principal for each instrument with the terms ending at each instrument's stated maturity. See Note 18 to the Consolidated Financial Statements. Does not reflect Dominion's ability to defer interest payments on junior subordinated notes.
(3) Primarily consists of operating leases.
(4) Amounts exclude open purchase orders for services that are provided on demand, the timing of which cannot be determined.
(5) Represents the summation of settlement amounts, by contracts, due from Dominion if all physical or financial transactions among its counterparties and Dominion were liquidated and terminated.
(6) Includes capital, operations, and maintenance commitments.
(7) Excludes regulatory liabilities, AROs and employee benefit plan obligations, which are not contractually fixed as to timing and amount. See Notes 13, 15 and 22 to the Consolidated Financial Statements. Due to uncertainty about the timing and amounts that will ultimately be paid, $256 million of income taxes payable associated with unrecognized tax benefits are excluded. Deferred income taxes are also excluded since cash payments are based primarily on taxable income for each discrete fiscal year. See Note 6 to the Consolidated Financial Statements.
(8) Includes interest rate swap agreements.

Virginia Power	2012	2013-2014	2015-2016	2017 and thereafter	Total
(millions)					
Long-term debt(1)	**$ 616**	**$ 435**	**$ 704**	**$ 5,111**	**$ 6,866**
Interest payments(2)	**373**	**647**	**609**	**4,094**	**5,723**
Leases(3)	**28**	**50**	**33**	**29**	**140**
Purchase obligations(4):					
Purchased electric capacity for utility operations	**347**	**710**	**614**	**507**	**2,178**
Fuel commitments for utility operations	**872**	**970**	**415**	**275**	**2,532**
Transportation and storage	**17**	**29**	**14**	**28**	**88**
Other	**218**	**13**	**3**	**12**	**246**
Total cash payments(5)	**$2,471**	**$2,854**	**$2,392**	**$10,056**	**$17,773**

(1) Based on stated maturity dates rather than the earlier redemption dates that could be elected by instrument holders.
(2) Includes interest payments over the terms of the debt. Interest is calculated using the applicable interest rate or forward interest rate curve at December 31, 2011 and outstanding principal for each instrument with the terms ending at each instrument's stated maturity. See Note 18 to the Consolidated Financial Statements.
(3) Primarily consists of operating leases.
(4) Amounts exclude open purchase orders for services that are provided on demand, the timing of which cannot be determined.
(5) Excludes regulatory liabilities, AROs and employee benefit plan contributions that are not contractually fixed as to timing and amount. See Notes 13, 15 and 22 to the Consolidated Financial Statements. Due to uncertainty about the timing and amounts that will ultimately be paid, $75 million of income taxes payable associated with unrecognized tax benefits are excluded. Deferred income taxes are also excluded since cash payments are based primarily on taxable income for each discrete fiscal year. See Note 6 to the Consolidated Financial Statements.

Planned Capital Expenditures

Dominion's planned capital expenditures are expected to total approximately $4.3 billion, $4.8 billion and $3.9 billion in 2012, 2013 and 2014, respectively. Dominion's expenditures are expected to include construction and expansion of electric generation and natural gas transmission, processing, and storage facilities, construction improvements and expansion of electric transmission and distribution assets, purchases of nuclear fuel and the buyout of the lease at Fairless in 2013.

Virginia Power's planned capital expenditures are expected to total approximately $2.6 billion, $3.0 billion and $2.6 billion in 2012, 2013 and 2014, respectively. Virginia Power's expenditures are expected to include construction and expansion of electric generation facilities, construction improvements and expansion of electric transmission and distribution assets and purchases of nuclear fuel.

Dominion and Virginia Power expect to fund their capital expenditures with cash from operations and a combination of securities issuances and short-term borrowings. Planned capital expenditures include capital projects that are subject to approval by regulators and the respective company's Board of Directors.

Based on available generation capacity and current estimates of growth in customer demand, Virginia Power will need additional generation in the future. See *DVP, Dominion Generation* and *Dominion Energy-Properties* in Item 1. Business for a discussion of Dominion's and Virginia Power's expansion plans.

These estimates are based on a capital expenditures plan reviewed and endorsed by Dominion's Board of Directors in late 2011 and are subject to continuing review and adjustment and actual capital expenditures may vary from these estimates. The Companies may also choose to postpone or cancel certain planned capital expenditures in order to mitigate the need for future debt financings and equity issuances.

Use of Off-Balance Sheet Arrangements

Guarantees

Dominion primarily enters into guarantee arrangements on behalf of its consolidated subsidiaries. These arrangements are not subject to the provisions of FASB guidance that dictate a guarantor's accounting and disclosure requirements for guarantees, including indirect guarantees of indebtedness of others. See Note 23 to the Consolidated Financial Statements for additional information, which information is incorporated herein by reference.

Leasing Arrangement

Dominion leases the Fairless generating facility in Pennsylvania from Juniper, the lessor, which began commercial operations in June 2004.

Through September 30, 2011, Juniper held various power plant leases, including Fairless. In October 2011, the last lease other than Fairless expired and the related asset was sold by Juniper. With Fairless being its sole remaining asset, Juniper no longer qualified for the business scope exception as of October 2011, which required that Dominion determine whether Juniper is a VIE. Dominion concluded Juniper is a VIE because the entity's capitalization is insufficient to support its operations, the power to direct the most significant activities of the entity are not performed by the equity holders, and Dominion, through its residual value guarantee discussed above, guarantees a portion of the residual value of Fairless. The activities that most significantly impact Juniper's economic performance relate to the operation of Fairless. The decisions related to the operations of Fairless are made by Dominion and as such, Dominion is considered the primary beneficiary.

As the primary beneficiary, Dominion began consolidating Juniper in the fourth quarter of 2011. As a result, this leasing arrangement is no longer considered an off-balance sheet arrangement.

See Note 16 to the Consolidated Financial Statements for additional information.

FUTURE ISSUES AND OTHER MATTERS

See Item 1. Business, Item 3. Legal Proceedings, and Notes 14 and 23 to the Consolidated Financial Statements for additional information on various environmental, regulatory, legal and other matters that may impact future results of operations and/or financial condition.

Environmental Matters

Dominion and Virginia Power are subject to costs resulting from a number of federal, state and local laws and regulations designed to protect human health and the environment. These laws and regulations affect future planning and existing operations. They can result in increased capital, operating and other costs as a result of compliance, remediation, containment and monitoring obligations.

ENVIRONMENTAL PROTECTION AND MONITORING EXPENDITURES

Dominion incurred approximately $184 million, $228 million and $252 million of expenses (including depreciation) during 2011, 2010, and 2009 respectively, in connection with environmental protection and monitoring activities and expects these expenses to be approximately $223 million and $250 million in 2012 and 2013, respectively. In addition, capital expenditures related to environmental controls were $403 million, $351 million, and $266 million for 2011, 2010 and 2009, respectively. These expenditures are expected to be approximately $228 million and $103 million for 2012 and 2013, respectively.

Virginia Power incurred approximately $129 million, $144 million and $134 million of expenses (including depreciation) during 2011, 2010 and 2009, respectively, in connection with environmental protection and monitoring activities and expects these expenses to be approximately $149 million and $164 million in 2012 and 2013, respectively. In addition, capital expenditures related to environmental controls were $77 million, $101 million and $109 million for 2011, 2010 and 2009, respectively. These expenditures are expected to be approximately $42 million and $65 million for 2012 and 2013, respectively.

FUTURE ENVIRONMENTAL REGULATIONS

Air

The CAA is a comprehensive program utilizing a broad range of regulatory tools to protect and preserve the nation's air quality. At a minimum, states are required to establish regulatory programs to address all requirements of the CAA. However, states may choose to develop regulatory programs that are more restrictive. Many of Dominion's and Virginia Power's facilities are subject to the CAA's permitting and other requirements.

The EPA has finalized rules establishing a new 1-hour NAAQS for NO_2 and a new 1-hour NAAQS for SO_2, which could require additional NO_X and SO_2 controls in certain areas where the Companies operate. Until the states have developed implementation plans for these standards, the impact on Dominion's or Virginia Power's facilities that emit NO_X and SO_2 is uncertain.

In January 2010, the EPA also proposed a new, more stringent NAAQS for ozone and had planned to finalize the rule in 2011. In September 2011, the EPA announced a delay from 2011 to 2014 of the rulemaking, therefore NO_x controls that may have been required by the rulemaking are also expected to be delayed. However, the EPA's decision to delay the rulemaking has been challenged in federal court and the length of delay in possible NO_x controls, if any, will depend on the outcome of that litigation. In the interim, the EPA is proceeding with implementation of the current ozone standard and is expected to make final attainment/nonattainment designations by June 2012. Until the litigation is final and the states have developed implementation plans for the new NO_X, SO_2 and ozone standards, it is not possible to determine the impact on Dominion's or Virginia Power's facilities that emit NO_X and SO_2. The Companies cannot currently predict with certainty whether or to what extent the new rules will ultimately require additional controls, however, if significant expenditures are required, it could adversely affect Dominion's results of operations, and Dominion's and Virginia Power's cash flows.

In June 2005, the EPA finalized amendments to the Regional Haze Rule, also known as the Clean Air Visibility Rule. The rule requires the states to implement Best Available Retrofit Technology requirements for sources to address impacts to visual air quality through regional haze state implementation plans, but allows other alternative options. The EPA has recently announced a schedule to complete rulemakings on regional haze state implementation plans during 2012. Although Dominion and Virginia Power anticipate that the emission reductions achieved through compliance with other CAA required programs will generally address this rule, additional emission reduction requirements may be imposed on the Companies' facilities.

Water

The CWA is a comprehensive program requiring a broad range of regulatory tools including a permit program to authorize and regulate discharges to surface waters with strong enforcement mechanisms. Dominion and Virginia Power must comply with all aspects of the CWA programs at their operating facilities. In July 2004, the EPA published regulations under CWA Section 316(b) that govern existing utilities that employ a cooling water intake structure and that have flow levels exceeding a minimum threshold. In April 2008, the U.S. Supreme Court granted an industry request to review the question of whether Section 316(b) authorizes the EPA to compare costs with benefits in determining the best technology available for minimizing "adverse environmental impact" at cooling water intake structures. The U.S. Supreme Court ruled in April 2009 that the EPA has the authority to consider costs versus environmental benefits in selecting the best technology available for reducing impacts of cooling water intakes at power stations. It is currently unknown how the EPA will interpret the ruling in its ongoing rulemaking activity addressing cooling water intakes as well as how the states will implement this decision. In April 2011, the EPA published the proposed rule related to Section 316(b) in the Federal Register, and agreed to publish a final rule no later than July 27, 2012.

The rule in its proposed form seeks to establish a uniform national standard for impingement, but forgoes the creation of a single technology standard for entrainment. Instead, the EPA proposes to delegate entrainment technology decisions to state regulators. State regulators are to make case-by-case entrainment technology determinations after an examination of nine facility-specific factors, including a social cost-benefit test.

The proposed rule governs all electric generating stations with water withdrawals above two MGD, with a heightened entrainment analysis for those facilities over 125 MGD. Under this proposal, Dominion has 18 facilities that may be subject to these proposed regulations. If finalized as proposed, Dominion anticipates that it will have to install impingement control technologies at many of these stations that have once-through cooling systems. Dominion and Virginia Power cannot estimate the need or potential for entrainment controls under the proposed rule as these decisions will be made on a case-by-case basis after a thorough review of detailed biological, technology, cost and benefit studies. However, the impacts of this proposed rule may be material to results of operations, financial condition, and/or cash flows.

Solid and Hazardous Waste

In June 2010, the EPA proposed federal regulations under the RCRA for management of coal combustion by-products generated by power plants. The EPA is considering two possible options for the regulation of coal combustion by-products, both of which fall under the RCRA. Under the first proposal, the EPA would classify these by-products as special wastes subject to regulation under subtitle C, the hazardous waste provisions of the RCRA, when destined for disposal at landfills or surface impoundments. Under the second proposal, the EPA would regulate coal combustion by-products under subtitle D of the RCRA, the section for non-hazardous wastes. While the Companies cannot currently predict the outcome of this matter, regulation under either option will affect Dominion's and Virginia Power's onsite disposal facilities and coal combustion by-product management practices, and potentially require material investments.

Climate Change Legislation and Regulation

In December 2009, the EPA issued their *Final Endangerment and Cause or Contribute Findings for Greenhouse Gases under Section 202(a) of the Clean Air Act*, finding that GHGs "endanger both the public health and the public welfare of current and future generations." On April 1, 2010, the EPA and the Department of Transportation's National Highway Safety Administration announced a joint final rule establishing a program that will dramatically reduce GHG emissions and improve fuel economy for new cars and trucks sold in the United States. These rules took effect in January 2011 and established GHG emissions as regulated pollutants under the CAA.

In May 2010, the EPA issued the *Final Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule* that, combined with prior actions, require Dominion and Virginia Power to obtain permits for GHG emissions for new and modified facilities over certain size thresholds, and meet best available control technology for GHG emissions. The EPA has issued draft guidance for GHG permitting, including best available control technology. The EPA has also announced a schedule for proposing standards to regulate GHG emissions under the NSPS that would apply to new, modified and existing fossil-fired electric generating units. In August 2011, the EPA announced a delay in the schedule for proposing these regulations. Regulations were expected to be proposed by July 2011 and finalized by May 2012. The schedule for a proposed rulemaking governing a GHG NSPS for existing sources is now delayed beyond January 2012, while a proposed NSPS governing new and modified units is expected to be released in early 2012.

There are other legislative proposals that may be considered that would have an indirect impact on GHG emissions. There is the potential for the U.S. Congress to consider a mandatory Clean Energy Standard. In addition to possible federal action, some regions and states in which Dominion and Virginia Power operate have already adopted or may adopt GHG emission reduction programs. Any of these new or contemplated regulations may affect capital costs, or create significant permitting delays, for new or modified facilities that emit GHGs.

In July 2008, Massachusetts passed the GWSA. Among other provisions, the GWSA sets economy-wide GHG emissions reduction goals for Massachusetts, including reductions of 25% below 1990 levels by 2020, interim goals for 2030 and 2040 and reductions of 80% below 1990 levels by 2050. No regulations impacting Dominion under the GWSA have been proposed. Dominion operates two coal/oil-fired generating power stations in Massachusetts and acts as a retail electric supplier in Massachusetts, all of which are subject to the implementation of the GWSA.

In December 2009, the governors of 11 Northeast and mid-Atlantic states, including Connecticut, Maryland, Massachusetts, New York, Pennsylvania, and Rhode Island (RGGI states plus Pennsylvania) signed a memorandum of understanding committing their states toward developing a low carbon fuel standard to reduce GHG emissions from vehicles. The memorandum of understanding established a process to develop a regional framework by 2011 and examine the economic impacts of a low carbon fuel standard program. Although economic studies and policy options were examined in 2011, a definitive framework has yet to be established.

Dodd-Frank Act

The Dodd-Frank Act was enacted into law in July 2010 in an effort to improve regulation of financial markets. The Dodd-Frank Act includes provisions that will require certain over-the-counter derivatives, or swaps, to be centrally cleared and executed through an exchange or other approved trading platform. Non-financial entities that use swaps to hedge or mitigate commercial risk, often referred to as end users, can choose to exempt their hedging transactions from these clearing and exchange trading requirements. In addition, the Dodd-Frank Act allows applicable regulators, including the CFTC and SEC, to impose initial and variation margin requirements on entities who execute swaps. End users were not expressly exempted from these requirements for non-cleared swaps and rules have been proposed that address the margin obligations to be imposed on non-cleared swaps entered with end users. Final rules for the over-the-counter derivative-related provisions of the Dodd-Frank Act, including the clearing, exchange trading and margin requirements, will be established through the ongoing rulemaking process of the applicable regulators. In June 2011, both the CFTC and the SEC confirmed that they would not complete the required rulemakings by the July 2011 deadline under the Dodd-Frank Act. Each agency has granted temporary relief from most derivative-related provisions of the Dodd-Frank Act until the effective date of the applicable rules. Currently, the CFTC's temporary relief would expire no later than July 16, 2012, if not extended. If, as a result of the rulemaking process, Dominion's or Virginia Power's derivative activities are not exempted from the clearing, exchange trading or margin requirements, the Companies could be subject to higher costs, including from higher margin requirements, for their derivative activities. In addition, implementation of, and compliance with, the over-the-counter derivative provisions of the Dodd-Frank Act by the Companies' swap counterparties could result in increased costs related to the Companies' derivative activities. Due to the ongoing rulemaking process, the Companies are currently unable to assess the potential impact of the Dodd-Frank Act's derivative-related provisions on their financial condition, results of operations or cash flows.

Nuclear Matters

In March 2011, a magnitude 9.0 earthquake and subsequent tsunami caused significant damage at the Fukushima Daiichi nuclear power station in northeast Japan. These events have resulted in significant nuclear safety reviews required by the NRC and industry groups such as INPO. Like other U.S. nuclear operators, Dominion has been gathering supporting data and participating in industry initiatives focused on the ability to respond to and mitigate the consequences of design-basis and beyond-design-basis events at its stations. In July 2011, an NRC Task Force provided initial recommendations based on its review of the Fukushima Daiichi accident; and in October 2011, the NRC Staff provided its views on the prioritization of these recommendations and suggested several additional measures. In December 2011, the NRC Commissioners approved the agency staff's prioritization and recommendations; and that same month an Appropriations Act directed the NRC to require reevaluation of external hazards (not limited to seismic and flooding hazards) as expeditiously as possible. The NRC anticipates issuance of orders and information requests requiring specific reviews and actions by the first anniversary of the earthquake and tsunami in March 2012. These actions, if adopted, could require nuclear plant modifications and may impact future operations and/or capital requirements at U.S. nuclear facilities, including those owned by Dominion and Virginia Power.

In August 2011, a magnitude 5.8 earthquake near Mineral, Virginia caused the two reactors at North Anna to shut down immediately, as designed. Some of the earthquake's vibrations briefly exceeded North Anna's licensing design basis at certain frequencies, however, Virginia Power's inspections have shown no significant damage to equipment at the station from the earthquake. The reactors were placed in cold shutdown condition pending completion of NRC inspection and review. North Anna returned to full service in November 2011, following receipt of NRC approval to restart the two reactors.

Cove Point Export and Re-Export Projects

In September 2011, Cove Point filed the first part of a two-part domestic export authorization request with the DOE. The DOE approved the request in October 2011. The approval allows for long-term, multi-contract authority to liquefy for export domestically-produced LNG from the Cove Point terminal up to the equivalent of approximately 1 bcf of natural gas per day over a twenty-five year period. The approval also allows for Cove Point to act as an agent for third parties to liquefy for export domestically-produced LNG to other countries that (i) have a free trade agreement with the U.S. that includes natural gas, and (ii) possess the capacity to import LNG via ocean-going carriers.

Cove Point filed the second part of the domestic export authorization application in October 2011. In the application, Cove Point requested authority to export domestically-produced LNG to other countries (i) with which the U.S. does not prohibit free trade, but does not have a free trade agreement that includes natural gas, and (ii) that possess the capacity to import LNG via ocean-going carriers.

Cove Point is not yet committed to operating an LNG export facility. Cove Point intends to secure customer commitments before deciding whether to proceed, and regulatory approvals will also be required. Subject to a final decision on pursuing the project, as well as securing applicable regulatory and other approvals, construction of liquefaction facilities to convert natural gas into LNG could begin in 2014.

In addition to the domestic export project, in August 2011, Cove Point filed an application with the DOE seeking blanket authority to re-export foreign-sourced LNG from the Cove Point terminal. In January 2012, the DOE approved the request to re-export up to the equivalent of 150 bcf of natural gas over a two-year period. The approval allows Cove Point to act as an agent for third parties to re-export LNG to other countries (i) other than those with which the U.S. prohibits free trade, and (ii) that possess the capacity to import LNG via ocean-going carriers. Cove Point must also obtain FERC approval prior to undertaking the minimal construction required for re-export.

Brayton Point and Salem Harbor CAA Section 114 Request

In May 2010, Dominion received a request for information pursuant to Section 114 of the CAA from the EPA. The request concerns historical operating changes and capital improvements undertaken at Brayton Point and Salem Harbor. Dominion submitted its response to the request in November 2010 and cannot predict the outcome of this matter.

Pipeline Safety Act

In January 2012, the Pipeline Safety Act was signed into law. The Pipeline Safety Act is intended to address pipeline safety issues that received national attention following a series of significant incidents involving pipelines. The Act provides the U.S. DOT with enhanced safety review authority and requires pipeline owners and operators to confirm, through records or testing, the maximum allowable operating pressure of certain gas pipelines in populated or certain high consequence areas. Operators that fail to confirm the maximum allowable operating pressure for the identified locations within six months of enactment must conduct new testing. The Pipeline Safety Act also requires the U.S. DOT Pipeline and Hazardous Materials Safety Administration to consider certain factors and, if appropriate, to issue regulations requiring automatic shut-off valves on new or replaced pipelines where economically, technically and operationally feasible and to establish time limits for accident and incident notification. In addition, the Act doubles the maximum civil penalty for violations of the U.S. DOT's compliance and safety rules from $100,000 to $200,000 for an individual violation and from $1,000,000 to $2,000,000 for a series of violations. While Dominion cannot estimate the potential financial statement impacts of the Pipeline Safety Act, additional operations and maintenance expenses and/or capital expenditures required to comply with the new rules are not expected to be material.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The matters discussed in this Item may contain "forward-looking statements" as described in the introductory paragraphs of Item 7. MD&A. The reader's attention is directed to those paragraphs and Item 1A. Risk Factors for discussion of various risks and uncertainties that may impact Dominion and Virginia Power.

Market Risk Sensitive Instruments and Risk Management

Dominion's and Virginia Power's financial instruments, commodity contracts and related financial derivative instruments are exposed to potential losses due to adverse changes in commodity prices, interest rates and equity security prices as described below. Commodity price risk is present in Dominion's and Virginia Power's electric operations, Dominion's gas procurement operations, and Dominion's energy marketing and trading operations due to the exposure to market shifts in prices received and paid for electricity, natural gas and other commodities. The Companies use commodity derivative contracts to manage price risk exposures for these operations. Interest rate risk is generally related to their outstanding debt. In addition, they are exposed to investment price risk through various portfolios of equity and debt securities.

The following sensitivity analysis estimates the potential loss of future earnings or fair value from market risk sensitive instruments over a selected time period due to a 10% unfavorable change in commodity prices or interest rates.

Commodity Price Risk

To manage price risk, Dominion and Virginia Power primarily hold commodity-based financial derivative instruments held for non-trading purposes associated with purchases and sales of electricity, natural gas and other energy-related products. As part of its strategy to market energy and to manage related risks, Dominion also holds commodity-based financial derivative instruments for trading purposes.

The derivatives used to manage commodity price risk are executed within established policies and procedures and may include instruments such as futures, forwards, swaps, options and FTRs that are sensitive to changes in the related commodity prices. For sensitivity analysis purposes, the hypothetical change in market prices of commodity-based financial derivative instruments is determined based on models that consider the market prices of commodities in future periods, the volatility of the market prices in each period, as well as the time value factors of the derivative instruments. Prices and volatility are principally determined based on observable market prices.

A hypothetical 10% unfavorable change in commodity prices of Dominion's non-trading commodity-based financial derivative instruments would have resulted in a decrease in fair value of approximately $179 million and $183 million as of December 31, 2011 and 2010, respectively. A hypothetical 10% unfavorable change in commodity prices of Dominion's commodity-based financial derivative instruments held for trading purposes would have resulted in a decrease in fair value of approximately $8 million and $5 million as of December 31, 2011 and 2010, respectively.

A hypothetical 10% unfavorable change in commodity prices would not have resulted in a material change in the fair value of Virginia Power's non-trading commodity-based financial derivatives as of December 31, 2011 or 2010.

The impact of a change in energy commodity prices on Dominion's and Virginia Power's non-trading commodity-based financial derivative instruments at a point in time is not necessarily representative of the results that will be realized when the contracts are ultimately settled. Net losses from commodity derivative instruments used for hedging purposes, to the extent realized, will generally be offset by recognition of the hedged transaction, such as revenue from physical sales of the commodity.

Interest Rate Risk

Dominion and Virginia Power manage their interest rate risk exposure predominantly by maintaining a balance of fixed and variable rate debt. They also enter into interest rate sensitive derivatives, including interest rate swaps and interest rate lock agreements. For financial instruments designated under fair value hedging and outstanding for Dominion and Virginia Power, a hypothetical 10% increase in market interest rates would not have resulted in a material change in annual earnings as of December 31, 2011 or 2010.

Dominion and Virginia Power may also use forward-starting interest rate swaps and interest rate lock agreements as anticipatory hedges. At December 31, 2010, Dominion and Virginia Power had no such interest rate derivatives outstanding; therefore, Dominion and Virginia Power had no sensitivity to changes in interest rates related to these interest rate derivatives. At December 31, 2011, Dominion and Virginia Power had $2.3 billion and $1.3 billion, respectively, in aggregate notional amounts of these interest rate derivatives outstanding. A hypothetical 10% decrease in market interest rates would have resulted in a decrease of approximately $31 million and $15 million, respectively, in the fair value of these interest rate derivatives held by Dominion and Virginia Power at December 31, 2011.

The impact of a change in market interest rates on these anticipatory hedges at a point in time is not necessarily representative of the results that will be realized when such contracts are settled. Net gains and/or losses from interest rate derivatives used for anticipatory hedging purposes, to the extent realized, will generally be amortized over the life of the respective debt issuance being hedged.

Investment Price Risk

Dominion and Virginia Power are subject to investment price risk due to securities held as investments in decommissioning and rabbi trust funds that are managed by third-party investment managers. These trust funds primarily hold marketable securities that are reported in the Consolidated Balance Sheets at fair value.

Dominion recognized net realized gains (including investment income) on nuclear decommissioning and rabbi trust investments of $54 million and $95 million in 2011 and 2010, respectively. Net realized gains and losses include gains and losses from the sale of investments as well as any other-than-temporary declines in fair value. In 2011 and 2010, Dominion recorded, in AOCI and regulatory liabilities, a net increase in unrealized gains on these investments of $52 million and $182 million, respectively.

Virginia Power recognized net realized gains (including investment income) on nuclear decommissioning trust investments of $24 million and $44 million in 2011 and 2010, respectively. Net realized gains and losses include gains and losses from the sale of investments as well as any other-than-temporary declines in fair value. In 2011 and 2010, Virginia Power recorded, in AOCI and regulatory liabilities, a net increase in unrealized gains on these investments of $25 million and $67 million, respectively.

Dominion sponsors pension and other postretirement benefit plans that hold investments in trusts to fund employee benefit payments. Virginia Power employees participate in these plans. Aggregate actual returns for Dominion's pension and other postretirement plan assets were $273 million in 2011 and $624 million in 2010, versus expected returns of $519 million and $479 million, respectively. Differences between actual and expected returns on plan assets are accumulated and amortized during future periods. As such, any investment-related declines in these trusts will result in future increases in the periodic cost recognized for employee benefit plans and will be included in the determination of the amount of cash to be contributed to the employee benefit plans. As of December 31, 2011 and 2010, a hypothetical 0.25% decrease in the assumed long-term rates of return on Dominion's plan assets would result in an increase in net periodic cost of approximately $13 million for pension benefits and $3 million for other postretirement benefits.

Risk Management Policies

Dominion and Virginia Power have established operating procedures with corporate management to ensure that proper internal controls are maintained. In addition, Dominion has established an independent function at the corporate level to monitor compliance with the credit and commodity risk management policies of all subsidiaries, including Virginia Power. Dominion maintains credit policies that include the evaluation of a prospective counterparty's financial condition, collateral requirements where deemed necessary and the use of standardized agreements that facilitate the netting of cash flows associated with a single counterparty. In addition, Dominion also monitors the financial condition of existing counterparties on an ongoing basis. Based on these credit policies and Dominion's and Virginia Power's December 31, 2011 provision for credit losses, management believes that it is unlikely that a material adverse effect on Dominion's or Virginia Power's financial position, results of operations or cash flows would occur as a result of counterparty nonperformance.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Dominion Resources, Inc.
Richmond, Virginia

We have audited the accompanying consolidated balance sheets of Dominion Resources, Inc. and subsidiaries ("Dominion") as of December 31, 2011 and 2010, and the related consolidated statements of income, equity, comprehensive income, and cash flows for each of the three years in the period ended December 31, 2011. These financial statements are the responsibility of Dominion's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Dominion Resources, Inc. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 to the consolidated financial statements, in 2009 Dominion changed its methods of accounting to adopt a new accounting standard for the impairment framework for oil and gas properties.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Dominion's internal control over financial reporting as of December 31, 2011, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2012 expressed an unqualified opinion on Dominion's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Richmond, Virginia
February 27, 2012