Ohio | Public Utilities Commission

LARGE FILING SEPARATOR SHEET

CASE NUMBER: 02-1757-GA-CRS

FILE DATE: 7/7/16

SECTION: 1 OF 2

FILED BY: Thomas Butler

FILED ON BEHALF OF: Dominion Retail Inc.

NUMBER OF PAGES: 201

DESCRIPTION OF DOCUMENT: Renewal Application

FILE

Ohio | Public Utilities Commission

PUCO USE ONLY - Version 1.08 May 2016		
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-15 - 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, 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.dominionenergy.com

Current PUCO Certificate No. 02-018G(7) Effective Dates 8/13/2014 - 8/13/2016

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.dominionenergy.com Telephone No. 412-237-4729

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

Dominion Energy Solutions Dominion Retail

A-5 Contact person for regulatory or emergency matters:

Name Thomas J. Butler Title Director Retail

Business Address 120 Tredegar Street, Richmond, VA 23219

Telephone No. 804-787-6070 Fax No. 804-787-6240 Email Address thomas.j.butler@dom.com

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PUCO

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business
Technician ______ Date Processed JUL 07 2016

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

Name Gary A. Jeffries Title Assistant General Counsel

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

Telephone No. 412-237-4729 Fax No. 412-237-4782 Email Address gary.a.jeffries@dom.com

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

Customer service address PO Box 298, Pittsburgh, PA 15212

Toll-Free Telephone No. 800-990-4090 Fax No. 800-756-0523 Email Address Retail_Customer-Concern 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 Joseph O'Donnell Title Retail Key Account Gas Sales Manager

Business address 1165 W. Rayen Avenue, Youngstown, OH 44502

Telephone No. 330-318-1493 Fax No. Email Address joseph.l.o'donnell@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**	December 2015	**End Date**	Ongoing
✓	**Small Commercial**	**Beginning Date of Service**	December 2015	**End Date**	Ongoing
☐	**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**	
☐	**Vectren Energy Delivery of Ohio**	**Intended Start Date**	

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

A-16 **Exhibit A-16 "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-17 **Exhibit A-17 "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.
(This is generally only applicable to publicly traded companies who publish annual reports.)

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. An applicant may submit a current link to the filings or provide them in paper form. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that 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. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns (with social security numbers and account numbers redacted).

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.)

Renewal applicants can fulfill the requirements of Exhibit C-4 by providing a current statement from an Ohio local distribution utility (LDU) that shows that the applicant meets the LDU's collateral requirements.

First time applicants or applicants whose certificate has expired as well as renewal applicants can meet the requirement by one of the following methods:

1. The applicant itself stating that it is investment grade rated by Moody's, Standard & Poor's or Fitch and provide evidence of rating from the rating agencies.

2. Have a parent company or third party that is investment grade rated by Moody's, Standard & Poor's or Fitch guarantee the financial obligations of the applicant to the LDU(s).

3. Have a parent company or third party that is not investment grade rated by Moody's, Standard & Poor's or Fitch but has substantial financial wherewithal in the opinion of the Staff reviewer to guarantee the financial obligations of the applicant to the LDU(s). The guarantor company's financials must be included in the application if the applicant is relying on this option.

4. Posting a Letter of Credit with the LDU(s) as the beneficiary.

If the applicant is not taking title to the electricity or natural gas, enter "N/A "in Exhibit C-4. An N/A response is only applicable for applicants seeking to be certified as an aggregator or broker.

C-5 **Exhibit C-5 "Forecasted Financial Statements,"** provide two years of forecasted income statements for the applicant's **NATURAL GAS related business activities in the state of Ohio Only**, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer. The forecasts should be in an annualized format for the two years succeeding the Application year.

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, Fitch IBCA, Moody's Investors Service, Standard & Poor's, 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 an 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. If an applicant or its parent does not have such a credit rating, enter "N/A" in Exhibit C-6.

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. An applicant that provides an investment grade credit rating for Exhibit C-6 may enter "N/A" for Exhibit C-7.

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 within the two most recent years preceding the application.

C-9 **Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant within the two most recent years preceding the application.

C-10 **Exhibit C-10 "Corporate Structure,"** provide a description of the applicant's corporate structure, not an internal organizational chart, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required and applicant may respond by stating that they are a stand-alone entity with no affiliate within the two most recent years preceding the application.

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], Assistant Secretary

Sworn and subscribed before me this 6th **day of** July **Month** 2016 **Year**

[signature] Karen Schnarrenberger, Notary Public

Signature of official administering oath **Print Name and Title**

My commission expires on 7/30/2018

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Karen Schnarrenberger, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires July 30, 2018
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 Gary A Jeffries, Assistant Secretary

Sworn and subscribed before me this 6th **day of** July **Month** 2016 **Year**

Karen Schnarrenberger

Signature of Official Administering Oath

Karen Schnarrenberger, Notary Public

Print Name and Title

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Karen Schnarrenberger, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires July 30, 2018
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

My commission expires on 7/30/2018

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"

David A. Christian, Director
120 Tredegar Street, Richmond, VA 23219
804-819-2231

Diane Leopold, President
120 Tredegar Street, Richmond, VA 23219
804-771-6990

James R. Chapman, Senior Vice President and Treasurer
120 Tredegar Street, Richmond, VA 23219
804-819-2181

Robert M. Blue, Senior Vice President – Law, Regulation and Policy
100 Tredegar Street, Richmond, VA 23219
804-819-2209

Scot C. Hathaway, Senior Vice President – Operations, Engineering and Construction
120 Tredegar Street, Richmond, VA 23219
804-771-4017

Fred G. Wood, Senior Vice President – Financial Management
120 Tredegar Street, Richmond, VA 23219
804-819-2656

Carter M. Reid, Senior Vice President and Secretary
100 Tredegar Street, Richmond, VA 23219
804-819-2144

Alma W. Showalter, Vice President – Tax
701 E. Cary Street, Richmond, VA 23219
804-771-4151

Mark O. Webb, Vice President and General Counsel
120 Tredegar Street, Richmond, VA 23219
804-819-2140

Edward J. Durocher, Controller
120 Tredegar Street, Richmond, VA 23219
804-819-2808

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)

Joseph C. McCann, Controller
120 Tredegar Street, Richmond, VA 23219
804-787-5801

Richard M. Davis, Assistant Treasurer
120 Tredegar Street, Richmond, VA 23219
804-819-2830

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

Karen Doggett, Assistant Secretary
120 Tredegar Street, Richmond, VA 23219
804-819-2123

Sharon Burr, Authorized Representative
120 Tredegar Street, 2nd Floor, Richmond, VA 23219
804-819-2171

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

Scott J. Beckett, Authorized Representative
707 E. Main Street, Richmond, VA 23219
216-736-6642

Brenda C. White, Authorized Representative
120 Tredegar Street, Richmond, VA 23219
804-771-4069

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

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)

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

James F. Hayes, Authorized Representative
120 Tredegar Street, Richmond, VA 23219
804-787-6073

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

P. Ian Arbogast, Director Retail Gas Sales & Supply and Authorized Representative
120 Tredegar Street, Richmond, VA 23219
804-787-6134

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

D. Michael Cornwell, Director Retail Acquisition, Market Research and New Product Development 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 "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.

Other Jurisdictions

In Pennsylvania, Dominion Retail obtained its permanent natural gas supplier license from the PA PUC in October, 1999.

In March 2000, Dominion Retail received a natural gas supplier license from the New Jersey Board of Public Utilities.

In February 2004, Dominion Retail was licensed as a natural gas supplier by the Maryland Public Service Commission.

In November, 2003, the Public Service Commission of the District of Columbia issued Dominion Retail a natural gas supplier license.

In October 2001, Dominion Retail received a permanent natural gas supplier license from the Virginia State Corporation Commission.

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 October 2003, the Connecticut Department of Public Utility Control issued a license to Dominion Retail to sell natural gas in Connecticut.

In February 2006, Dominion Retail became authorized to serve residential and non-residential natural gas customers in the State of New York. In March 2016, the New York Public Service Commission approved Dominion Retail's petition to abandon its eligibility to sell natural gas in New York.

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 "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

<u>Exhibit A-17 "Secretary of State"</u>

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 2, 2016.

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.

THE SEAL OF THE SECRETARY OF STATE OF OHIO
WITH GOD ALL THINGS ARE POSSIBLE

Bob Taft

Bob Taft
Secretary of State

Prescribed by
Bob Taft, Secretary of State 05803-0104

Form FLF (August 1992)

Approved [illegible]
Date [illegible]
Fee [illegible]

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 (month) 30 (day) 1997 (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.

0005_0102

NOTARIZATION

STATE OF PENNSYLVANIA
COUNTY OF ALLEGHENY } ss. 05S03-0105

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

Cynthia L. Gourley
(Signature of Notary)

NOTARY SEAL

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

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 it 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 calendar 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.

		DESCRIPTION		FILING	EXPED	PENALTY	CERT	COPY
1 2/28/2000	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)	Document No(s):
TRADE NAME/ORIGINAL FILING	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

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 27th day of September, A.D. 2000.

Ohio 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	

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 5th day of October, A.D. 2009.

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 2nd day of May, A.D. 2016.

Jon Husted

Ohio Secretary of State

Validation Number: 201612301316

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

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 its existing natural gas 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—typcially, 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. Dominion Retail's Director, as well as on-site legal counsel may also be involved in the dispute resolution process.

Beginning in August 2016, Dominion Retail will be phasing out its internal Customer Care Center and will replace that function with an outside call center vendor known as Allconnect, Inc. Allconnect personnel handling Dominion Retail's Ohio gas calls will maintain a direct communication channel with a dedicated Dominion Retail employee who will serve as liaison with Allconnect. Customer complaints lodged with Allconnect representatives that cannot be resolved will be referred to the Dominion Retail liaison for further handling. As in the past, Dominion Retail's Director and on-site legal counsel may also be involved as appropriate 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 179,000 Ohio natural gas 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 135,000 natural gas customers in Pennsylvania. In 2010, Dominion Retail began to market natural gas in New Jersey and currently serves approximately 4,600 customers. In addition, in 2011 Dominion Retail became active in the Virginia natural gas market, and is currently serving approximately 9,200 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. Dominion Retail chose to abandon its Energy Services Company License for its retail natural gas business operations in the State of New York on March 1, 2016.

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

<u>Exhibit B-4 "Disclosure of Liabilities and Investigations"</u>

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 three copies of the 2015 Annual Report to shareholders of Dominion Retail's corporate parent company, Dominion Resources, Inc. Also enclosed are an original and three copies of the 2016 proxy report to shareholders. Dominion Retail is also providing herewith the website references to those same reports.

2015 Annual Report website:

https://www.dom.com/library/domcom/pdfs/investors/annual-reports/dom-annual-2015/dom-annual.pdf

2016 Proxy Report website:

https://www.dom.com/library/domcom/pdfs/investors/proxy-2016.pdf?la=en

EXECUTING TO MEET CUSTOMER NEEDS...

Dominion Resources, Inc.
2015 Summary Annual Report

GROWING
DEMAND...

CONTENTS

Headquartered in Richmond, Va., Dominion (NYSE: D) is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 24,300 megawatts of electric generation, 34,200 miles of natural gas transmission, distribution, gathering and storage pipeline and 63,800 miles of electric transmission and distribution lines. The company operates one of the largest natural gas storage systems in the U.S. with 933 billion cubic feet of capacity, and serves about 5 million utility and retail energy customers in 14 states. For more information about Dominion, visit the company's website at www.dom.com.*

*All numbers are as of March 1, 2016.

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, 2015.

Shareholders receiving this Summary Annual Report in connection with our 2016 Annual Meeting of Shareholders should read it together with our Annual Report on Form 10-K for the year ended Dec. 31, 2015. 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 2015 Annual Report on Form 10-K. For such shareholders, a copy of our 2015 Annual Report on 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/investors or by writing to our Corporate Secretary at P.O. Box 26532, Richmond, Virginia 23261–6532.

AND A CLEANER **ENVIRONMENT.**

OVER THE NEXT FIVE YEARS, YOUR COMPANY PLANS TO SPEND NEARLY $16 BILLION ON GROWTH PROJECTS TO MEET OUR CUSTOMERS' NEEDS.

We are investing in an array of clean energy infrastructure, including natural gas and solar generation and pipelines serving utilities—such as Dominion Virginia Power—that are building low-carbon, low-cost natural gas generation to meet future demand and comply with strict federal and state air standards.

EXECUTING ON TODAY'S GROWTH PLAN

3.6B

CUBIC FEET PER DAY OF ADDITIONAL PIPELINE CAPACITY EXPECTED, 2016–2020

$1.06B

IN NEW ELECTRIC TRANSMISSION ASSETS IN 2015

NATURAL GAS INFRASTRUCTURE

As utilities develop compliance strategies for the U.S. Environmental Protection Agency's (EPA's) proposed Clean Power Plan, natural gas likely will replace coal as the fossil fuel of choice to generate electricity, and serve as a backup source to intermittent renewable generation. Those utilities will need greater access to natural gas supplies.

Our gas infrastructure buildout plan is expected to increase natural gas transportation and reliability by 3.6 billion cubic feet per day. These projects, including the Atlantic Coast Pipeline, represent more than $6 billion in investments from Dominion and its partners.

Dominion is investing in new pipelines, compressor stations and storage to meet the needs of our customers—whether those customers are gas producers, power producers or end-use gas or electric utilities.

MOUNT STORM TO DOUBS 500 KV REBUILD

In mid-2014, Dominion Virginia Power completed a three-year rebuild of the Mount Storm to Doubs 500-kilovolt transmission line. The $336 million project increased capacity by two-thirds in the transmission corridor serving fast-growing Northern Virginia. Over the next five years, your company plans to spend about $700 million per year to strengthen and improve our electric transmission network.

WARREN COUNTY POWER STATION

In 2014, the $1.1 billion Warren County Power Station, located in the northwestern part of Virginia, began commercial operations. It serves 335,000 Dominion Virginia Power customers nearly around-the-clock with three highly efficient natural gas turbines and a steam turbine that captures exhaust heat.

Warren County is one of three large natural gas-fired facilities either constructed, under construction or planned in Virginia to meet our customers' needs.

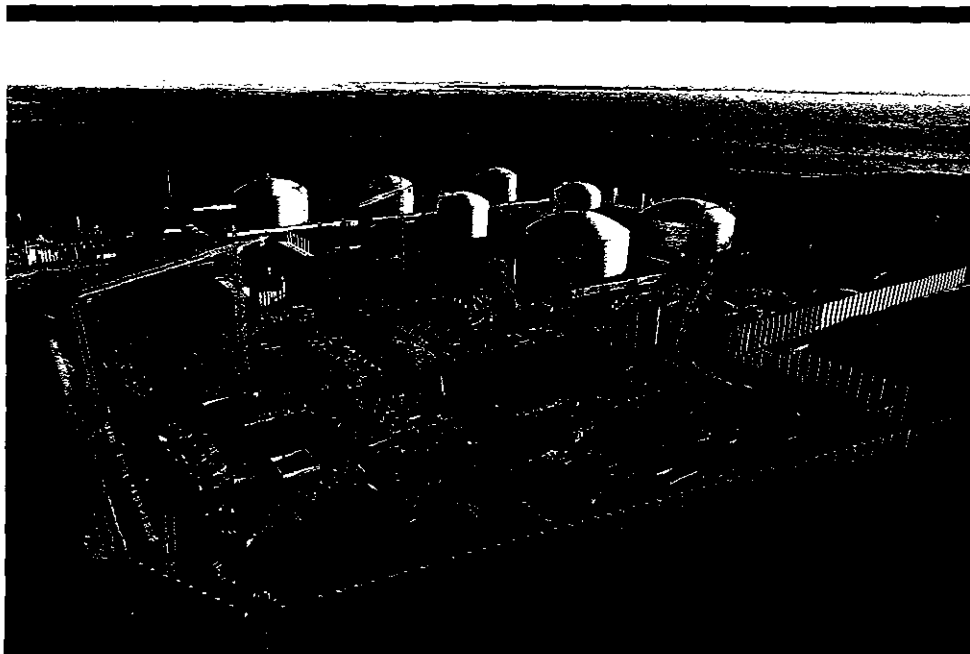
The $1.2 billion Brunswick County Power Station is nearing completion in southeastern Virginia. The plant is expected to provide electricity to nearly 340,000 customers beginning in 2016.

The proposed Greensville County Power Station, a $1.3 billion gas-fired generation facility with enough anticipated output to serve about 400,000 Virginia homes and businesses, is planned to begin operations in late 2018.

ELECTRIC RELIABILITY

Since 2007, Dominion Virginia Power has spent more than $6 billion on electric transmission and distribution growth and reliability projects in Virginia alone.

And reliability has improved. Excluding major storms, our average customer was without power 119.6 minutes in 2015, down from 155.8 minutes in 2006.



COVE POINT LIQUEFACTION

The Cove Point liquefaction project, expected to cost $3.4 billion to $3.8 billion, ranks as one of the largest projects Dominion has ever constructed.

Dominion acquired Cove Point, then an import gas terminal, in 2002, and later expanded the facility's pier and storage capabilities.

The current project will allow your company to "liquefy" natural gas—that is, cool the gas to extreme low temperatures—and transport it to tankers for export.

We have long-term, take-or-pay contracts with creditworthy Indian and Japanese companies seeking access to low-cost American gas supplies in order to meet their customers' energy demands.

Nearly 1,600 workers and all major equipment are on site. The liquefaction capabilities are expected to commence—on time and on budget—in late 2017.

ATLANTIC COAST PIPELINE

The Atlantic Coast Pipeline has been proposed to increase access to natural gas supplies for a host of electric and gas utilities in the mid-Atlantic and Southeast, including Dominion Virginia Power.

Dominion is a partner in the $4.5 billion to $5 billion project that would move 1.5 billion cubic feet of gas per day into Virginia and North Carolina.

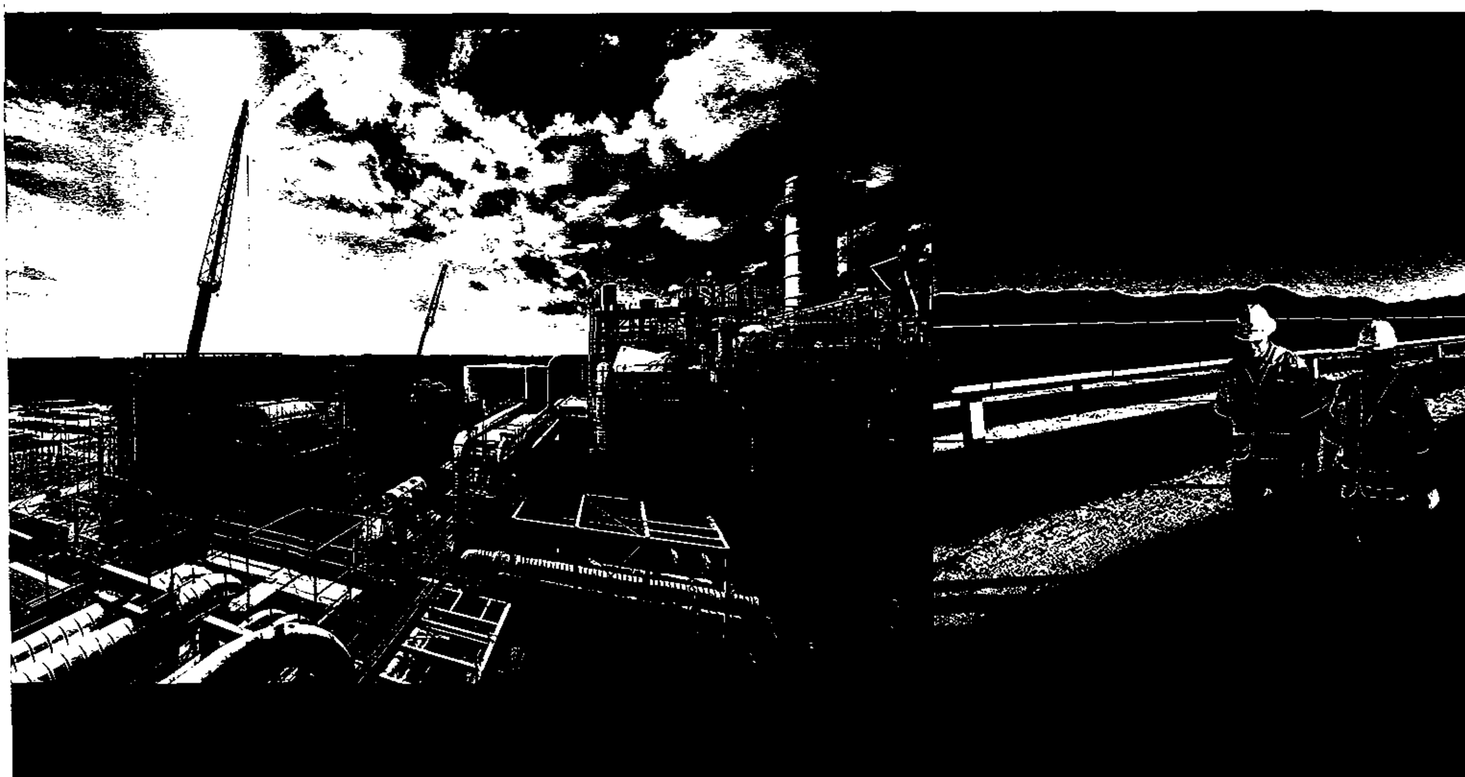
EXECUTING FOR A BRIGHTER **TOMORROW**

340,000

CUSTOMERS TO BE SERVED BY BRUNSWICK COUNTY POWER STATION

400MW

ESTIMATED SOLAR CAPACITY TO BE INSTALLED IN VIRGINIA, 2016–2020



BRUNSWICK COUNTY POWER STATION

To help meet future electricity needs in Virginia, aid in the form of the Brunswick County Power Station is on its way.

The highly efficient, cost-effective facility is expected to provide electricity to Dominion Virginia Power residential, commercial and industrial customers near an area where other fossil-fired plants are shutting down to comply with federal air standards. Dominion anticipates Brunswick County to have a low carbon-intensity rate.

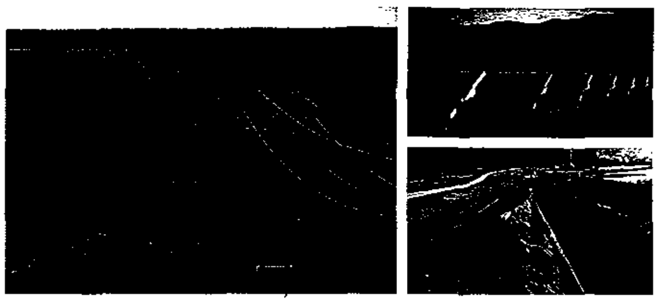
Scheduled to come online in mid-2016, the Brunswick generating station will be the largest taxpayer in the Southside Virginia county, providing additional resources for essential public services. And it will contribute to the local economy by providing well-paying jobs.

POWER FROM THE SUN

Over the past few years, Dominion has built or is building solar electric generating facilities in several states under long-term contracts with local public utilities. Your company has turned its attention to utility-scale solar serving our utility customers at Dominion Virginia Power. In Virginia, we plan to harness the power of the sun by deploying 400 megawatts of solar generation capacity through company investments and long-term power purchase agreements.

EXECUTING ON OUR FUTURE STRATEGY

Dominion intends to spend nearly $16 billion through 2020 to improve service reliability and meet our customers' energy needs.



Electric transmission lines (left), solar generating facilities (top right) and natural gas pipelines (bottom right) are three types of energy infrastructure Dominion is building to keep pace with growing demand in a safe, reliable, efficient and environmentally responsible manner.

$15.7B TOTAL INFRASTRUCTURE INVESTMENTS:

Dollars in Billions / Cumulative Planned Growth Capital Expenditures 2016–2020*

$6.1B DOMINION VIRGINIA POWER

$4.1B DOMINION GENERATION

$4.1B DOMINION ENERGY**

$1.2–1.6B COVE POINT***

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

** Includes Dominion's portion of the projected cost of the Atlantic Coast Pipeline but excludes joint venture financing.

*** Excludes financing costs.

2015 2016 2

DOMINION VIRGINIA POWER

- Dooms to Lexington 500 kV Rebuild
- Ashburn 230 kV Line
- Mosby to Brambleton 2nd 500 kV Line
- Skiffes Creek 500 kV Line
- Cunningham to Elmont 500 kV Rebuild
- Warrenton 230 kV Line
- Haymarket 230 kV Line
- Remington to Gordonsville 230 kV Line
- Idylwood Substation Rebuild
- Physical Security

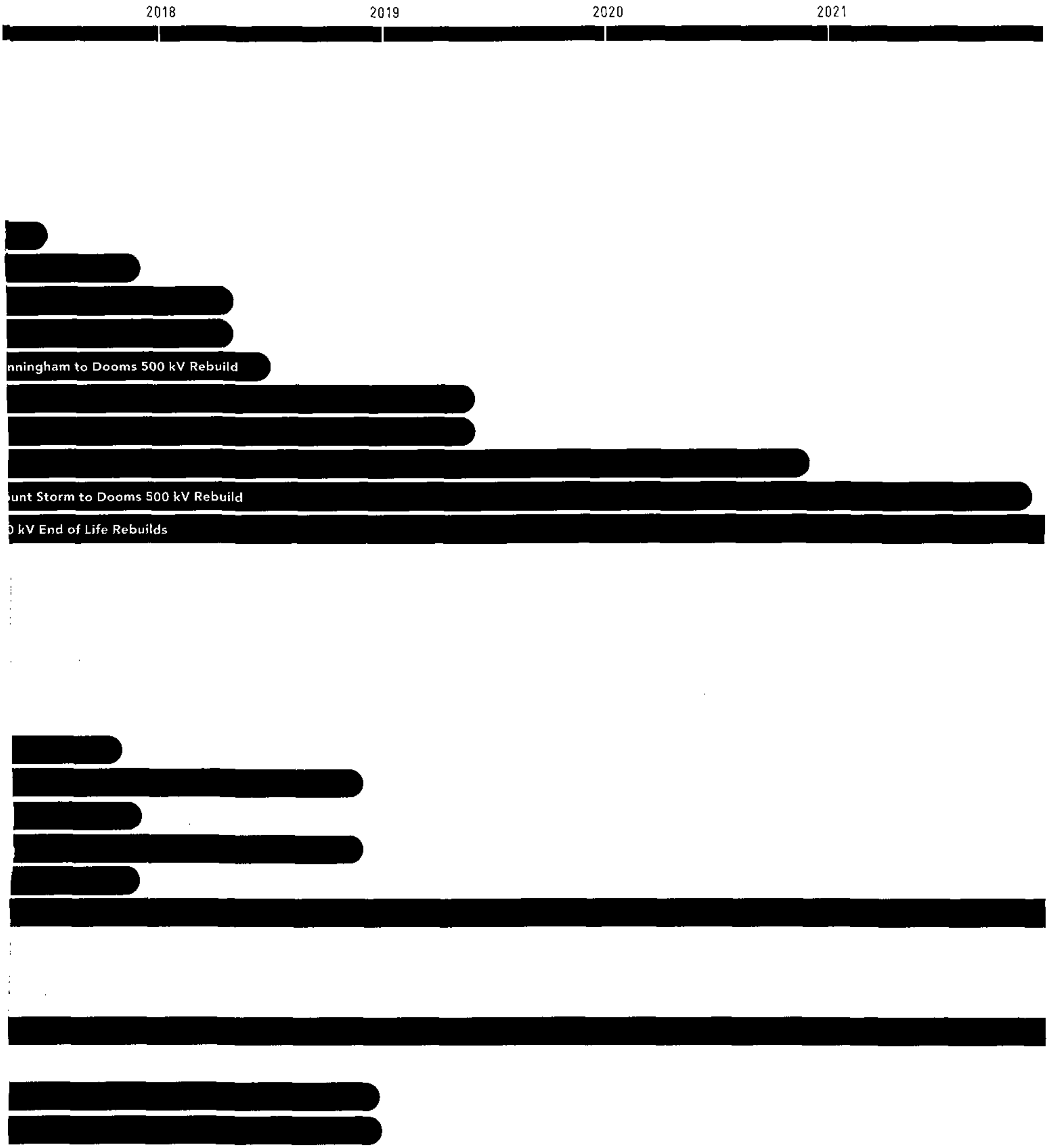
DOMINION ENERGY

- Western Access II
- Lebanon West II
- New Market
- Leidy South
- Atlantic Coast Pipeline & Supply Header
- Other Pipeline Growth Projects
- Cove Point Liquefaction
- Transco to Charleston
- Pipeline Replacement Projects (DEO & DH)*

DOMINION GENERATION

- Solar Projects
- Brunswick County Combined Cycle Facility
- Greensville County Combined Cycle Facility
- Offshore Wind Demonstration Project

* DEO—Dominion East Ohio; and DH—Dominion Hope


2018
2019
2020
2021
nningham to Dooms 500 kV Rebuild
unt Storm to Dooms 500 kV Rebuild
0 kV End of Life Rebuilds

THOMAS F. FARRELL II
CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

DEAR INVESTORS:

HOW HAVE YOU IMPROVED THE VALUE OF MY INVESTMENT? THAT IS A QUESTION OFTEN ASKED OF PUBLICLY TRADED COMPANIES' EXECUTIVES.

More often than not the answer lies in market returns, dividends and earnings. After all, they produce the most tangible evidence of your investment.

Good news first: Dominion paid $2.59 per share in dividends in 2015. That marked an 8 percent increase over 2014's dividend rate of $2.40 per share. And, subject to quarterly determination and declaration by the Board of Directors, we expect to return $2.80 per share to you in 2016 in the form of cash dividends.

Now the not-so-good news. We cannot control the weather, interest rates and commodity and stock market prices. In 2015, the markets tested many companies, particularly energy companies.

CHALLENGING MARKETS, LOWER RETURNS

Oil and natural gas prices fell sharply throughout the year and, although the winter produced polar plunges, weather in the latter half of the year, proved overwhelmingly mild. Predictions from the Federal Reserve of key interest rate hikes came and went—and came again, resulting in December's quarter-point rise, a move that often depresses high-dividend-yielding utility stocks such as ours.

In light of that broader market backdrop, Dominion fell short of its 2015 operating earnings targets. Lower-than-expected commodity prices, milder-than-normal weather and lagging economic indicators in several states we serve were the key drivers of 2015 operating earnings of $3.44 per share, up only 1 cent per share from 2014.[1] Earnings under Generally Accepted Accounting Principles (GAAP) came in at $3.20 per share, up from $2.24 per share in 2014.

These factors also combined to produce a total return of -8.7 percent in 2015. Please see the Total Return Comparison chart on page 16 for more information.

Yet longtime investors know the value of our company is measured by more than short-term market returns and earnings. It is valued on how we manage those things we can control.

They include how we allocate capital, the quality of service our people provide, and our commitments to our stakeholders and the communities we serve, as well as how we comply with, and often exceed, state and federal standards.

In those ways, we improved your investment in 2015.

YOUR INVESTMENT IN ACTION

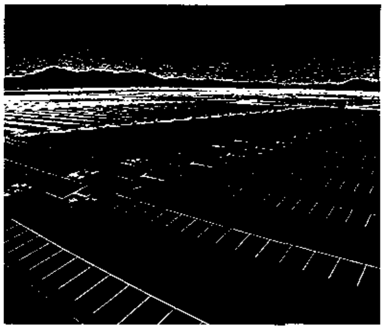
As an owner of Dominion, you benefit from our diverse energy holdings. We own an electric utility serving 2.5 million customer accounts in Virginia and northeast North Carolina and two natural gas utilities with more than 1.3 million customer accounts in Ohio and West Virginia. We operate a merchant generation portfolio with nuclear, solar, natural gas, wind and fuel cell facilities in nine states. And we have natural gas infrastructure assets located principally in the Appalachian Basin, with gathering, processing, fractionation, storage, transmission and liquefied natural gas capabilities in eight states.

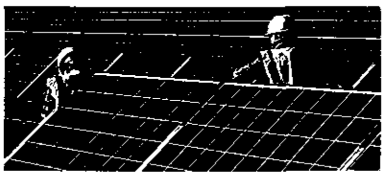
In 2015, officers and directors from our peer companies and financial analysts who follow our industry ranked Dominion No. 1 among *Fortune's* "Most Admired" electric and gas utilities. The reasons for that distinction include how we operate and maintain our assets, invest and allocate owner capital, and enhance our culture of safety and service.

Nearly a decade ago, Dominion began implementing a massive capital expenditures plan to build and maintain the necessary energy infrastructure to meet our customers' needs. Since then we have spent well more than $20 billion, with exceptional results. We have delivered:

Better reliability for customers, stable customer rates, cleaner air, reduced carbon emissions, more utility electric generation capacity, upgraded and newly built electric transmission and distribution lines, and expanded pipeline capacity on our network of interstate transmission pipelines.

1 Based on non-GAAP Financial Measures. See page 22 for GAAP Reconciliations.





OUR SOLAR STRATEGY

Proposed federal air regulations, under review in the appellate court system, are designed to change the way we power Virginia: They are expected to lead to the development of more renewables, such as solar.

Since 2013, we have spent or plan to spend more than $2 billion on long-term contracted solar power—solar assets whose electric output is sold to a utility on an agreed-upon price per production unit. Now that we have gained knowledge and expertise by developing and constructing these projects, we are shifting our sights into Virginia, where we plan to install 400 megawatts of solar generating capacity through a combination of company investments and long-term contracts.

These projects are planned to meet future utility customer demand and diversify our generation portfolio—while supporting Dominion's efforts to reduce carbon emissions.

EXPECTED ADDITION BRINGS SIGNIFICANT VALUE

To improve on this diversity of holdings and expand operations outside the Eastern U.S., on Feb. 1, 2016, Dominion announced that it expects to combine with Salt Lake City-based Questar Corporation by year-end.[2] We believe this combination would provide significant long-term value to our company and to you, our shareholders.

We plan to pay Questar shareholders $25 per share—or about $4.4 billion—and assume its $1.6 billion debt obligation. Dominion expects the transaction to be accretive upon closing, support our 2017 earnings growth rate, and allow us to reach the top of or exceed our 2018 growth targets.

Questar is an integrated natural gas company with a growing gas distribution utility, a gas supply company that has saved its utility customers more than $1 billion over 35 years under a cost-of-service arrangement, and a gas transmission pipeline network with growth opportunities stemming from a potential regional need for additional natural gas infrastructure.

Questar is also a company that does things the right way. It is a values-driven organization committed to the highest levels of safety, service and reliability—with a No. 1 ranking in customer service from JD Power among Western gas utilities.

We are excited to add Questar and its employees to our family.

Dominion and Questar employees are committed to doing right and doing well. Those are the things they can control—safety and awareness, excellence in operations, a sense of purpose to serve not only our customers but also our communities. Your investment allows them to thrive in their workplaces and neighborhoods.

EMPLOYEES ARE THE STARS

A company is rated first by its peers because of its employees' diligence and ethical, safety-conscious behavior.

Our people know that safety matters most. Leaving work in the same condition in which he or she arrived is each employee's goal. Every day. It is that important—and the reason safety always ranks first, above all else.

In about 30 million hours worked in 2015, Dominion employees recorded 110 OSHA workplace injuries (an incidence rate of 0.74) and 56 workplace injuries resulting in lost days or reassignment of duties (a rate of 0.38). Neither number was better than last year, when we set company records with 108 OSHA workplace injuries and 48 of them resulting in lost days or reassignment of duties. We are not satisfied with those results, and we are working to improve, beginning with third-party motor vehicle collisions, which drove the difference in 2015.

EXCELLENCE IN OPERATIONS

Reliability in our electric utility service area has improved throughout the past decade. Right now the average Dominion Virginia Power customer loses power for just under two hours a year.

Our reputation for reliability was on full display during the 2015 polar vortex and during the blizzard in early 2016. As temperatures dropped to extreme levels in February 2015, Dominion Virginia Power shattered its previous all-time peak-demand record by about 1,500 megawatts—at 21,651 megawatts on Feb. 20, 2015. No widespread outages were reported.

Moreover, record natural gas throughput occurred in the pipeline systems of Dominion Transmission, Dominion East Ohio and Cove Point, with no interruptions to customers taking firm service.

You might recall that in early 2015, Dominion purchased South Carolina-based Carolina Gas Transmission from SCANA Corporation. Last October, Hurricane Joaquin flooded much of the state. Dominion Carolina Gas maintained safe and reliable operations during those

2 The transaction is subject to approval of Questar's shareholders and any necessary state regulatory approvals.

COVE POINT LIQUEFACTION PROJECT

COVE POINT LNG

CURRENT FACILITY

- Located on Chesapeake Bay in Lusby, Md.
- 14.6 billion cubic feet equivalent storage capacity
- Supertankers can access pier
- Connects to multiple gas supply basins

PROJECT SCOPE

- $3.4–$3.8 billion
- All construction packages approved by FERC
- Construction underway
- Liquefaction capacity fully subscribed for 20 years
- Expected in-service—late 2017

PROJECT BENEFITS

ENVIRONMENTAL

- Uses existing footprint
- Protects 800-acre nature preserve

ECONOMIC

- 1,600 construction workers on site
- More than 1,000 onsite direct-hire craft and subcontractor workers
- Nearly 100 permanent jobs at site
- Expected to contribute additional $40 million annually in revenue to Calvert County, Md.

INTERNATIONAL

- Provides U.S. allies source of natural gas
- Advances U.S. geopolitical interests
- Reduces trade deficit

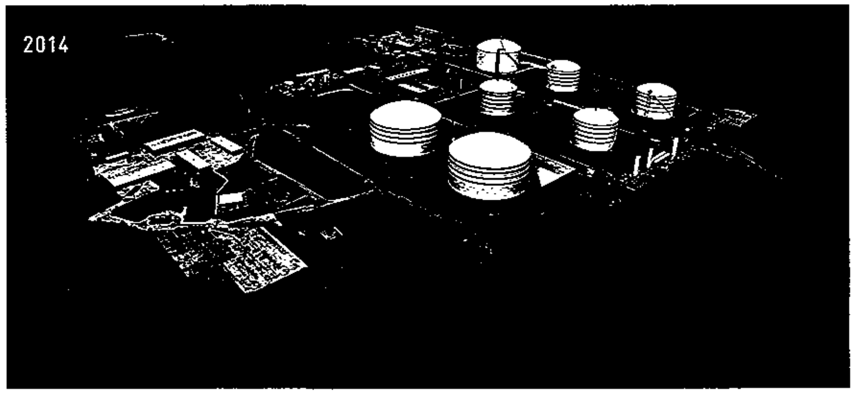
LNG SUBSCRIBERS

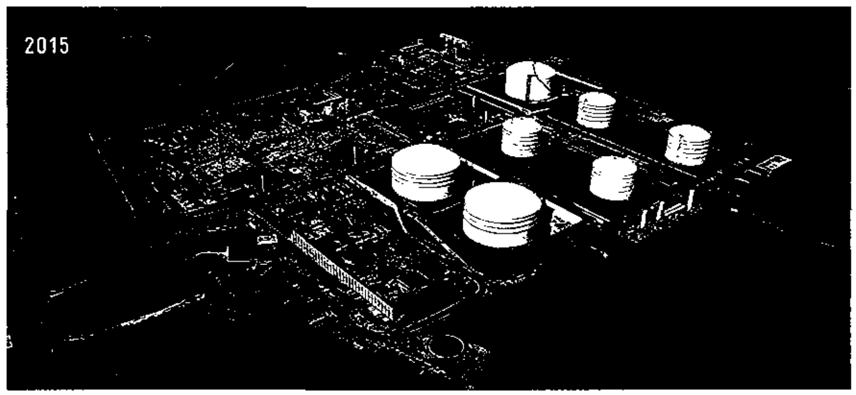
ST COVE POINT, LLC

- Joint venture between Sumitomo Corporation and Tokyo Gas Co., Ltd.
- Japanese offtakers include large gas and electric utilities

GAIL GLOBAL (USA) LNG LLC

- U.S. subsidiary of GAIL (India) Limited
- One of largest gas processing, distribution companies in India





A GOOD NEIGHBOR

Dominion values the environment. We routinely look for ways to partner with organizations doing good things and be a positive influence on our communities.

In our time in Calvert County, Md., we have:

- Worked to protect an 800-acre nature preserve surrounding Cove Point.
- Awarded nearly $500,000 to create an artificial reef—and with it the emergence of oysters, striped bass, spadefish and black sea bass—and install an open-water monitoring buoy measuring, among other things, the Chesapeake Bay's temperature and salinity.
- Provided a grant to distribute more than 1.5 million oysters in several tributaries of the Patuxent River.
- Restored the largest freshwater marsh on the western shore of the Bay.
- Worked with local schoolchildren to reforest 15 acres by planting 5,250 trees native to the county and region as a whole.

ATLANTIC COAST PIPELINE

PROJECT FEATURES

CUSTOMER COMMITMENT

- 20-year binding gas transportation agreements
- Multiple end-use customers
- 96 percent subscribed

CAPACITY

- 1.5 billion cubic feet per day (Bcf/d)
- Expandable to 2 Bcf/d

STRUCTURE & TIMELINE

OWNERSHIP STRUCTURE

- Dominion Resources—45%
- Duke Energy—40%
- Piedmont Natural Gas—10%
- AGL Resources—5%

TOTAL ESTIMATED COST

- $4.5–$5 billion

PROJECTED TIMELINE

- FERC filing—September 2015
- Expected in-service—November 2018

ACP ROUTE—SAFETY & BENEFITS

594-mile route, three compressor stations, minimizes impact to environmentally and ecologically sensitive areas and historic resources.

SAFETY

- Rigorous federal, state testing protocols
- X-rayed pipeline welds
- Thorough inspections, pressure tests prior to operation
- Government-mandated operator-qualification standards
- Coordination with local emergency responders
- 24/7 monitoring from Dominion gas control center

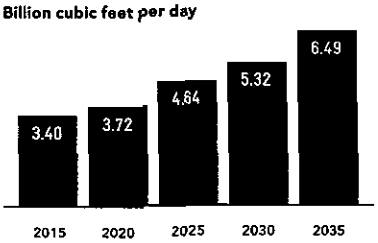
PROJECT BENEFITS

- Reliable, diverse supply
- Cleaner air in region
- Net annual energy savings of $377 million for consumers in Virginia, North Carolina
- Economic development opportunities along route
- Economic activity during construction, operation
- Supports growth of intermittent renewable power
- Supports creation of more than 2,500 permanent jobs along route
- Estimated annual property tax revenue of more than $25 million for local governments

PROJECTED NATURAL GAS DEMAND IN VIRGINIA AND NORTH CAROLINA, 2015–2035*

Billion cubic feet per day

DEMAND NEARLY DOUBLES



* Source, *The Economic Impacts of the Atlantic Coast Pipeline*, ICF International, February 2015

ACP would improve the supply of natural gas to:

- **Electric utilities** aiming to meet stringent federal and state air standards and keep down customer rates;
- **Local gas utilities** seeking new, less expensive supplies for residential and commercial customers; and
- **Industries** interested in building or expanding their operations in West Virginia, Virginia, North Carolina.

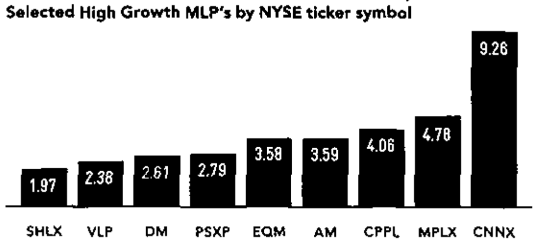
DOMINION MIDSTREAM PARTNERS

INVESTMENT CONSIDERATION

Dominion Midstream Partners, LP, was formed in 2014, with your company as the general partner. Dominion expects to contribute eligible assets into this subsidiary *and receive proceeds from the partnership that can be* used to fund growth projects and dividend payouts, reduce debt and repurchase outstanding common shares while allowing Dominion Midstream to achieve its growth targets. Dominion will continue to operate those assets and retain a percentage of their earnings—paid to the company in distributions—as well as incentive distributions that we expect to grow over time.

YIELD—DM VS. HIGH-GROWTH PEERS

Percent Annualized Distribution Yield as of Dec. 31, 2015
Selected High Growth MLP's by NYSE ticker symbol



Source: Bloomberg

emergency flood conditions—with no safety incidents, no service disruptions and no damage to our facilities.

A January 2016 blizzard in our Virginia Power service area featured strong winds and dumped as much as 30 inches of ice and snow. Despite the tough weather conditions, only about 2 percent of our 2.5 million customers were affected—most for only short periods of time. That is a testament to our reliability improvements and to the mobilized force of 4,000 men and women from Virginia Power and unaffected utilities in other states who lent a helping hand.

Speaking of, when Dominion employees are not performing a public service, they are giving back to the communities where they live. In 2015, they volunteered nearly 110,000 hours of their time, often after a long day on the job.

COMMITTED TO OUR COMMUNITIES

Our company learns a lot from our employees, and their dedication to public service—at Dominion and in their neighborhoods—leaves a lasting impression on our corporate culture and DNA.

Dominion and its philanthropic arm, the Dominion Foundation, combined to contribute more than $23 million in our communities, supporting human needs, community development, the environment, education and the arts.

In recent years we have focused on donating to programs helping those in need. In 2015, we announced an expansion of EnergyShare, our signature program of last resort for those needing help paying their heating and cooling bills. Dominion has promised an investment of $42 million through 2019 to double participation and provide weatherization services and educational outreach to qualifying customers.

When devastating floods ravaged South Carolina in the fall, Dominion and its employees wanted to help. We worked with local officials in the Columbia, S.C., area to assist in recovery efforts, providing 100,000 bottles of safe drinking water, first-aid kits, hot meals and other essential supplies—all while maintaining superior service to Dominion Carolina Gas customers.

BENEFITS OF OUR SPENDING

Of all the things we can control, one that certainly benefits our investors, our customers and the economy is our capital growth plan. In 2015, your company spent $6 billion on growth and maintenance capital projects across all business lines.

All of this spending has produced more than mere iron in the ground.

How we have allocated your company's capital has reaped rewards for our customers.

After billions of dollars spent on new and improved electric infrastructure—Dominion had a record $1.06 billion in electric transmission assets placed into service in 2015—the average amount of time our customers lose power, excluding during major storms, has fallen about 30 percent since 2007.

After more than $2 billion spent since 2000 on environmental equipment and testing, we have recorded falling emissions intensity—the amount of pollutant emitted per unit of electricity produced—and improvement in lost and unaccounted for gas in our pipeline businesses. Emissions intensity for sulfur dioxide, nitrogen oxides and mercury has been reduced by more than 80 percent, and intensity of carbon dioxide emissions has dropped more than 20 percent. Since 2008, methane leakage has been reduced from Dominion Transmission's pipes by 49 percent and from Dominion East Ohio's by 77 percent.

PLANS TO INVEST $15.7 BILLION MORE

From 2016 through 2020, Dominion intends to spend $15.7 billion in growth capital across our business units, excluding additional billions of dollars in maintenance capital expenditures.

COMMUNITY

At Dominion, we take our commitment to the communities we serve seriously. Our employees are a civic-minded sort and give back in many ways, including volunteering their free time at local soup kitchens, food pantries and parks.

In 2015 your company and our philanthropic arm, the Dominion Foundation, contributed more than $23 million in our communities, supporting human needs, community development, the environment, education and the arts.

$1.7M

CONTRIBUTED AS PART OF DOMINION'S MATCHING GIFTS PROGRAM

110,000

HOURS OUR EMPLOYEES VOLUNTEERED IN THEIR COMMUNITIES

Highlighted growth areas include:

Electric distribution and transmission
Over the next five years, we plan to invest more than $1 billion per year in electric distribution and transmission growth projects in Virginia to further improve our reliability metrics. The spending comprises undergrounding distribution lines on the most outage-prone circuits, substation physical security and reliability upgrade projects.

Electric generation: natural gas and renewables
More than $3 billion over five years is planned for new generation facilities serving Virginia Power customers to meet demand and replace facilities slated for closure to comply with federal environmental rules. Among the projects is Brunswick County, the $1.2 billion, 1,358-megawatt gas-fired combined-cycle station nearing completion in Southeastern Virginia. Another is the $1.3 billion, 1,588-megawatt gas-fired combined-cycle Greensville County plant, just miles from Brunswick. If approved by the State Corporation Commission of Virginia (SCC), the latter would come online in late 2018.

In addition, we expect to install 400 megawatts of solar generating capacity in Virginia by 2020 through company investments and long-term contracts. Dominion has filed for SCC approval to construct three utility-scale solar projects for $130 million. They would enter service by the end of 2016.

In total, these generating facilities could serve more than 800,000 Virginia homes and businesses.

Natural gas transmission
Over the next five years, Dominion plans to invest in natural gas infrastructure projects designed to increase transportation and reliability capacity for consumption by—particularly—electric and gas utilities and electric power generators.

These new pipelines—an investment of more than $6 billion from Dominion and its partners—would add 3.6 billion cubic feet per day in the Northeast, Southeast and mid-Atlantic. That amount of gas could fuel 14 similar-sized power stations as Brunswick County—powering 5 million homes—or provide heating and cooking fuel to 12 million homes.

The two largest gas transmission projects we have proposed include the $4.5 billion to $5 billion Atlantic Coast Pipeline (ACP), of which Dominion is a 45 percent partner, and the $500 million Supply Header project, which would upgrade access to the supply points connecting with the ACP.

The ACP would transport natural gas into Virginia and North Carolina, for use by electric and gas utilities in those states, including Dominion. The pipeline's nearly 600-mile route has been designed to minimize impact to environmental and historic resources. In September 2015, Dominion and its partners filed for approval by the Federal Energy Regulatory Commission (FERC) and have since submitted four significant supplemental filings and 17 federal permit applications.

We expect the pipeline and the associated Supply Header project to enter service in late 2018.

Cove Point liquefaction
Construction on the $3.4 billion to $3.8 billion Cove Point liquefaction project—which would liquefy natural gas at our Cove Point facility on the Chesapeake Bay in Maryland, under firm, long-term contracts, for export to overseas allies—is well underway. Nearly 1,600 workers and all major equipment are on site. The FERC has approved all 34 construction packages and we anticipate the project entering service—on time and on budget—in late 2017.

Natural gas distribution infrastructure projects
Dominion is expanding its program to replace aging pipes at its two natural gas distribution companies, Dominion East Ohio and Dominion Hope. Your company plans to boost spending on the program to more than $200 million annually, reducing methane emissions and ensuring continued reliable service.

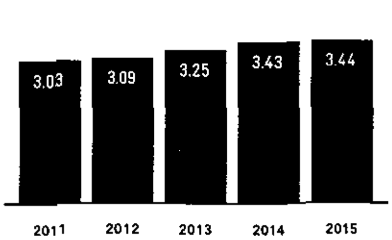
CONSOLIDATED FINANCIAL HIGHLIGHTS

Year ended Dec. 31,	2015	2014	% Change
FINANCIAL RESULTS (millions)			
Operating revenue	$ 11,683	$ 12,436	-6.1%
Operating expenses	8,147	9,715	-16.1%
Amounts attributable to Dominion:			
Income from continuing operations, net of tax	1,899	1,310	45.0%
Reported earnings	1,899	1,310	45.0%
Operating earnings*	2,040	2,003	1.8%
DATA PER COMMON SHARE			
Reported earnings	$ 3.20	$ 2.24	42.9%
Operating earnings*	$ 3.44	$ 3.43	0.3%
Dividends paid	$ 2.59	$ 2.40	7.9%
Market value (intraday high)	$ 79.89	$ 80.89	-1.2%
Market value (intraday low)	$ 64.54	$ 63.14	2.2%
Market value (year-end)	$ 67.64	$ 76.90	-12.0%
Book value (year-end)	$ 21.24	$ 19.74	7.6%
Market to book value (year-end)	3.18	3.90	-18.5%
FINANCIAL POSITION (millions)			
Total assets	$ 58,797	$ 54,327	8.2%
Total debt	28,951	25,955	11.5%
Common shareholders' equity	12,664	11,555	9.6%
Equity market capitalization	40,335	45,010	-10.4%
CASH FLOWS (millions)			
Net cash provided by operating activities	$ 4,475	$ 3,439	
Net cash used in investing activities	(6,503)	(5,181)	
Net cash provided by financing activities	2,317	1,744	
OTHER STATISTICS (shares in millions)			
Common shares outstanding–average, diluted	593.7	584.5	
Common shares outstanding–year-end	596.3	585.3	
Number of full-time employees	14,700	14,400	

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

OPERATING EARNINGS*

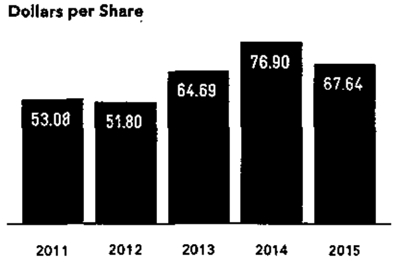
Dollars per Share



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

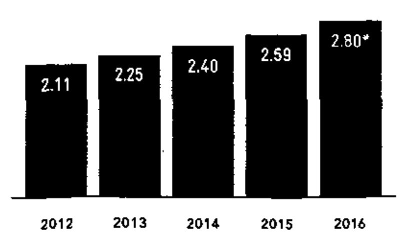
YEAR-END STOCK PRICE

Dollars per Share



TARGETED DIVIDEND INCREASE*

Dollars per Share



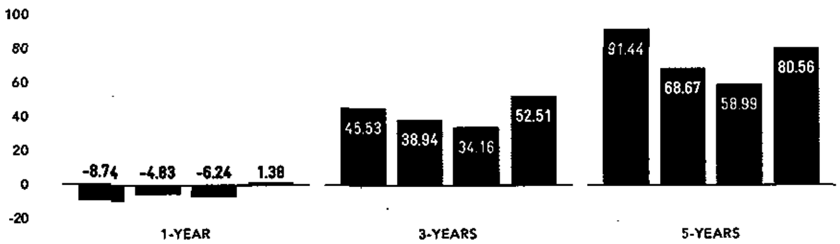
* All dividend declarations are subject to Board of Directors approvals.

DOMINION PERFORMANCE CHARTS

TOTAL RETURN COMPARISON

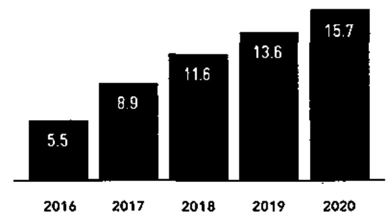
Dominion vs. Indices 1, 3 and 5 Year Total Returns Percent /Through Dec. 31, 2015 Source: Bloomberg

■ Dominion Resources ■ S&P 500 Utilities Index ■ Philadelphia Utility Index ■ S&P 500 Index



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.

GROWTH PLAN BENEFITS COMMUNITIES

$37.8B*	43,706	$714M
Growth	Construction Jobs	Local Property Tax Revenue

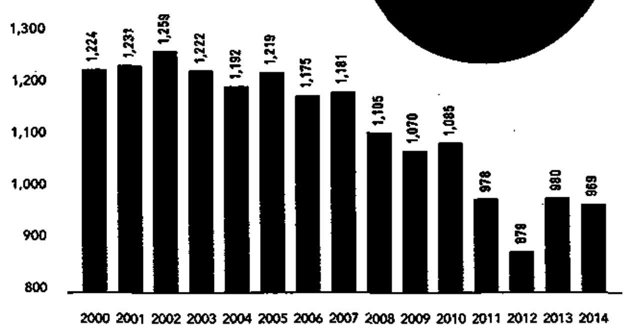
Figures are estimated growth capital expenditures, construction jobs and local taxes from 2007–2020.

* All planned capital expenditures are based on the capital expenditures plan reviewed and endorsed by Dominion's Board of Directors in late 2015. Dominion undertakes no obligation to update this information to reflect plan or project-specific developments, including regulatory developments, or other updates until the next annual update of the plan. Actual capital expenditures may be subject to Board of Directors approval and/or regulatory approval and may vary from these estimates.

CO_2 INTENSITY—DOMINION VIRGINIA POWER

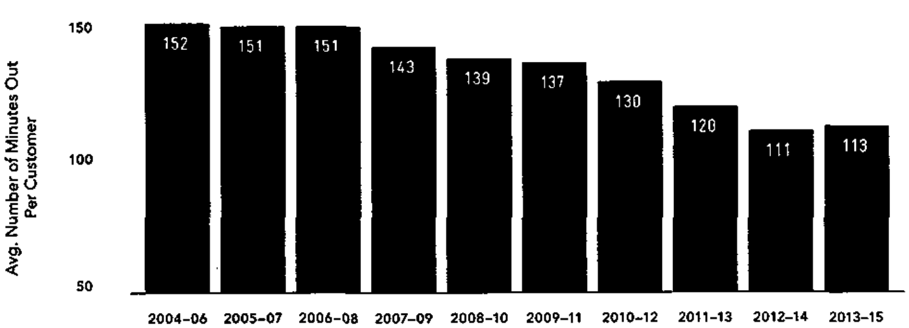
Emissions Intensity Reductions (lbs/MWh)
CO_2 (Carbon Dioxide)

21% DECREASE IN CO_2 EMISSIONS INTENSITY 2000–2014



RELIABILITY IMPROVEMENTS

SAIDI—Excluding Major Storms
Three-Year Rolling Average



SLIGHT INCREASE DUE TO 10% MORE WEATHER-RELATED EVENTS IN 2015 AS COMPARED TO 3-YEAR AVERAGE.

OTHER HIGHLIGHTS

I would like to highlight a few other things we have done to position your company better for the future.

As part of our long-term financial strategy we began monetizing our contracted merchant solar portfolio, selling a 33 percent ownership stake in 24 projects for about $300 million to SunEdison, Inc. We plan to monetize the remaining ownership after the Investment Tax Credit holding period ends and when economically advantageous to the company.

In 2015, our board of directors also approved a plan allowing your company to purchase up to $50 million in Dominion Midstream units. Last year, Dominion Midstream began to pay out cash distributions to Dominion. Those payments are expected to increase annually. For more information about Dominion Midstream, please see the top of page 13.

2016 EARNINGS EXPECTATIONS

As your company considers "new normal" commodity and power markets prices—both of which fell to unprecedented lows in 2015—and a return to normal weather, we expect that our growth plan providing new and upgraded energy infrastructure in the states we serve will bring earnings growth to our company.

In 2016, we anticipate operating earnings in the range of $3.60 per share to $4.00 per share of common stock,[3] with strong annual earnings and dividend growth throughout the remainder of the decade.[4]

RECORD OF COMPLIANCE

Your investment in Dominion is also enhanced because you know that your company not only will comply with federal and state standards but also exceed them.

In 2003, Dominion voluntarily reached an agreement with the U.S. Environmental Protection Agency (EPA) to install environmental control equipment such as scrubbers and baghouses to reduce sulfur dioxide, nitrogen oxides and mercury emissions at its coal-fired power stations. The results have been astounding—each type of emission has been reduced by more than 80 percent.

In 2015, Dominion's coal-fired power stations complied with the requirements of the EPA's Mercury and Air Toxics Standards (MATS). And in 2014, North Anna Unit 2 became the nation's first operating reactor to achieve full compliance with the Nuclear Regulatory Commission's Fukushima Mitigating Strategies Order—which called on all operating reactors to create strategies allowing them to keep the public safe in case of a loss of power. As of today, all six of Dominion's nuclear units are in compliance.

Now comes the EPA's proposed Clean Power Plan, or as some call it, the Carbon Rule. It is the most comprehensive and far-reaching environmental regulation ever issued by the federal government. Despite what anyone says, it is designed to change how we power America—and, if implemented, it will.

Despite legal challenges brought by others, we are working with the Commonwealth of Virginia and other stakeholders to develop a State Implementation Plan to meet the goals of the Clean Power Plan—reducing carbon emissions—while protecting reliability and promoting rate stability.

Those are very real challenges.

CHALLENGES FOR VIRGINIA

For Virginia, there are six potential compliance options. Whichever option state officials decide to take, the generation makeup in Virginia will look markedly different in the next decade and beyond.

In 2015, 32 percent of Virginia Power's net electric production came from coal, and 28 percent from gas. In the future, we expect to use more natural gas and less coal.

Closures of coal-fired stations would cost money. So too would replacing them with lower-emitting or non-emitting sources and with additional transmission capacity.

We have already spent billions of dollars to reduce carbon emissions, and achieving compliance with these proposed regulations would cost billions more. That would, unfortunately, be reflected in higher customer bills.

But we are on the right path.

The capital expenditures plan I outlined in this letter would help us comply.

The proposed Greensville facility is expected to meet the proposed standards of Rule 111(b), which would set an achievable carbon emissions intensity rate by new fossil generation type (coal, gas combined cycle), and be among the nation's most efficient and cost-effective gas-fired power plants. Our solar plans for Virginia also would give Dominion a zero-carbon-emitting boost.

And we are committed to constructing natural gas pipelines such as the Atlantic Coast Pipeline so that other gas and electric utilities and power generators can build gas combined-cycle fleets capable of 111(b) compliance.

However the final rules shake out, Dominion will comply—while working to protect reliability and promote rates as stable as possible. Our outstanding people will get us there.

THANK YOU FOR YOUR INVESTMENT

Economic headwinds in 2015 were strong, resulting in lower-than-anticipated earnings per share and market returns.

The things we could not control held us back. We thrived, however, on the things we could.

Our capital allocation plan, our quality of service, our employees, our commitment to communities and our record of compliance were recognized by our peers, our investors and other industry leaders.

We will continue to wisely allocate capital and invest in our people, communities and customers to realize competitive returns and provide reliable service.

Thank you for your continued ownership of Dominion.

Sincerely,

Tom Farrell

THOMAS F. FARRELL II
CHAIRMAN, PRESIDENT AND CEO

3 See page 22 for GAAP Reconciliation of 2016 Operating Earnings Guidance.

4 All dividend declarations are subject to Board of Directors approvals.

DOMINION AT A GLANCE

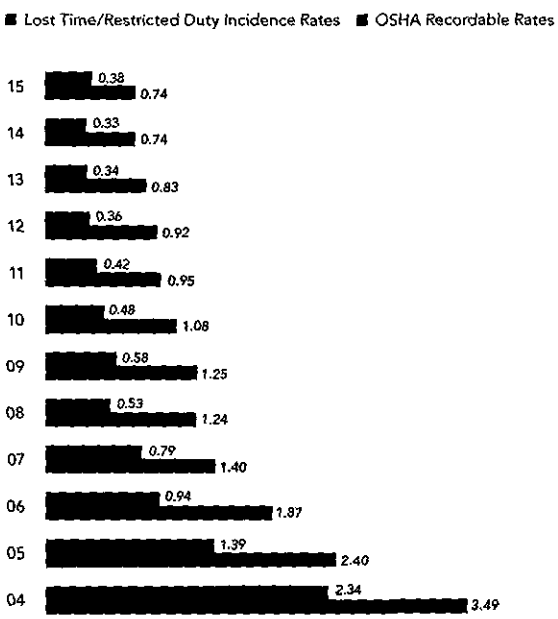
Dominion's three operating segments are primarily based in the energy-intensive Southeast, mid-Atlantic and Northeast.

2015 PRIMARY OPERATING SEGMENT EARNINGS PERCENTAGES*

49%	30%	21%
DOMINION GENERATION	DOMINION ENERGY	DOMINION VIRGINIA POWER

* Excludes Corporate and Other Segment.

DOMINION SAFETY INCIDENCE RATES*



* Recast to reflect the inclusion of certain incidents of hearing loss that may be work-related and therefore recordable under OSHA regulations.

DOMINION VIRGINIA POWER

Operates regulated electric transmission and distribution franchises in Virginia and northeastern North Carolina, providing electric service to about 2.5 million customer accounts in the two-state area.

BUSINESS LINES

- Electric transmission
- Electric distribution

2015 HIGHLIGHTS

- Connected more than 32,000 new franchise customers, nine new data centers.
- Achieved System Average Interruption Duration Index (SAIDI), excluding major storms, of 119.6 minutes.
- Placed into service $1.06 billion in transmission assets.

2016 EXPECTATIONS

- Maintain a superior safety record.
- Continue to invest in capital growth projects to meet the needs of our utility customers, including hardening the physical security of our substations.
- Receive approval from the State Corporation Commission of Virginia (SCC) of a distribution undergrounding program.

DOMINION ENERGY

Operates one of the nation's largest natural gas storage systems; a network of 12,200 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; a liquefied natural gas terminal in Maryland; and Dominion Retail. It also includes an interest in Blue Racer Midstream, LLC, and the Atlantic Coast Pipeline partnership.

BUSINESS LINES

- Natural gas transmission and storage
- Natural gas distribution
- Liquefied natural gas services
- Retail energy marketing

2015 HIGHLIGHTS

- Continued construction on the \$3.4–\$3.8 billion Cove Point liquefaction project and secured Federal Energy Regulatory Commission (FERC) approval of all 34 construction packages.
- Filed for FERC approval of the \$4.5–\$5 billion, 594-mile Atlantic Coast Pipeline project, with partners Duke Energy, Piedmont Natural Gas and AGL Resources, and the associated \$500 million Supply Header project.
- Secured FERC approval of six growth projects totaling about \$350 million in capital investment.

2016 EXPECTATIONS

- Maintain a superior safety record.
- Continue to invest in pipeline infrastructure to meet growing demand for Appalachian Basin gas.
- Continue constructing the Cove Point liquefaction facility.

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. Together they account for approximately 24,300 megawatts of electric generation.

BUSINESS LINES

- Utility power production
- Merchant power production

2015 HIGHLIGHTS

- Complied with the requirements of the EPA's Mercury and Air Toxic Standards (MATS) for all company-owned coal-fired power stations.
- Filed with the SCC for approval of the \$1.3 billion, 1,588-megawatt Greensville County Power Station, and 56 megawatts of solar generating capacity.
- Brought online 171 megawatts of long-term, contracted solar generating capacity in California, Georgia and Utah, and a 20-megawatt non-jurisdictional Virginia Power solar generating facility in North Carolina for the U.S. Navy.
- Established a nuclear net capacity factor record of 92 percent or better for the third straight year.

2016 EXPECTATIONS

- Maintain a superior safety record.
- Complete and bring into service at least 345 megawatts of solar generating capacity.
- Complete and bring online the 1,358-megawatt, gas-fired combined-cycle facility in Brunswick County, Va.
- Receive SCC approval for Greensville and 56 megawatts of utility-scale solar in Virginia.

DOMINION'S OPERATING AND SERVICE AREAS

Dominion excels at the things it can control—such as how we allocate capital and the quality of service our people provide.

WELL-MANAGED ASSETS SPUR GROWTH

In 2015, oil and natural gas prices tumbled, weather was mild, and, for utility companies at least, the stock markets misfired.

Those are the things your company cannot control.

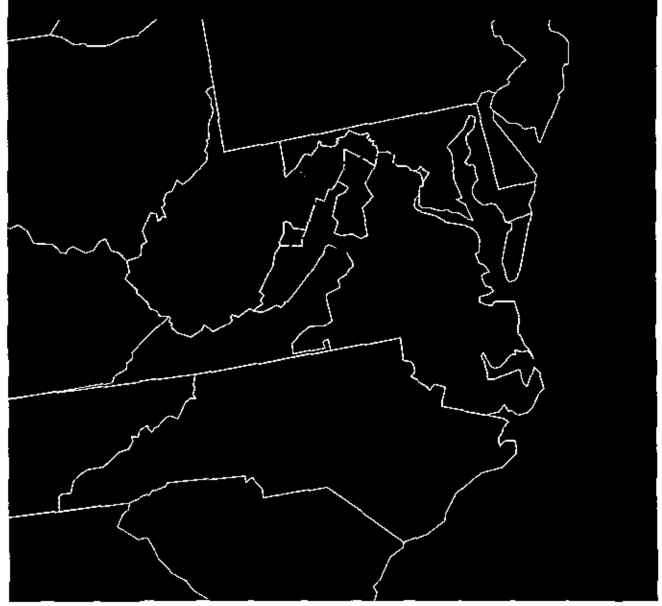
But what we *can* control—*our allocation of capital, our quality of service, our record of compliance*—Dominion did well.

Over the next five years, your company will invest nearly $16 billion in energy infrastructure growth projects to keep pace with growing customer demand, improve reliability and comply with rules and standards regarding physical security of substations, clean air and more.

As long as we ensure safe, efficient and reliable operations of our portfolio of regulated business and assets, we will *continue earning our reputation as an industry leader and* produce reasonable returns for you, our shareholders.

DOMINION VIRGINIA POWER

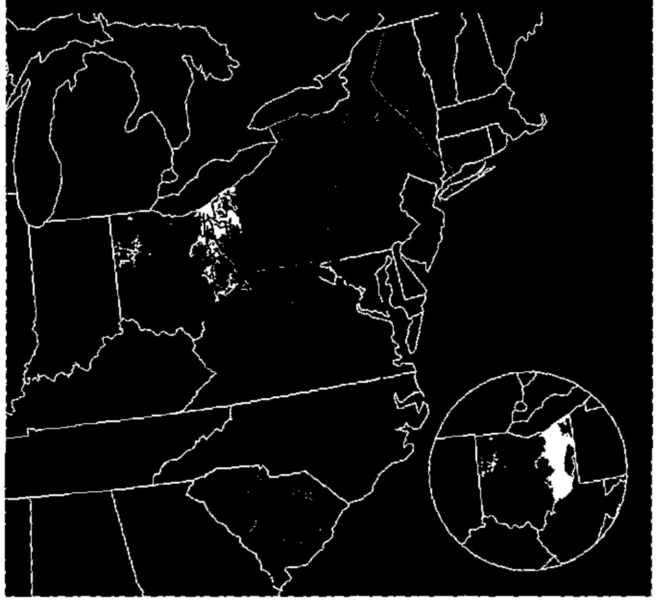
This operating segment consists of 57,315 miles of distribution lines and 6,500 miles of transmission lines, and serves about 2.5 million customer accounts in Virginia and northeastern North Carolina.



- ■ Regulated Electric Distribution (VA and NC)
- – Electric Transmission Lines (Bulk Delivery)

DOMINION ENERGY

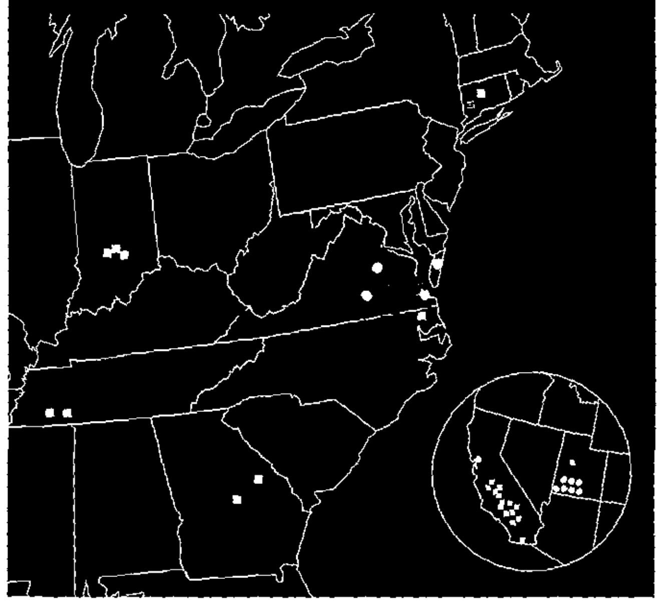
This operating segment has assets principally throughout the Appalachian Basin. It has gathering, processing, fractionation, storage, transmission, distribution and liquefied natural gas facilities in eight states, and retail energy customer accounts in 14 states.



- Natural Gas Transmission Pipelines
- Blue Racer Midstream, LLC Pipelines
- Natural Gas Transmission Pipelines (Partnership)
- Proposed Atlantic Coast Pipeline (Partnership)
- Natural Gas Underground Storage Pools
- Regulated Natural Gas (OH) Distribution and Gathering
- Regulated Natural Gas (WV) Distribution
- Blue Racer's Natrium Facility
- Blue Racer's Berne Facility
- Cove Point LNG Facility
- Hastings
- Utica Shale boundary
- Marcellus Shale boundary

DOMINION GENERATION

Dominion's diverse power generation fleet includes facilities powered by nuclear, coal, natural gas, oil, biomass, fuel cells, sun, water and wind. The segment provides electricity to utility customers in Virginia and North Carolina and houses merchant generation.



GENERATION STATIONS IN OPERATION

- Biomass
- Coal
- Fuel Cell
- Hydro
- Natural Gas
- Nuclear
- Oil/Gas
- Solar
- Wind

GENERATION STATIONS PLANNED/UNDER DEVELOPMENT

- Natural Gas
- Offshore Wind Demonstration Project
- Solar

RECONCILIATION OF OPERATING EARNINGS (NON-GAAP) TO REPORTED EARNINGS (GAAP)

(MILLIONS, EXCEPT PER SHARE AMOUNTS)	2011	2012	2013	2014	2015
Operating Earnings (non-GAAP)*	**$ 1,743**	**$ 1,774**	**$ 1,881**	**$ 2,003**	**$ 2,040**
Items excluded from operating earnings (after-tax):					
Loss from discontinued operations	(58)	(1,125)	(92)	—	—
Charges associated with North Anna and offshore wind facilities	—	—	—	(248)	—
Producer Services repositioning	—	—	(76)	(193)	—
Charges associated with liability management exercise	—	—	—	(174)	—
Impairment of generation assets	(139)	(269)	—	—	—
Future ash pond and landfill closure costs	—	—	—	(74)	(60)
Other items	(138)	(78)	(16)	(4)	(81)
Total after-tax items	(335)	(1,472)	(184)	(693)	(141)
Reported Earnings (GAAP)	**$ 1,408**	**$ 302**	**$ 1,697**	**$ 1,310**	**$ 1,899**
Earnings per common share—diluted:					
Operating Earnings (non-GAAP)*	**$ 3.03**	**$ 3.09**	**$ 3.25**	**$ 3.43**	**$ 3.44**
Items excluded from operating earnings	(0.58)	(2.56)	(0.32)	(1.19)	(0.24)
Reported Earnings	**$ 2.45**	**$ 0.53**	**$ 2.93**	**$ 2.24**	**$ 3.20**

*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.

GAAP RECONCILIATION OF 2016 OPERATING EARNINGS GUIDANCE

In providing its full-year 2016 operating earnings guidance, the company notes that there could be differences between expected reported (GAAP) earnings and estimated operating earnings for matters such as, but not limited to, acquisitions, divestitures or changes in accounting principles. At this time, Dominion management is unable to estimate the aggregate impact, if any, of these items on reported earnings. Accordingly, Dominion is unable to provide a corresponding GAAP equivalent for its operating earnings guidance.

BOARD OF DIRECTORS*

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

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

ADM. JAMES O. ELLIS, JR., U.S. NAVY (RET.)
Retired President and
Chief Executive Officer,
Institute of Nuclear Power Operations

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

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

MARK J. KINGTON
Managing Director,
Kington Management, LLC
(private investments)

PAMELA J. ROYAL, M.D.
Dermatologist,
Royal Dermatology and
Aesthetic Skin Care, Inc.

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

MICHAEL E. SZYMANCZYK
Retired Chairman and
Chief Executive Officer,
Altria Group, Inc.

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

* As of March 1, 2016

EXECUTIVE LEADERSHIP

THOMAS F. FARRELL II*
Chairman, President and
Chief Executive Officer

MARK F. MCGETTRICK*
Executive Vice President
and Chief Financial Officer

DAVID A. CHRISTIAN*
Executive Vice President and
Chief Executive Officer—
Energy Infrastructure Group

PAUL D. KOONCE*
Executive Vice President and
Chief Executive Officer—
Dominion Generation Group

ROBERT M. BLUE*
Senior Vice President,
Law, Regulation & Policy
and President,
Dominion Virginia Power

CARTER M. REID
Senior Vice President,
Chief Administrative &
Compliance Officer and
Corporate Secretary

MARK O. WEBB
Vice President,
General Counsel &
Chief Risk Officer

* Executive Officers pursuant to U.S. Securities and Exchange Commission rules, as of March 1, 2016.

OTHER SENIOR LEADERS

DAVID A. HEACOCK*
President and
Chief Nuclear Officer,
Dominion Nuclear

DIANE LEOPOLD*
President, Dominion Energy

PAUL E. RUPPERT
President, Dominion
Midstream Operations

EDWARD H. BAINE
Senior Vice President,
Distribution,
Dominion Virginia Power

P. RODNEY BLEVINS
Senior Vice President and
Chief Information Officer

ANNE E. BOMAR
Senior Vice President,
Pipeline Services and
Optimization,
Dominion Energy

JAMES R. CHAPMAN
Senior Vice President,
Mergers & Acquisitions
and Treasurer

KATHERYN B. CURTIS
Senior Vice President,
Power Generation,
Dominion Generation

MARY C. DOSWELL
Senior Vice President,
Dominion Energy Solutions

SCOT C. HATHAWAY
Senior Vice President,
Operations, Engineering
and Construction,
Dominion Energy

DONALD R. RAIKES
Senior Vice President,
Customer Service and
Business Development,
Dominion Energy

DANIEL G. STODDARD
Senior Vice President,
Nuclear Operations,
Dominion Nuclear

THOMAS P. WOHLFARTH
Senior Vice President,
Regulatory Affairs

FRED G. WOOD, III
Senior Vice President,
Financial Management,
Energy Infrastructure Group

MICHELE L. CARDIFF*
Vice President,
Controller and
Chief Accounting Officer

SHAREHOLDER SERVICES

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 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

Registered shareholders may view and manage their Dominion Direct® account online by visiting http://shareholders.dom.com. Major press releases and other company information may be obtained by visiting our website at www.dom.com.

DOMINION DIRECT®

You may purchase Dominion common stock through Dominion Direct®, the company's direct stock purchase and dividend reinvestment plan. Bank drafts for purchases, full and partial reinvestment of dividends as well as safekeeping options of depositing certificates into the plan are available. Please contact Shareholder Services for a prospectus and enrollment form.

COMMON STOCK LISTING

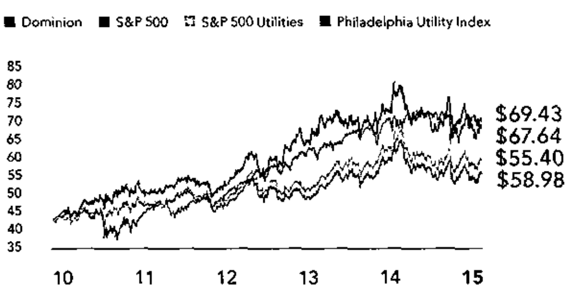
New York Stock Exchange Trading symbol: D

COMMON STOCK PRICE RANGE

	2015		2014	
	HIGH	LOW	HIGH	LOW
First Quarter	**$ 79.89**	**$ 68.25**	$ 72.22	$ 63.14
Second Quarter	**74.34**	**66.52**	73.75	67.06
Third Quarter	**76.59**	**66.65**	71.62	64.71
Fourth Quarter	**74.88**	**64.54**	80.89	65.53
Year	**79.89**	**64.54**	80.89	63.14

Dividends on Dominion common stock are paid as declared by the board. Dominion paid 64.75 cents per share in each quarter of 2015. 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.

DOMINION VS. INDICES FIVE-YEAR RELATIVE PRICE PERFORMANCE



Source: Bloomberg (as of Dec. 31, 2015)

ANNUAL MEETING

This year's Annual Meeting of Shareholders of Dominion Resources, Inc., will be held Wednesday, May 11, 2016, at 9:30 a.m. (ET) at the Hilton Columbia Center, 924 Senate Street, Columbia, South Carolina 29201.

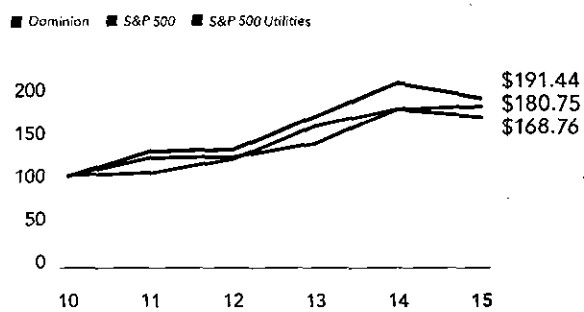
PERFORMANCE GRAPH

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 as of Dec. 31 *(includes reinvestment of dividends)*					
	2010	2011	2012	2013	2014	**2015**
Dominion	$100	$129.42	$131.55	$170.56	$209.77	**$191.44**
S&P 500	100	102.11	118.45	156.82	178.29	**180.75**
S&P 500 Utilities	100	119.91	121.46	137.51	177.36	**168.76**

COMPARISON OF CUMULATIVE FIVE-YEAR TOTAL RETURN



Source: Standard & Poor's

PHOTO CAPTIONS

Front Cover:
Dominion Virginia Power's soon-to-be-completed Brunswick County Power Station in southeastern Virginia is a clean-burning, natural gas-fired generating facility expected to serve nearly 340,000 customers for decades. It is also expected to have a low carbon-intensity rate.

IFC:
Our customers demand reliable energy service, 24 hours a day, seven days a week. In 2015, the average Dominion Virginia Power customer lost electricity for less than two hours, excluding major storms.

Page 1:
Kevin Hennessy, director of federal, state and local affairs in New England, stands in front of a group of solar panels at the Somers Solar Center near the Massachusetts state line in Connecticut. The facility, which entered service in late 2013, provides power to about 5,000 homes. Somers was one of Dominion's first solar power projects and a part of our commitment to increasing renewable generating capacity.

Page 2:
Left: The Warren County Power Station in the northwestern part of Virginia provides electric power to 335,000 homes and businesses in our Dominion Virginia Power service area. The gas-fired facility came online in 2014.

Right: In 2015, Dominion Virginia Power placed into service a record $1.06 billion in electric transmission assets. The 100-mile Mount Storm to Doubs 500-kilovolt rebuild was completed in June 2014 and moves electricity into energy-intensive Northern Virginia.

Page 3:
Top: Roderick Kim (at left) is an information technology analyst and a frequent volunteer in the community, and Molly Hagy (at right) is an engineer at Brunswick Power Station.

Lower left: The Switzerland compressor station at Dominion East Ohio helps pressurize and move natural gas through our high-pressure pipeline system.

Lower right: Over the past several years, the work of Dominion Virginia Power's linemen has improved service reliability for our customers.

Page 4:
Top: Sarah Perkinson (at left) volunteers her time in the Richmond, Va.-area for natural and historic preservation. Warren County employees (at right, from left to right) Jeffery Morton, Ron Scott, Bryan Cuffe and James Adams help keep the lights on in our Virginia service area.

Lower left: Nearly 1,600 workers are on site at Cove Point constructing a liquefaction facility, which would allow natural gas export to American allies in Japan and India. The construction is completely within a fence line that protects an 800-acre nature preserve.

Lower right: Crews have surveyed most of the nearly 600-mile Atlantic Coast Pipeline route. The $4.5 billion to $5 billion project would transport natural gas into Virginia and North Carolina, providing access to additional gas resources for electric and gas utilities, including Dominion Virginia Power.

Page 5:
Left: The $1.2 billion Brunswick County facility, in the final stages of testing, was planned to meet future consumer demand growth.

Right: Pavant Solar, located in Millard County, Utah, came online in 2015. It is part of a program to spend more than $2 billion on long-term contracted solar facilities through 2016.

Page 10:
Top left: Pavant entered service in 2015. A 33 percent ownership interest in the facility was sold to SunEdison, Inc., in early 2016.

Below: An ownership interest in the Somers Solar Center was sold to SunEdison in late 2015. The facility provides power under a long-term agreement with a local utility, Connecticut Light & Power Co.

Page 14:
Top left: Dominion employee Suyapa Marquez participates in a Project Plant It! event. The program teaches the value of trees in our ecosystem to elementary school students in 10 states.

Below: Employees, including Christina Hager (at front), participate in a "Conquer the Cobblestones" fun race as part of the UCI Road World Cycling Championships held in Richmond, Va., in fall of 2015. Dominion was a principal sponsor in bringing the world to Richmond.

Page 18:
DVP: Over the next five years we plan to invest more than $1 billion per year in electric distribution and transmission growth projects. The spending comprises underground distribution lines on the most outage-prone circuits, substation physical security and reliability upgrade projects.

Page 19:
Dominion Energy: Our gas infrastructure buildout plan is expected to increase natural gas transportation and reliability capacity by 3.6 billion cubic feet per day, helping to serve electric and gas utilities seeking access to more gas supplies. These projects represent a total investment of more than $6 billion from Dominion and its partners.

Dominion Generation: The Surry Power Station annually produces about 20 percent of electricity generated in the Commonwealth of Virginia. The reactors there are two of the top-rated nuclear reactors in the U.S.

CREDITS

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

PRINTING
The Hennegan Company,
Florence, Kentucky

PHOTOGRAPHY
Cameron Davidson, front cover; page 2 (left and right); page 3 (center right); page 4 (top right, and center left); page 5 (right and left); page 6 (left, and upper right); page 10 (upper left); page 11 (upper and lower right); page 18; page 19 (right). Ted Kawalerski, inside front cover; page 1; page 3 (center left); page 10 (lower left); page 19 (left). Jay Paul, page 3 (top left); page 4 (top left); page 14 (lower left). Doug Buerlein, page 3 (upper right); page 4 (center right). Dominion Resources, page 6 (lower right); page 14 (upper left). Mark Mitchell, page 8.

WWW.DOM.COM

SHAREHOLDER INQUIRIES

Dominion Resources Services, Inc.
Shareholder Services
P.O. Box 26532
Richmond, Virginia
23261–6532
Shareholder.Services@dom.com

CORPORATE STREET ADDRESS

Dominion Resources, Inc.
120 Tredegar Street
Richmond, Virginia 23219

MAILING ADDRESS

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

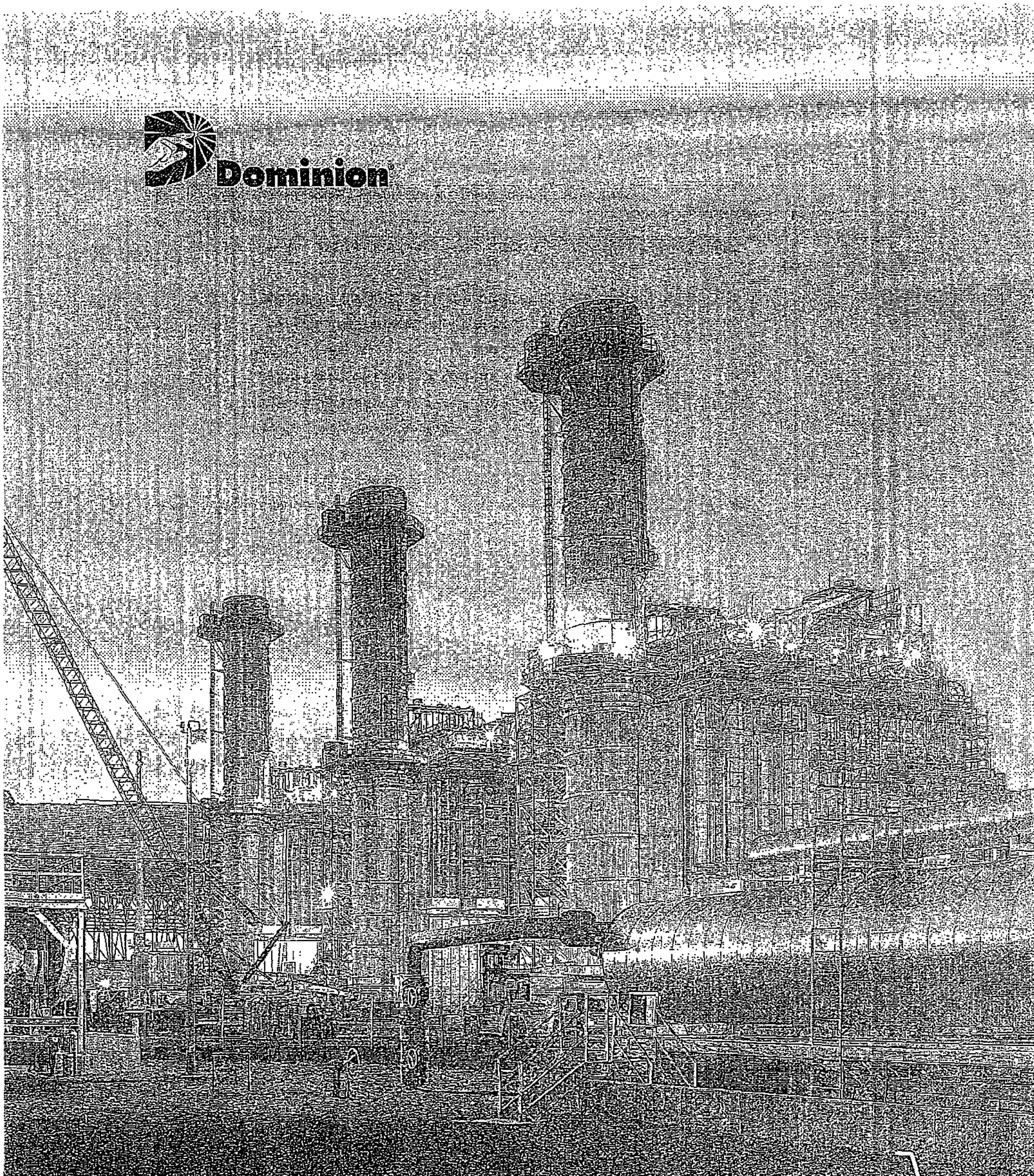
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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 may be made by writing to:

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



Dominion

2016 PROXY STATEMENT

2016 PROXY STATEMENT CONTENTS

Dominion

NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS

DATE	Wednesday, May 11, 2016
TIME	9:30 a.m., ET
PLACE	Hilton Columbia Center, 924 Senate Street, Columbia, SC 29201

ITEMS OF BUSINESS

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 2016;
- Advisory vote on approval of executive compensation (Say on Pay);
- 6 shareholder proposals, if presented; and
- Consideration of other business properly presented at the meeting.

RECORD DATE

Shareholders of record at the close of business on March 4, 2016 are entitled to attend and vote at the meeting. If you wish to attend the 2016 Annual Meeting, an Admission Ticket and government-issued photo identification are required. To request an Admission Ticket, please refer to *Questions and Answers about the Annual Meeting and Voting* starting on page 64.

MATERIALS TO REVIEW

We are pleased to electronically deliver proxy materials again this year. Utilizing Internet delivery allows us to distribute our proxy materials in an environmentally responsible manner.

This Proxy Statement, our 2015 Summary Annual Report and Dominion's Annual Report on Form 10-K for the year ended December 31, 2015, will be made available to shareholders electronically on or around March 22, 2016, or mailed on or around the same date to those shareholders who have previously requested printed materials.

PROXY VOTING

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.

Dated: March 22, 2016

By Order of the Board of Directors,

Carter M. Reid

Carter M. Reid
Senior Vice President, Chief Administrative & Compliance Officer and Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for Dominion's 2016 Annual Meeting of Shareholders to be Held on May 11, 2016

Dominion's Notice of Annual Meeting, 2016 Proxy Statement, 2015 Summary Annual Report and 2015 Annual Report on Form 10-K are available on our website at www.dom.com/proxy.

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PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting. *Questions and Answers about the Annual Meeting and Voting* can be found beginning on page 64.

MEETING INFORMATION

DATE AND TIME:	**May 11, 2016, 9:30 a.m., ET**
PLACE:	Hilton Columbia Center 924 Senate Street Columbia, South Carolina 29201
RECORD DATE:	March 4, 2016
VOTING:	Shareholders as of the record date are entitled to vote. Each share of Dominion Resources, Inc. (Dominion) common stock is entitled to one vote on each matter properly brought before Dominion's Annual Meeting of Shareholders to be held on May 11, 2016 (the 2016 Annual Meeting).
ADMISSION:	You must request an Admission Ticket in advance to attend the 2016 Annual Meeting by either emailing us at shareholder.services@dom.com or contacting Dominion Shareholder Services at (800) 552-4034. Refer to *Questions and Answers about the Annual Meeting and Voting* starting on page 64 for admission requirements. Admission Tickets are not transferrable.

HOW TO VOTE

For registered holders and Savings Plan Participants:
(Shares are registered in your name with Dominion's transfer agent or held in the Dominion Savings Plan)

Electronically via the Internet*
www.cesvote.com

By telephone within the U.S.*
(888) 693-8683

By mail using the proxy card/voting instruction form

For beneficial owners:
(Shares are held in a stock brokerage account or by a bank or other holder of record)

Electronically via the Internet*
www.proxyvote.com

By telephone within the U.S.*
(800) 454-8683

By mail using the proxy card

**You will need your control number that appears on the Notice or proxy card/voting instruction form.*

If you received a Notice of Internet Availability, follow the instructions included on how to vote online. If you attend the 2016 Annual Meeting, you may vote your shares in person. For admission requirements, please see *How do I attend the 2016 Annual Meeting in person?* on page 66.

SHAREHOLDER VOTING MATTERS

Voting Matter	Board Vote Recommendation	Page Reference
Item 1 – Election of Directors	FOR each director nominee	7
Item 2 – Ratification of Appointment of Auditors	FOR	23
Item 3 – Advisory Vote on Approval of Executive Compensation	FOR	51
Items 4-9 – All Shareholder Proposals	AGAINST	52

OUR DIRECTOR NOMINEES

You are being asked to vote on the election of the following 10 director nominees. All directors are elected annually by a majority of votes cast unless there is a contested election, in which case the election is by plurality vote. If an incumbent nominee does not receive a majority of votes cast for his or her election, he or she will continue to serve on the Board as a "holdover director" and will be required to submit a letter of resignation promptly to the Board. Within 90 days following the certification of election results, the Board shall act on the offered resignation. With advice from the Compensation, Governance and Nominating (CGN) Committee, the Board will determine whether or not to accept such resignation. Detailed information about each director's background, skills and areas of expertise can be found beginning on page 7.

Nominee	Age	Director Since	Principal Occupation	Independent	Committees
William P. Barr	65	2009	Retired Executive Vice President and General Counsel of Verizon Communications Inc.; Former Attorney General of the United States	Yes	A; C
Helen E. Dragas	54	2010	President and CEO of The Dragas Companies	Yes	F
James O. Ellis, Jr.	68	2013	Former President and CEO of the Institute of Nuclear Power Operations	Yes	A
Thomas F. Farrell II	61	2005	Chairman, President & CEO of Dominion	No	
John W. Harris	68	1999	Chairman and CEO of Lincoln Harris LLC	Yes	C; L
Mark J. Kington	56	2005	Managing Director of Kington Management, LLC	Yes	C; F^
Pamela J. Royal, M.D.	53	2013	Dermatologist and President of Royal Dermatology and Aesthetic Skin Care, Inc. and community leader	Yes	A
Robert H. Spilman, Jr.	59	2009	President and CEO of Bassett Furniture Industries, Incorporated	Yes	A^; C
Michael E. Szymanczyk	67	2012	Former Chairman and CEO of Altria Group, Inc.	Yes	F
David A. Wollard	78	1999	Founding Chairman, Emeritus, Exempla Healthcare	Yes	C^

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

BUSINESS HIGHLIGHTS

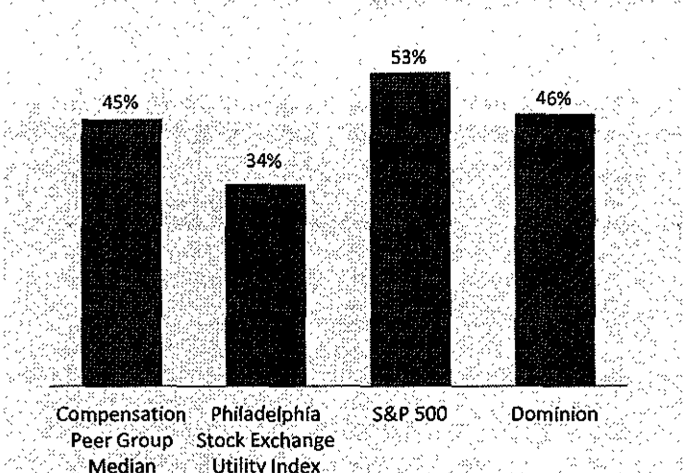
Dominion continued to innovate and deliver in 2015:

- We announced new large-scale solar projects, proposed construction of Virginia's largest natural gas-fired power station and re-filed our application with the Virginia State Corporation Commission to bury the most outage-prone overhead power lines as part of the initial phase of our strategic undergrounding program.
- We contributed newly-acquired natural gas infrastructure assets to Dominion Midstream Partners, LP (Dominion Midstream), increasing the value of our interest in that master limited partnership.
- We made progress on the Atlantic Coast Pipeline and Cove Point natural gas liquefaction projects, which are expected to produce substantial economic benefits at the local, regional and national levels.
- We achieved an Occupational Safety and Health Administration (OSHA) recordable rate of 0.74, tying the all-time best rate we set last year. By maintaining our focus on safety, we have also reduced our lost-time/restricted duty rate by more than 20 percent since 2010.

Despite challenging market conditions in 2015, we continued to execute our growth strategy through regulated and long-term contracted businesses, maximizing our unique combination of assets, experience and geography to take advantage of strategic opportunities.

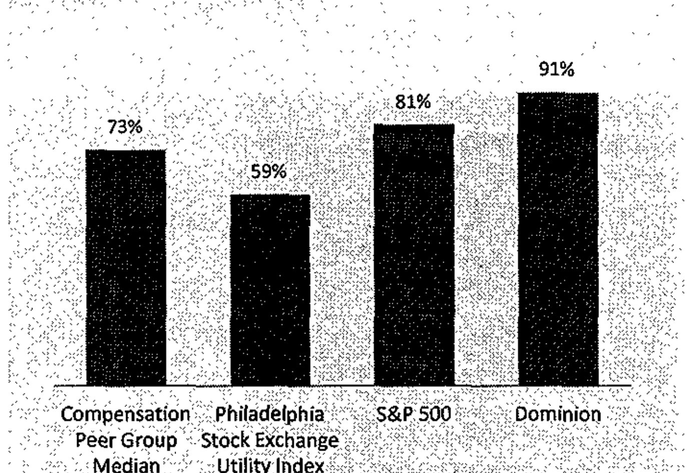
3-YEAR TOTAL SHAREHOLDER RETURN*

We performed in line with the Compensation Peer Group median, outperformed the Philadelphia Stock Exchange Utility Index and lagged behind the S&P 500 over the three-year period ending December 31, 2015.



5-YEAR TOTAL SHAREHOLDER RETURN*

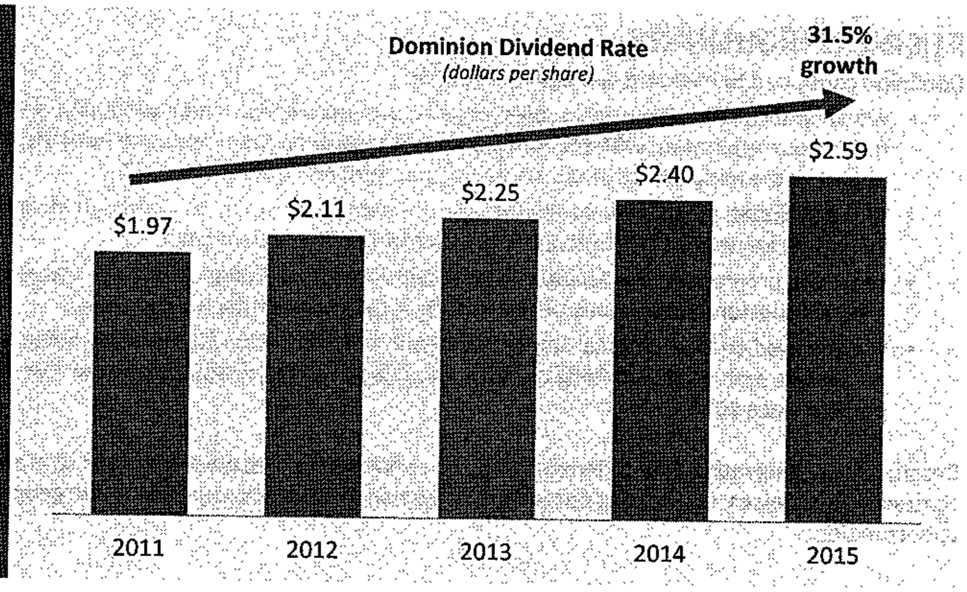
We outperformed the Compensation Peer Group median, the Philadelphia Stock Exchange Utility Index and the S&P 500 over the five-year period ending December 31, 2015.



*For Dominion and the Compensation Peer Group median, Total Shareholder Return (TSR) represents the change in value (including reinvested dividends) of an investment in common stock over the specified period; the members of our Compensation Peer Group are identified on page 36 of the *Compensation Discussion and Analysis*. TSR results for the Philadelphia Stock Exchange Utility Index and the S&P 500 are as reported by Bloomberg.

MORE THAN 90% TOTAL SHAREHOLDER RETURN OVER FIVE YEARS

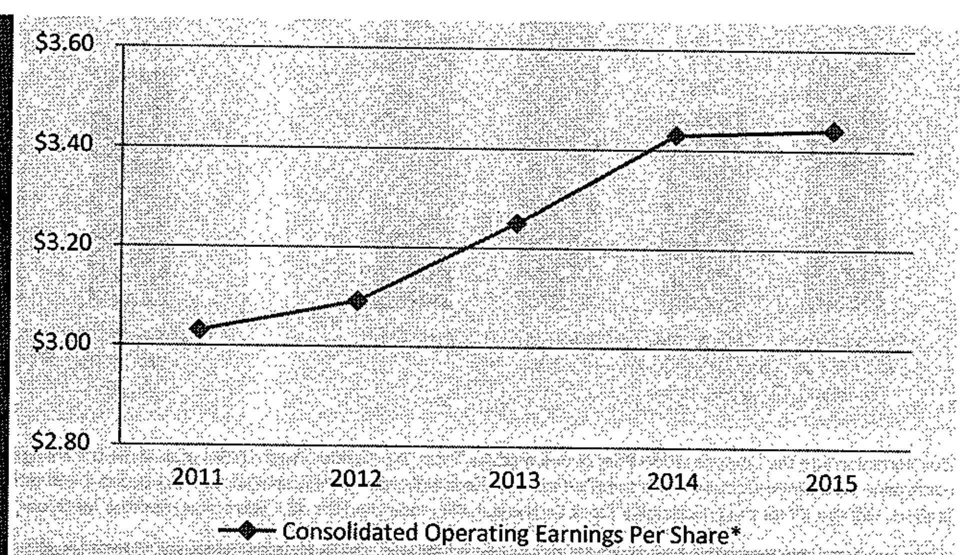
7.9%
INCREASE IN DIVIDEND RATE IN 2015



$39.6 BILLION MARKET CAPITALIZATION

as of December 31, 2015
ranking 4th in our Compensation Peer Group

2015 CONSOLIDATED OPERATING EARNINGS OF $3.44* PER SHARE



2015 consolidated operating earnings were below our guidance range of $3.50 to $3.85 per share. Consolidated earnings reported under Generally Accepted Accounting Principals (GAAP) were $3.20 per share in 2015, up from $2.24 per share in 2014.

*See Reconciliation of Consolidated Operating Earnings (non-GAAP) to Reported Earnings (GAAP) in Appendix A.

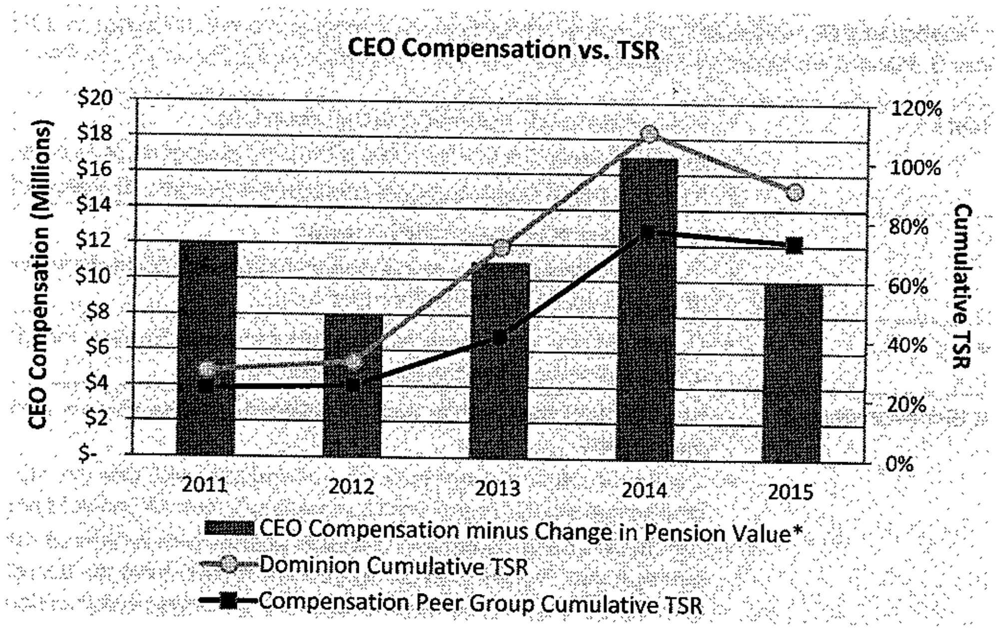
CORPORATE GOVERNANCE HIGHLIGHTS

Dominion is committed to maintaining the highest standards of corporate governance. Strong corporate governance practices help us achieve our performance goals and maintain the trust and confidence of our shareholders, employees, customers, regulatory agencies and other stakeholders. Our corporate governance practices are described in more detail on pages 13-15 and in our Corporate Governance Guidelines which can be found at https://www.dom.com/corporate/investors/governance.

Director Independence	• 9 of our 10 director nominees are independent. • Our Chief Executive Officer (CEO) is the only management director. • All of our board committees are composed exclusively of independent directors.
Board Leadership	• We have an independent Lead Director. • The Lead Director serves as a liaison on board-wide issues between the Chairman of the Board and the independent directors.
Executive Sessions	• The independent directors regularly meet in executive sessions without management present, at which the Lead Director presides.
Board Oversight of Risk Management	• Our Board receives regular updates related to various risks for both our company and our industry. • The Board's Audit Committee meets periodically with members of management to receive and discuss reports on the company's internal control systems and compliance. • The Board's Audit Committee discusses policies with respect to risk assesment and risk management, including reviewing periodic reports from the Board's Finance and Risk Oversight Committee concerning their risk assesment and oversight responsibilities. • The Board's Finance and Risk Oversight Committee meets periodically with members of management to receive and discuss reports relating to the company's financing activities, and oversee the implementation of risk assessment and risk management policies and procedures.
Share Ownership Requirements	• Our non-employee directors are expected to hold the lesser of 12,000 shares of Dominion common stock or an amount of shares equal in value to five times the annual cash and stock retainer combined within four years of their election to the Board. • Our CEO is expected to hold the lesser of 145,000 shares or shares with a value of eight times his salary. • Executive vice presidents are expected to hold the lesser of 35,000 shares or shares with a value of five times their salary. • We do not allow our executives or directors to pledge shares as collateral or hedge the economic risk of owning shares.
Board Practices	• Our Board annually reviews its effectiveness as a group and its committees. • We have no poison pill. • Shareholders may call a special meeting. • We recently amended our Bylaws to allow for proxy access nominees. • All directors stand for election annually. • In uncontested elections, directors must be elected by a majority of votes cast.

COMPENSATION HIGHLIGHTS

Dominion has outperformed its peers, with CEO pay paralleling the stock's trend, over the past five years.



*As reported in Summary Compensation Table
For Dominion and the Compensation Peer Group median, TSR represents the change in value (including reinvested dividends) of an investment in common stock over the specified period.

Other 2015 highlights:

- Consistent with pay-for-performance principles, 2015 CEO compensation was significantly lower than target despite excellent operations, due to lower than expected 2015 earnings and lagging two-year TSR.
- 3% base salary increases for the CEO and most other named executive officers (NEOs) in 2015; the CFO received a 10% increase.
- Annual Incentive Plan (AIP) funded at 20%.
- 2014 Performance Grant paid at 76.3% of target, based on TSR and return on invested capital (ROIC) over a two-year period.
- Sound governance practices, including strong share ownership guidelines, clawback policies, anti-hedging rules, and substantial at-risk pay.

Advisory Vote on Approval of Executive Compensation (Say on Pay)

We are asking shareholders to approve, on a non-binding, advisory basis, the compensation of our NEOs. In evaluating the Say on Pay proposal, we recommend you review our *Compensation Discussion and Analysis*, which discusses the compensation objectives and principles that underlie Dominion's executive compensation program and describes how performance is measured, evaluated and rewarded, as well as the tables, notes and narrative that follow.

ITEM 1 - ELECTION OF DIRECTORS

The Board of Directors has nominated 10 directors for election at the 2016 Annual Meeting. Each nominee is currently serving as one of our directors. If you re-elect them, they will hold office until the next annual meeting or until their successors have been elected and qualified.

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, the CGN Committee considers candidates recommended by shareholders, current members of the Board, members of management or any others that come to its attention. 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 69.

In addition, Dominion recently amended its Bylaws to include a proxy access provision. Under our amended and restated Bylaws, a shareholder, or a group of up to 20 shareholders, owning 3% or more of the company's outstanding stock continuously for at least three years, may nominate and include in the company's proxy materials director nominees constituting up to 20% of the Board (rounding down) or two nominees, whichever is greater, provided that such shareholder(s) and nominee(s) satisfy the requirements set forth in the Bylaws.

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, but not limited to, experience and skills in the following areas: CEO, utility and gas industry, financial or accounting (including oversight), legislative or regulatory and public company boards outside Dominion.

In addition, the CGN Committee considers other attributes including 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 the Board's diversity, in its broadest sense, reflecting, but not limited to, ethnicity, gender and geography. The CGN Committee also considers whether a director candidate is independent in accordance with the independence standards of Dominion and the New York Stock Exchange (NYSE).

Information about each director nominee is presented below and includes specific experience, qualifications, attributes and skills that led the CGN Committee and our Board to the conclusion that he or she should serve as a director. These nominees are collegial, thoughtful, responsible and intelligent people and are 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.

William P. Barr

Director Since: 2009

Board Committees:
Audit and CGN

Other Current Public Boards: Time Warner Inc., Selected Funds and Clipper Fund

DIRECTOR BIOGRAPHY

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

DIRECTOR QUALIFICATIONS

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

Helen E. Dragas

Director Since: 2010

Board Committee:
Finance and Risk Oversight

DIRECTOR BIOGRAPHY

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

DIRECTOR QUALIFICATIONS

Ms. Dragas's qualifications to serve as a director include more than 19 years of experience as the leader of a development planning and construction firm, which is beneficial as Dominion continues to make significant investments in its infrastructure. She possesses leadership, management and analytical skills from her experience as a chief executive officer and as demonstrated through her varied community service and gubernatorial appointments.

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

Director Since: 2013

Board Committee: Audit

Other Current Public Boards: Lockheed Martin Corporation and Level 3 Communications, Inc.

DIRECTOR BIOGRAPHY

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

DIRECTOR QUALIFICATIONS

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

Thomas F. Farrell II

Director Since: 2005

Other Current Public Boards: Dominion Midstream GP, LLC and Altria Group, Inc.

DIRECTOR BIOGRAPHY

Mr. Farrell has been chairman, president and chief executive officer of Dominion since April 2007. He also serves as chairman, president and chief executive officer of Dominion Midstream GP, LLC, the general partner of Dominion Midstream. Mr. Farrell is a director of Altria Group, Inc. He is also chairman of the board and chief executive officer of Virginia Electric and Power Company (Virginia Power) and Dominion Gas Holdings, LLC, wholly-owned subsidiaries of Dominion that have publicly traded debt. He received his undergraduate and law degrees from the University of Virginia.

DIRECTOR QUALIFICATIONS

Mr. Farrell's qualifications to serve as a director include his significant industry experience as well as his legal expertise, having served as general counsel for Dominion and Virginia Power and as a practicing attorney with a private firm. He is chairman of the Institute of Nuclear Power Operations and a member of the board of directors of the Edison Electric Institute through which he actively represents the interests of Dominion, Virginia Power and the energy sector. Mr. Farrell also has extensive community and public interest involvement and serves or has served on many non-profit and university boards.

John W. Harris

Director Since: 1999

Board Committee:
CGN

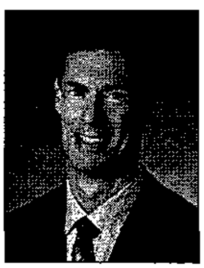
DIRECTOR BIOGRAPHY

Mr. Harris has been chairman and chief executive officer of Lincoln Harris LLC (formerly The Harris Group), a real estate consulting firm, which he co-founded in 1999 and is a former president of The Bissell Companies, Inc., a commercial real estate and investment management company. He served as a director of Piedmont Natural Gas Company, Inc. from 1997 until March 2014. Mr. Harris also previously served as a director of the Presbyterian Hospital Foundation. He received his undergraduate degree from the University of North Carolina at Chapel Hill. Mr. Harris is the Lead Director and serves on the CGN Committee.

DIRECTOR QUALIFICATIONS

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 former 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 extensive business leadership and management skills, as well as financial and capital markets experience.

Mark J. Kington



Director Since: 2005

Board Committees:
CGN and Finance and Risk Oversight

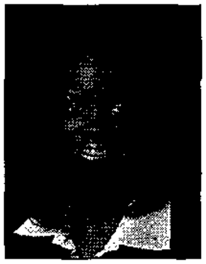
DIRECTOR BIOGRAPHY

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

DIRECTOR QUALIFICATIONS

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

Pamela J. Royal, M.D.



Director Since: 2013

Board Committee: Audit

DIRECTOR BIOGRAPHY

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

DIRECTOR QUALIFICATIONS

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

Robert H. Spilman, Jr.

Director Since: 2009

Board Committees: Audit and CGN

Other Current Public Board: Bassett Furniture Industries, Incorporated

DIRECTOR BIOGRAPHY

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

DIRECTOR QUALIFICATIONS

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

Michael E. Szymanczyk

DIRECTOR BIOGRAPHY

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

Director Since: 2012

Board Committee: Finance and Risk Oversight

Other Current Public Board: Duke Realty Corporation

DIRECTOR QUALIFICATIONS

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

David A. Wollard

DIRECTOR BIOGRAPHY

Mr. Wollard is founding chairman of the board, emeritus, Exempla Healthcare (1997 to 2001). He served as a director of Vectra Bank Colorado until January 2016. Mr. Wollard is the past chairman of the Downtown Denver Partnership and the Denver Metro Chamber of Commerce. He received his undergraduate degree from Harvard College and graduated from the Stonier Graduate School of Banking. Mr. Wollard held a variety of executive positions with banking institutions in Florida and Colorado, where he was the president of Bank One Colorado, N.A. Mr. Wollard serves on the CGN Committee.

Director Since: 1999

Board Committee: CGN

Other Current Public Board: Dominion Midstream GP, LLC

DIRECTOR QUALIFICATIONS

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

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

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 where 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;
- share ownership requirements and compensation of non-employee directors;
- management succession and review; and
- the recovery of performance-based compensation in the event financial results are restated due to fraud or intentional misconduct.

The CGN Committee regularly reviews our Corporate Governance Guidelines and recommends modifications to the Board when appropriate and when NYSE and U.S. Securities and Exchange Commission (SEC) regulations require changes.

Our Corporate Governance Guidelines may be found on Dominion's website at https://www.dom.com/library/domcom/pdfs/investors/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, https://www.dom.com/corporate/investors/governance, including:

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

Our Code of Ethics and Business Conduct applies to our Board, our principal executive, financial and accounting officers, and all other employees, and may be found on our website at https://www.dom.com/library/domcom/pdfs/investors/code-of-ethics-and-business-conduct.pdf. Any waivers or changes to our Code of Ethics and Business Conduct relating to our executive officers will also be posted at this web address.

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

Our Board Leadership and Role in Risk Oversight

Our Board is currently structured with a joint CEO and Chairman position. Our Corporate Governance Guidelines provide that the Board will determine whether to have a joint CEO and Chairman position or 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 for the reasons set forth below.

The Board believes a combined CEO and Chairman position provides an efficient and effective leadership model for the company. A combined CEO and Chairman role promotes unified leadership and direction for the company and the effective execution of the company's strategy and business plans. The Board believes Mr. Farrell provides the necessary experience and skills to lead the company in addressing the energy demands of the communities where Dominion does business, 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 appropriate and in the best interests of the company and its shareholders. Also, 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 of our committees consist entirely of independent directors. Dominion has an independent Lead Director who leads the executive session of our independent, non-management directors at each regularly scheduled Board meeting. Our Corporate Governance Guidelines dictate that the non-management directors shall elect an independent Lead Director when the Chairman of the Board is not an independent director. If the Lead Director is not available, the Chair of the CGN Committee acts as the Lead Director. Mr. Harris currently serves as the Lead Director.

The duties and responsibilities of the Lead Director include:

- Presiding at all meetings of the Board when the Chairman is not present and presiding over all executive sessions of the independent directors;
- Serving as a liaison on board-wide issues between the Chairman 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 ensure sufficient time for discussion of all agenda items;
- Being available for communications if requested by major shareholders; and
- Being authorized, in consultation with the Board, to retain independent advisers.

The 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 and having a majority of independent directors provides an effective counterbalance to the combined Chairman and CEO role.

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

The Board believes that Dominion's current Board leadership structure enhances its ability to engage in risk oversight because Mr. Farrell's insight and understanding of the material risks inherent in Dominion's business allow him to identify and raise key risks to the Board. His role as Chairman ensures that the Board and its standing committees give attention to areas of concern. Ultimately, the full Board has responsibility for risk oversight, but our committees help oversee risk in areas over which they have responsibility. The full Board receives regular updates related to various risks for both our company and our industry. As provided under our Corporate Governance Guidelines and the respective committees' charters, the Board, the Audit Committee and the Finance and Risk Oversight Committee each receive and discuss reports regularly from members of management, including the Chief Risk Officer, who are involved in our 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.

Director Attendance

Under our Corporate Governance Guidelines, directors are expected to attend all Board and committee meetings. The Board met 10 times in 2015. 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 2015 Annual Meeting of Shareholders.

Independence of Directors

Our Corporate Governance Guidelines and the NYSE listing standards require that the Board be composed of a majority of independent directors. To assist in assessing director independence, the 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 all relevant facts and circumstances in making an independence determination.

Our independence standards also include categorical standards that identify categories of commercial and charitable relationships that the Board has determined are not material relationships and, therefore, do not affect a director's independence. As such, these categorical relationships are not considered by the Board in determining independence, but are reported to the CGN Committee annually. The Board may determine that a director is independent even if that director has a relationship that does not meet these categorical standards, provided that relationship does not violate NYSE independence standards. 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 https://www.dom.com/library/domcom/pdfs/investors/corp-gov-guidelines.pdf.

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

Based on the NYSE's and Dominion's independence standards and all relevant facts and circumstances, the Board determined that the following directors are independent: Messrs. Barr, Ellis, Harris, Kington, Spilman, Szymanczyk and Wollard, Dr. Royal, and Ms. Dragas. The Board determined that Mr. Szymanczyk was independent as of June 2015, when three years passed since his services as chief executive officer of Altria coincided with Mr. Farrell's service on Altria's compensation committee. 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 2015 by a law firm that provides services to Dominion and concluded that Mr. Harris did not have a material interest in that employment relationship. Mr. Harris' son-in-law is employed by the North Carolina office of a law firm used by Dominion. Dominion's legal work is directed and performed principally by the firm's lawyers in the Richmond, Virginia, office where Dominion's headquarters are located. Mr. Harris' son-in-law became employed by the law firm in January 2011 as an attorney in the financial services litigation practice group and works primarily on matters for banks and other financial service industry participants. Mr. Harris' son-in-law does not work on any Dominion matter and his compensation is not tied to the work that the firm does for Dominion. The CGN Committee recommended and the Board concurred that such employment relationship does not affect Mr. Harris' independence.

Communications With Directors

The Board has established a process for shareholders and other interested persons to communicate directly with Dominion's non-management directors. Information regarding this process, including how to email or write our non-management directors, may be found on our website at https://www.dom.com/corporate/investors/governance/contact-the-board. 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 sent to the non-management directors. Communications related to matters that are within the scope of the responsibilities of the Board are forwarded to the Board, Board committee or individual directors, 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 material 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 Chair, 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.

Board of Directors Committees

The Board has three standing, permanent committees described below. The Board has adopted charters for each of these committees and these charters are available on our website at https://www.dom.com/corporate/investors/governance/board-committees-and-charters.

Audit Committee Committee Chair	Committee Members	Meetings Held in 2015
Robert H. Spilman, Jr.	William P. Barr, James O. Ellis, Jr. and Pamela J. Royal	9

The Audit 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, and reviews and discusses periodic reports pertaining to the oversight of nuclear operations. The Audit Committee retains the independent auditor for the next year and pre-approves the audit and non-audit services to be provided by the independent auditor. This committee periodically meets with both the independent auditor and internal auditor in separate sessions without management present and 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 page 21.

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. In addition, each of the members meets the financial literacy requirements for audit committee membership under the NYSE's rules and the rules and regulations of the SEC. The Board has determined that Mr. Spilman and Dr. Royal are "audit committee financial experts", as defined under SEC rules.

Compensation, Governance and Nominating Committee Committee Chair	Committee Members	Meetings Held in 2015
David A. Wollard	William P. Barr, John W. Harris, Mark J. Kington and Robert H. Spilman, Jr.	5

The CGN Committee consults directly with its independent compensation consultant, Frederic W. Cook & Co. (Cook & Co.), as needed, and with management to review and evaluate Dominion's organizational structure and compensation practices, which include both Dominion's executive and director compensation programs. This committee also meets with Cook & Co. as needed, without the CEO present, to review and discuss CEO compensation and other matters. In addition, the CGN Committee is 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 report to shareholders is on page 24.

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.

Finance and Risk Oversight Committee Committee Chair	Committee Members	Meetings Held in 2015
Mark J. Kington	Helen E. Dragas and Michael E. Szymanczyk	6

The Finance and Risk Oversight 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.

Each member of the Finance and Risk Oversight Committee has been determined independent by the Board in accordance with NYSE listing standards, SEC regulations and the company's independence standards.

COMPENSATION OF NON-EMPLOYEE DIRECTORS

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

Effective May 2014, the components of non-employee director compensation are as follows:

- Annual cash retainer: $77,500
- Annual stock retainer: $127,500
- Lead director annual cash retainer: $27,500
- Committee chair annual cash retainer: Audit Committee and CGN Committee, $22,500; Finance and Risk Oversight Committee, $15,000
- Board and committee meeting fees: $2,000 per meeting

The following table and footnotes reflect the compensation and fees received in 2015 by our non-employee directors for their services. Mr. Farrell does not receive any separate compensation for his service as a director.

Name	Fees Earned or Paid In Cash(1)	Stock Awards(2)	All Other Compensation(3)	Total
William P. Barr	$ 125,500	$ 127,476	$ –	$ 252,976
Peter W. Brown(4)	8,000	–	14,282	22,282
Helen E. Dragas	111,500	127,476	–	238,976
James O. Ellis, Jr.	117,500	127,476	–	244,976
John W. Harris	137,000	127,476	103,851	368,327
Mark J. Kington	136,500	127,476	5,000	268,976
Pamela J. Royal	117,500	127,476	–	244,976
Robert H. Spilman, Jr.	150,000	127,476	–	277,476
Michael E. Szymanczyk	111,500	127,476	–	238,976
David A. Wollard(5)	132,000	127,476	99,351	358,827
All Directors	$1,147,000	$1,147,284	$222,484	$2,516,768

(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 2015 meeting fees and annual cash retainer. Mr. Szymanczyk received stock in lieu of cash for his 2015 meeting fees and annual cash retainer.

(2) Each non-employee director who was elected in May 2015 received an annual stock retainer valued at approximately $127,476, which was equal to 1,800 shares, valued at $70.82 per share based on the closing price of Dominion common stock on May 5, 2015. Directors may defer all or a portion of this stock retainer. (See the *Director and Officer Share Ownership* table for March 4, 2016 balances.) A total of 16,200 shares of stock, in aggregate, were distributed to these 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, 2015.

(3) *All Other Compensation* amounts for 2015 are as follows:

For Dr. Brown and Messrs. Harris and Wollard, amounts include dividend equivalents earned on the Directors' Stock Accumulation Plan (SAP) balances of $14,282, $98,851 and $98,851, respectively. 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. Messrs. Harris and Wollard's amounts also include a matching gift contribution of $5,000 and $500, respectively, made by the Dominion Foundation as described under *Other Director Benefits*. Mr. Kington's amount is for a matching gift contribution only.

(4) Dr. Brown served as a director until May 2015 and did not stand for re-election at the May 2015 Annual Meeting.

(5) Mr. Wollard also serves on the board of directors of Dominion's publicly traded Dominion Midstream subsidiary and receives compensation for his service on Dominion Midstream's Board. The compensation for service on Dominion Midstream's Board is separately disclosed in its Form 10-K, and Dominion Midstream's director compensation is determined by the independent members of the Dominion Midstream Board.

Expense Reimbursements

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

Director Compensation Plans

NON-EMPLOYEE DIRECTORS COMPENSATION PLAN

Our non-employee directors are paid their annual retainers and meeting fees under this plan. A director may elect to receive all or a portion of his or her meeting fees in the form of cash or stock. If a director does not make an election, meeting fees are paid in cash. The plan also allows directors to defer all or a portion of their annual cash retainer and meeting fees into stock unit or cash accounts and all or a portion of their annual stock retainer into stock unit accounts. Stock unit accounts are credited quarterly with additional stock units equal in value to dividends paid on Dominion common stock, and cash accounts are credited monthly with interest at an annual rate established for the Dominion Fixed Rate Fund (which was 2.9% in 2015) under Dominion's frozen Executive Deferred Compensation Plan. Shares of Dominion common stock equal in value to stock units held for directors under this plan are issued into a trust and directors retain all voting and other rights as shareholders. Distributions under this plan are made when a director ceases to serve on the Board. For a director who has served at least five years, he or she will be granted 1,000 shares of Dominion common stock upon departure from the Board. If that director also served as a Committee Chair or Lead Director in the year preceding the year of departure, he or she will be granted an additional 1,000 shares of Dominion common stock for each such position held upon departure from the Board. In addition, this plan provides a means for the Board to receive grants of restricted stock awards and stock options. However, no stock options or restricted stock have been granted under this plan.

FROZEN DIRECTOR 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 (3) under the *Compensation of Non-Employee Directors* table on page 17). These plans provided a means to compensate directors and allowed directors to defer receipt of that compensation, whether in cash or stock, until they ceased to be directors or reached a specified age. In the case of the Deferred Cash Compensation Plan, deferred fees were credited to either an interest bearing account (interest is credited based on the average three-month U.S. Treasury Bill rate) or a Dominion common stock equivalent account. Under the frozen plans, dividend equivalents continue to accrue and may be held in trust until distributions are made. Prior to 2005, the stock portion of a director's retainer was paid under the Stock Compensation Plan, and directors had the option to defer receipt of that stock.

Other Director Benefits

CHARITABLE CONTRIBUTION PROGRAM

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

MATCHING GIFTS PROGRAM

Dominion's philanthropic arm, 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 indemnification and liability insurance for its non-employee directors.

SECURITIES OWNERSHIP

As discussed in our *Corporate Governance Highlights* on page 5, all non-employee directors are expected to acquire and hold the lesser of 12,000 shares of Dominion stock or an amount of shares equal in value to five times the annual cash and stock retainer combined within four years of their election to the Board. Our CEO is expected to hold the lesser of 145,000 shares or shares with a value of eight times his salary, and executive vice presidents are expected to hold the lesser of 35,000 shares or shares with a value of five times their salary. All of our non-employee directors who have been members of the Board for at least four years, our CEO and our executive officers meet their share ownership requirements. Our directors and executive officers 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.

The following table sets forth, as of March 4, 2016, the number of shares of our common stock and the number of common units of our publicly traded subsidiary, Dominion Midstream, beneficially owned by each of our directors, NEOs, and by all directors and executive officers as a group.

Director and Officer Beneficial Ownership

	Beneficial Ownership as of March 4, 2016				
Name	Shares	Deferred Stock Accounts(1)	Restricted Shares	Total(2)	Common Units of Dominion Midstream(3)
William P. Barr	38,467	—	—	38,467	63,200
Helen E. Dragas	45,605	22,692	—	68,297	25,000
James O. Ellis, Jr.	3,600	5,940	—	9,540	10,000
Thomas F. Farrell II	820,526	—	192,903	1,013,429	69,900
John W. Harris	26,416	42,745	—	69,161	25,000
Mark J. Kington	111,468	51,334	—	162,802	100,000
Pamela F. Royal	7,583	11,996	—	19,579	2,400
Robert H. Spilman, Jr.	13,191	5,021	—	18,212	12,500
Michael E. Szymanczyk	24,495	1,167	—	25,662	25,000
David A. Wollard	16,148	19,838	—	35,986	20,846
Mark F. McGettrick	248,802	—	51,633	300,435	64,900
David A. Christian	101,266	—	32,195	133,461	13,200
Paul D. Koonce	112,710	—	32,195	144,905	50,000
David A. Heacock	38,071	—	14,712	52,783	5,000
All directors and executive officers as a group (17 persons)(4)	1,675,610	160,733	353,673	2,190,016	494,946

(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 4, 2016. 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 a director or executive officer has voting and/or investment discretion or voting and/or investment power is shared with or controlled by another person as follows: Mr. Farrell, 18,000 (shares held jointly with spouse); Mr. Kington, 7,694 (shares held in joint tenancy) and 51,760 (shares held in a grantor annuity trust); Ms. Dragas, 10,720 (shares held by jointly owned company); and all directors and executive officers as a group, 88,174.

(3) No individual director or executive officer has the right to acquire beneficial ownership of units within 60 days of March 4, 2016. Unless otherwise noted, all units are held directly by the director or executive officer and such person has sole voting and investment power with respect to such units. Includes units as to which a 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: Ms. Dragas, 10,000 (units held in trust); Mr. Farrell, 10,000 (units held jointly with spouse); Mr. Kington, 100,000 (units held in trust); and all directors and executive officers as a group, 120,500.

(4) Neither any individual director or executive officer nor all of the directors or executive officers as a group owns more than 1 percent of Dominion's outstanding shares, or more than 1 percent Dominion Midstream's units outstanding, as of March 4, 2016.

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] 55 East 52nd Street New York, NY 10055	43,876,014	7.40%
The Vanguard Group[2] 100 Vanguard Boulevard Malvern, PA 19355	35,510,190	5.96%
Capital Research Global Investors[3] 333 South Hope Street Los Angeles, CA 90071	39,480,394	6.60%

(1) According to its Schedule 13G filing for December 31, 2015, this shareholder has sole voting power over 38,881,810 shares and sole dispositive power over 43,876,014 shares.

(2) According to its Schedule 13G filing for December 31, 2015, this shareholder has sole voting power over 1,144,983 shares, shared voting power over 59,600 shares, sole dispositive power over 34,340,928 shares, and shared dispositive power over 1,169,262 shares.

(3) According to its Schedule 13G filing for December 31, 2015, this shareholder has sole voting and sole dispositive power over 39,480,394 shares.

AUDIT COMMITTEE REPORT

Our Committee operates under a written charter that is reviewed annually and was most recently revised in February 2014. Our charter may be found on the company's website at https://www.dom.com/library/domcom/pdfs/corporate/audit-charter.pdf.

Management is responsible for Dominion's financial statements and internal controls over financial reporting. Our Committee is responsible for assisting the Board in fulfilling its responsibility for oversight of the quality and integrity of Dominion's accounting, auditing and financial reporting practices. Our Committee is also responsible for reviewing and discussing oversight of Dominion's nuclear operations and performance.

Throughout 2015, we met with the internal and independent auditors, with and without management present, to discuss the plans for, and scope and results of, their audits and reviews of Dominion's financial statements and internal controls over financial reporting, and the overall quality of Dominion's financial reporting. At three of the Committee's meetings, we also met with the internal auditors, independent auditors and management in separate executive sessions.

Management has represented that Dominion's consolidated financial statements were prepared in accordance with GAAP. We reviewed and discussed the audited consolidated financial statements with management and the independent auditors. In *accordance with the requirements established by the Public Company Accounting Oversight Board (PCAOB) Audit Standard No. 16, Communications with Audit Committees*, this discussion included a review of significant accounting estimates and controls, and the quality of Dominion's accounting principles.

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

2015 Consolidated Financial Statements

Relying on these reviews and discussions, we recommended to the Board, and the Board approved, the inclusion of the audited financial statements and management's annual report on internal control over financial reporting in Dominion's Annual Report on Form 10-K for the year ended December 31, 2015, for filing with the SEC.

Independent Auditors for 2016

Our Committee discussed with management and reviewed with the independent auditors their plans and proposed fees for auditing the 2016 consolidated financial statements and internal controls over financial reporting of Dominion and its subsidiaries, as well as their proposed audit-related 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 2016 and in accordance with our pre-approval policy, approved the fees for the services presented to us. Permission for any non-audit related services will require prior approval by our Committee or its chairman.

Robert H. Spilman, Jr., *Chairman*
William P. Barr
James O. Ellis, Jr.
Pamela J. Royal

AUDITOR FEES AND PRE-APPROVAL POLICY

The Audit Committee has a pre-approval policy for Deloitte & Touche LLP's services and fees. Each year, the Audit Committee pre-approves a schedule that details the services to be provided for the following year and an estimated charge for such services. The Audit Committee approved the schedule of services and fees for 2016. In accordance with Dominion's pre-approval policy, any changes to the schedule may be approved by the Audit Committee at its next meeting.

The following table presents fees paid to Deloitte & Touche LLP for the fiscal years ended December 31, 2015, and 2014, all of which were pre-approved by the Audit Committee.

Type of Fees (millions)	2015	2014
Audit Fees	$6.12	$6.93
Audit-related Fees	0.55	0.55
Tax Fees	–	–
All Other Fees	–	0.02
Total	$6.67	$7.50

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

Audit-Related Fees. These amounts 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.

All Other Fees. These amounts consist of valuation advice and recommendations regarding the calculation of insurable value on certain property.

Representatives of Deloitte & Touche LLP will be present at the 2016 Annual Meeting. They will have an opportunity to make a statement if they desire, and will be available to respond to shareholder questions.

ITEM 2 - RATIFICATION OF APPOINTMENT OF AUDITORS

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent external audit firm retained to audit the company's financial statements. The Audit Committee has appointed Deloitte & Touche LLP as the company's independent external auditor for the fiscal year 2016. Deloitte & Touche LLP has served as Dominion's independent external auditor continuously since 1988. The Audit Committee is responsible for the audit fee negotiations associated with the retention of Deloitte & Touche LLP. In order to ensure continuing auditor independence, the Audit Committee periodically considers whether there should be a regular rotation of the independent external audit firm. Further, in conjunction with the mandated rotation of the auditing firm's lead engagement partner, the Audit Committee and its chairperson will continue to be directly involved in the selection of Deloitte & Touche LLP's new lead engagement partner. The members of the Audit Committee and the Board believe that the continued retention of Deloitte & Touche LLP to serve as the company's independent external auditor is in the best interests of Dominion and its shareholders.

The Board has determined that it would be desirable to request an expression of opinion from the shareholders on the appointment of Deloitte & Touche LLP. If the shareholders do not ratify the selection of Deloitte & Touche LLP, the selection of the independent external auditor will be reconsidered by the Audit Committee.

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 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, 2015. This report was prepared by the following independent directors who compose the CGN Committee:

David A. Wollard, *Chairman*
William P. Barr
John W. Harris
Mark J. Kington
Robert H. Spilman, Jr.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

Our executive compensation program supports our business goals by rewarding performance that serves our customers and creates shareholder value. The CD&A describes our executive compensation program, focusing on our NEOs.

For 2015, Dominion's NEOs are:

- **Thomas F. Farrell II,** Chairman, President and Chief Executive Officer (CEO)
- **Mark F. McGettrick,** Executive Vice President and Chief Financial Officer (CFO)
- **David A. Christian,** Executive Vice President and Chief Executive Officer – Dominion Generation Group (began serving as Executive Vice President and Chief Executive Officer – Energy Infrastructure Group effective January 1, 2016)
- **Paul D. Koonce,** Executive Vice President and Chief Executive Officer – Energy Infrastructure Group and President – Dominion Virginia Power (began serving as Executive Vice President and Chief Executive Officer – Dominion Generation Group effective January 1, 2016)
- **David A. Heacock,** President and Chief Nuclear Officer (CNO), Dominion Nuclear

2015 Compensation Highlights

- Consistent with pay-for-performance principles, 2015 CEO pay was significantly lower than target despite excellent operations, due to lower than expected 2015 earnings and lagging two-year TSR.
- 3% base salary increases for the CEO and all other NEOs, except for 10% increase for the CFO.
- AIP funded at 20%.
- 2014 Performance Grant paid at 76.3% of target, based on TSR and ROIC over a two-year period.
- Sound governance practices, including strong share ownership guidelines, clawback policies, anti-hedging rules, and substantial at-risk pay.

PAY VS. PERFORMANCE HIGHLIGHTS

Our pay-for-performance program has successfully linked compensation to results. Our compensation trend has generally been aligned with our stock performance, for both the CEO and the average pay of our NEOs as a group. As would be expected under a pay-for-performance program, executive pay decreased significantly in 2015, consistent with 2015 earnings below guidance and our lagging one- and two-year TSR performance. These results are reflected in below-target payouts under our AIP and long-term incentive program, despite continued operational excellence.

Our pay-for-performance program:

- Attracts, motivates and retains key executive talent with a competitive pay package
- Is tailored to our company's unique strategies and objectives
- Includes substantial performance-based and at-risk compensation
- Is subject to robust governance practices and controls
- Is supported by strong stock ownership guidelines
- Strikes an appropriate balance between risk and reward

We believe that our executive compensation program has contributed to our long-term strategy by aligning the interests of officers, shareholders and the customers we serve.

GUIDE TO COMPENSATION DISCUSSION & ANALYSIS

1. Our Performance	• While our one- and two-year TSR performance lagged behind our Compensation Peer Group, TSR for the five-year period ending December 31, 2015 outperformed our Compensation Peer Group, the Philadelphia Stock Exchange Utility Index and the S&P 500 • Increased our dividends by nearly 8% in 2015 • Sustained continued operational excellence while tying our all-time best OSHA recordable rate
2. Our Philosophy	• Align management's interests with those of our shareholders and customers • Drive short- and long-term goal achievement while reinforcing our core values of safety, ethics, excellence and One Dominion, our term for teamwork • Pay-for-performance, placing a substantial portion of NEO compensation at risk
3. Our Compensation Elements	• Competitive base pay • AIP, based on earnings per share • Long-term incentives consisting of restricted stock and performance awards • Employee and executive benefits
4. Our Process	• CGN Committee annually evaluates our compensation practices and financial performance using a peer group of 14 energy and utility companies • Cook & Co. serves as independent consultant to CGN Committee
5. Our Governance	• Annual risk analysis of compensation program • Rigorous share ownership guidelines • Anti-hedging and anti-pledging policies apply to all officers and directors • Clawback provisions in incentive compensation

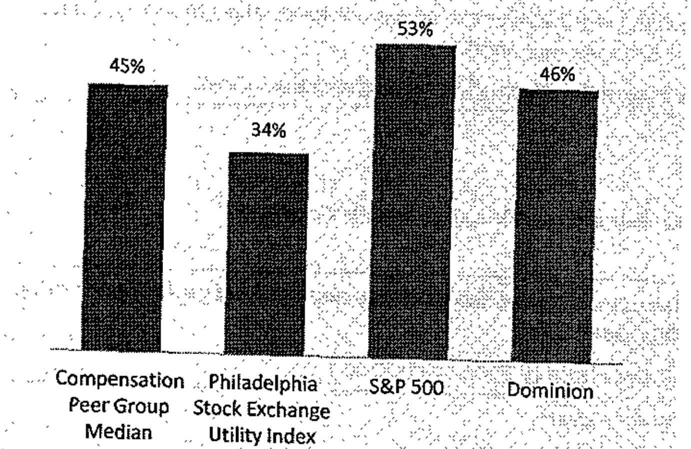
1. Our Performance

Dominion continued to innovate and deliver in 2015. In February 2015, we ranked first on *Fortune* magazine's "World's Most Admired Companies" list in the electric and gas utility category, and in April, we topped the utility sector on *Forbes'* magazine's "America's Best Employers" list. We also announced new large-scale solar projects, proposed construction of Virginia's largest natural gas-fired power station and re-filed our application with the Virginia State Corporation Commission to bury the most outage-prone overhead power lines as part of the initial phase of our strategic undergrounding program. Dominion contributed newly-acquired natural gas infrastructure assets to Dominion Midstream, increasing the value of our interest in that master limited partnership. We also made progress on the Atlantic Coast Pipeline and Cove Point natural gas liquefaction projects, which are expected to produce substantial economic benefits at the local, regional and national levels.

FINANCIAL HIGHLIGHTS

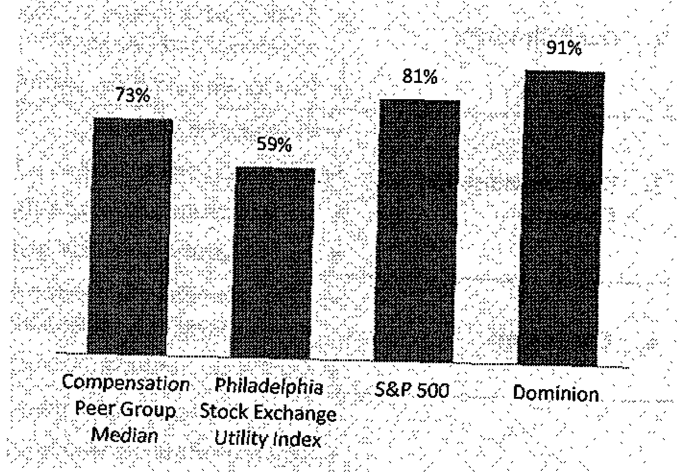
3-YEAR TOTAL SHAREHOLDER RETURN*

We performed in line with the Compensation Peer Group median, outperformed the Philadelphia Stock Exchange Utility Index and lagged behind the S&P 500 over the three-year period ending December 31, 2015.



5-YEAR TOTAL SHAREHOLDER RETURN*

We outperformed the Compensation Peer Group median, the Philadelphia Stock Exchange Utility Index and the S&P 500 over the five-year period ending December 31, 2015.



* For Dominion and the Compensation Peer Group median, TSR represents the change in value (including reinvested dividends) of an investment in common stock over the specified period; the members of our *Compensation Peer Group* are identified on page 36 of the *CD&A*. TSR results for the Philadelphia Stock Exchange Utility Index and the S&P 500 are as reported by Bloomberg.

MORE THAN 90% TOTAL SHAREHOLDER RETURN OVER FIVE YEARS

OPERATIONAL EXCELLENCE

- We continued to strive for zero injuries, achieving an OSHA recordable rate of 0.74 that ties the all-time best rate we set last year. By keeping safety at the center of everything we do, we have also reduced our lost-time/restricted duty rate by more than 20 percent since 2010.
- We translated our core values into reliable operations. Dominion Virginia Power achieved a System Average Interruption Duration Index (SAIDI) of 182.4 minutes including major storms, our third-best performance on record. Excluding major storms, SAIDI was 119.6 minutes in 2015. Our nuclear fleet's net capacity factor topped 92% for the third year in a row.
- We were also honored to receive the 2015 Award for Outstanding National Key Accounts Customer Service from the Edison Electric Institute, which reflects our commitment to superior customer service.

STRATEGIC INITIATIVES

- Dominion Midstream, a master limited partnership designed to grow a portfolio of natural gas terminaling, processing, storage, transportation and related assets, has grown since its successful initial public offering in 2014, acquiring Dominion Carolina Gas Transmission from Dominion for approximately $500 million in 2015. We own Dominion Midstream's general partner and approximately 64.1% of the limited partner interests in Dominion Midstream as of December 31, 2015.
- Construction of the Dominion Cove Point Liquefaction Project moved forward in 2015, following receipt of regulatory approval in September 2014. The project is fully subscribed with 20-year agreements, and the facility is expected to begin liquefying natural gas for export in late 2017.
- In September 2015, a joint venture formed by Dominion and three other utilities filed a formal application with the Federal Energy Regulatory Commission to build the Atlantic Coast Pipeline, advancing the project toward its anticipated in-service date of late 2018.

- Our plans to rebuild the 500kV loop that serves as the strategic backbone of our electric service territory progressed, with construction beginning on a new transmission line between Loudoun County and Pleasant View in Virginia. In July 2015, we earned an "Industry Excellence Award" from the Southeastern Electric Exchange for our innovative completion of a critical 96-mile transmission line that forms part of the 500kV loop, one year ahead of schedule.
- We became the first U.S. utility to file a letter of intent with the Nuclear Regulatory Commission to request a second 20-year license extension renewal for a nuclear power station. The filing signals our intent to request 20-year license renewals for our two nuclear units at Surry Power Station, allowing Units 1 and 2 to continue providing safe, clean, reliable, low-cost energy until 2052 and 2053, respectively.
- During 2015, we continued making substantial investments in physical and cyber security to harden the electric grid, including enhanced security measures for critical substations and ongoing construction of a new state-of-the-art System Operations Center expected to be fully operational in 2017.
- We sold 33% of our ownership in 24 solar projects in California, Connecticut, Georgia, Indiana, Tennessee and Utah, totaling 425 megawatts of solar generating capacity, for approximately $300 million, subject to working capital and certain other adjustments. We closed these sales in December 2015 and January 2016.

NEW GENERATION

- We proposed a major expansion of our solar generation capacity in Virginia. Dominion Virginia Power is planning to install, through Dominion investments and long-term contracts, multiple large-scale solar projects in Virginia totaling an anticipated 400 megawatts, which is enough to power 100,000 typical homes at peak capacity. These new projects are expected to be operational by 2020, subject to regulatory approvals. We also installed nearly 8,000 ground-mounted solar panels in Chester, Virginia in our Solar Partnership Program's largest installation to date.
- In 2015, Dominion also proposed a new 1,588-megawatt natural gas power station in Greensville County, Virginia and continued construction of a 1,358-megawatt natural gas power station in Brunswick County, Virginia. Once in service, these two new stations are expected to generate enough power for more than 735,000 typical homes at peak capacity.

2. Our Philosophy

We apply pay-for-performance principles to provide a competitive total compensation program tied to results that align with the interests of our shareholders, officers and customers. The major objectives of our executive 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.

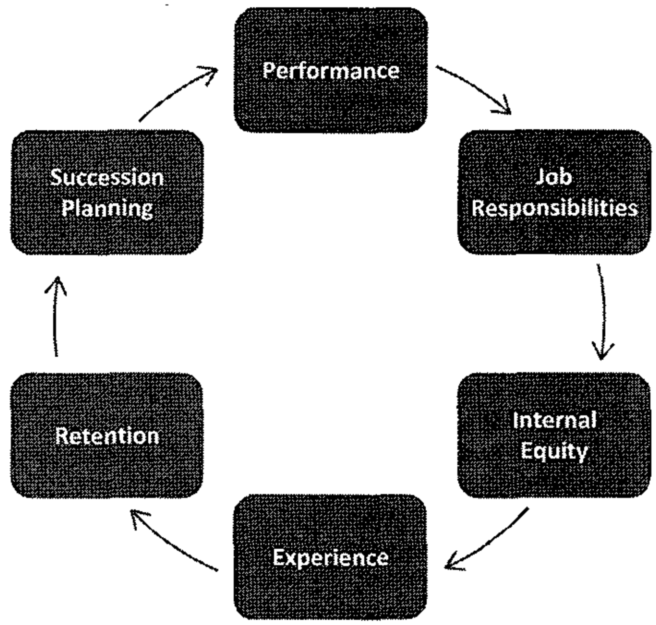
To determine if we are meeting these objectives, the CGN Committee compares the company's actual performance to our short-term and long-term goals and to our peer companies' performance.

INDIVIDUAL FACTORS IN SETTING COMPENSATION

In addition to considering Dominion's goals and performance, the CGN Committee also considers several individual factors for each NEO, including:

- Job performance;
- Scope, complexity and significance of job responsibilities;
- Internal pay equity considerations, such as relative importance of a particular position or individual officer to Dominion's strategy and success, and comparability to other officer positions at Dominion;
- Experience, background and tenure;
- Retention and market competitive concerns; and
- The executive's role in any succession plan for other key positions.

These individual factors are important considerations in setting base pay and other compensation opportunities.

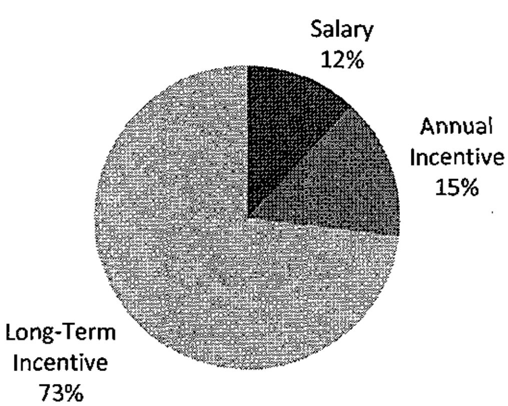


AT-RISK COMPENSATION OPPORTUNITIES IN 2015

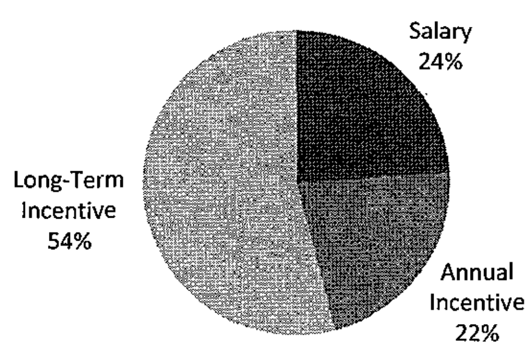
Consistent with our objective to reward strong performance based on achievement of short- and long-term goals, a significant portion of total cash and total direct compensation is at risk. Approximately 88% of Mr. Farrell's targeted 2015 total direct compensation is performance-based; tied to pre-approved performance metrics, including relative TSR and ROIC; or tied to the performance of our stock. For the other NEOs, performance- and stock-based compensation ranges from 67% to 79% of targeted 2015 total direct compensation. This compares to an average of approximately 55% of targeted compensation at risk for 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 targeted total direct compensation opportunities in 2015 for Mr. Farrell and the average of the other NEOs as a group, as well as the allocation of such compensation among base salary, targeted 2015 AIP award and targeted 2015 long-term incentive compensation.

Allocation of Mr. Farrell's Total Direct Compensation Opportunities



Allocation of Total Direct Compensation Opportunities for Other NEOs

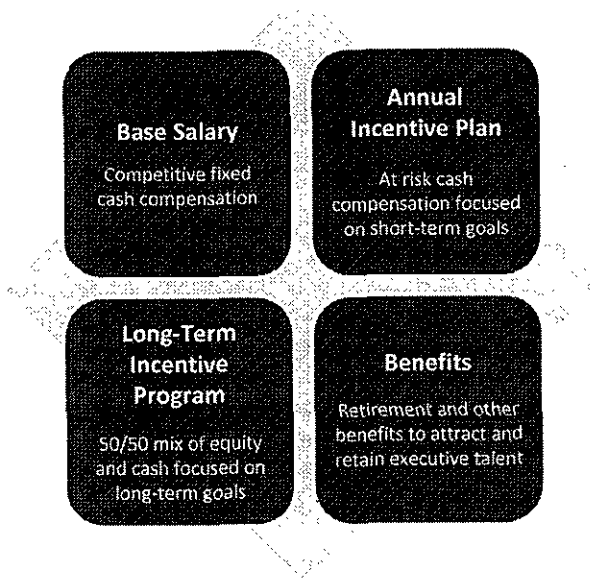


3. Our Compensation Elements

Our executive compensation program is constructed of four building blocks: base salary, AIP, Long Term Incentive Program (LTIP) and executive benefits. Each element serves a distinct purpose. These complementary components appropriately balance risk with reward and short-term goals with long-term strategies, while providing total compensation that is competitive with our peers.

BASE SALARY

Competitive base pay is necessary to attract, motivate and retain talent. For our NEOs, base salaries are generally targeted at or slightly above the Compensation Peer Group median, subject to the individual and company-wide considerations discussed under *Our Philosophy*.



The CGN Committee approved base salary increases for officers, including a 3% increase for Messrs. Farrell, Christian, Koonce and Heacock in recognition of the company's continued performance. The CGN Committee also approved a 10% increase for Mr. McGettrick in recognition of superior performance, the successful implementation of our master limited partnership and the highly competitive market for chief financial officer talent. The base salary increases were each effective March 1, 2015.

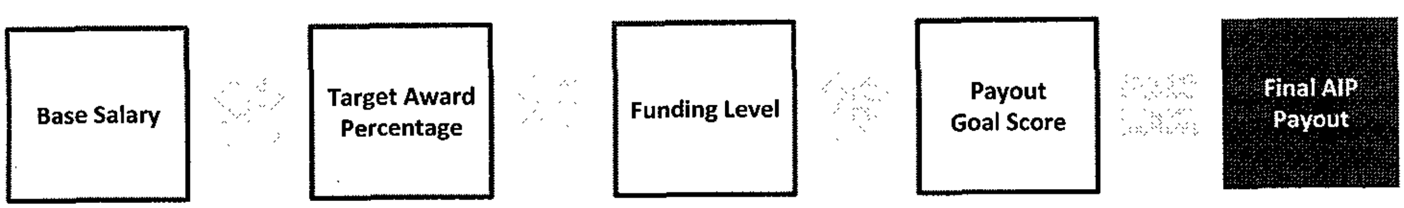
ANNUAL INCENTIVE PLAN

The AIP is a cash-based program focused on short-term goals, and is designed to:

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

For the NEOs, funding of the 2015 AIP was tied solely to the achievement of predetermined earnings per share goals. However, the CGN Committee retained discretion to reduce the AIP payout for any NEO for any reason, including missed business unit financial targets or failure to satisfy operating and stewardship goals.

The CGN Committee calculated 2015 AIP payouts for the NEOs as follows:



Target Award Percentage

Each NEO's compensation opportunity under the AIP is a percentage of his base salary. AIP target award percentages are set to be consistent with our intent to keep a significant portion of NEO compensation at risk, taking into account the items described above under *Our Philosophy*. There were no changes to any NEO's AIP target award percentage from 2014 to 2015.

Name	2015 AIP Target Award Percentage*
Thomas F. Farrell II	125%
Mark F. McGettrick	100%
David A. Christian	90%
Paul D. Koonce	90%
David A. Heacock	70%

*As a percentage of base salary

Funding Level

For NEOs, the funding level is determined solely by our consolidated operating earnings, which are our reported earnings determined in accordance with GAAP, adjusted for certain items. We believe that by focusing on pre-established consolidated operating earnings per share targets, we encourage behavior and performance that will help achieve these objectives.

For the NEOs, the CGN Committee set the consolidated operating earnings goal to provide for 100% funding of the 2015 AIP between $3.35 and $3.62 per share, inclusive of funding for all plan participants. The target for maximum funding of 200% was set at $3.85 operating earnings per share. The CGN Committee also established a funding floor, providing no funding if operating earnings were less than $3.30 per share.

Dominion's consolidated operating earnings for the year ended December 31, 2015 were $2.0 billion or $3.44 per share*, which met the target goal for 100% funding, and consolidated reported earnings in accordance with GAAP for the year ended December 31, 2015 were $1.9 billion or $3.20 per share. However, we did not meet our 2015 earnings guidance, due in part to lower wholesale power prices in New England, where our Millstone and Manchester Street power stations operate; lower prices for the natural gas liquids we produce; and mild weather late in the year. Accordingly, the CGN Committee exercised its negative discretion, approving a funding percentage of 20%.

* *See Reconciliation of 2015 Consolidated Operating Earnings (non-GAAP) to Reported Earnings (GAAP)* in Appendix A.

Payout Goal Score

In determining whether and how to exercise its negative discretion, the CGN Committee typically considers each NEO's accomplishment of pre-determined business unit financial goals and operating and stewardship goals, weighted according to each NEO's responsibilities. For 2015, in light of the low funding level approved for the 2015 AIP, the CGN Committee considered only accomplishment of safety goals for each NEO.

Each NEO received full credit for his safety goal, with the exception of Mr. Heacock. With respect to Messrs. Farrell and McGettrick, the Dominion Resources Services business unit met its safety goal of fewer than four OSHA recordable incidents or fewer than 19 failures in individual performance.

In 2015, Mr. Christian was part of the Dominion Generation business unit, which met its safety goal in all four generation segments by achieving an OSHA recordable rate of 0.54 for the business development segment and having fewer than 14 recordable injuries in the nuclear segment, fewer than 13 recordable injuries in the power generation fleet and fewer than two recordable injuries for the financial management segment.

Mr. Koonce was part of the Dominion Virginia Power and Dominion Energy business units in 2015. His safety goal was measured by a combination of the OSHA recordable rate and lost-time/restricted duty rate for each business unit, in addition to each business unit's implementation of plans to evaluate and reduce safety risks. His safety goal was fully achieved, with the Dominion Virginia Power business unit attaining an OSHA recordable incident rate of 1.19 and a lost-time/restricted duty rate of 0.31, and the Dominion Energy business unit attaining an OSHA recordable incident rate of 1.12 and a lost-time/restricted duty rate of 0.43.

Mr. Heacock is part of the nuclear segment. Twenty-five percent of his safety goal is measured by the combined performance of our entire nuclear fleet; the remaining 75% is determined by the performance of our three in-service nuclear stations, each weighted equally. Although our nuclear fleet achieved its best safety performance ever with only six OSHA recordable incidents, one of our nuclear stations had four recordable injuries, missing its target of three or fewer injuries. Therefore, Mr. Heacock did not receive full credit for this goal and his overall payout goal score was reduced by 0.5%.

Based on the exercise of negative discretion solely with respect to safety goal achievement, the CGN Committee determined the NEOs' 2015 payout goal scores as follows:

Name	2015 Payout Goal Score
Thomas F. Farrell II	100%
Mark F. McGettrick	100%
David A. Christian	100%
Paul D. Koonce	100%
David A. Heacock	99.5%

Final AIP Payout

The CGN Committee calculated final 2015 AIP payouts as shown below, reducing the final payment for Mr. Heacock, who scored less than 100% on his safety goal.

Name	Base Salary		Target Award Percentage*		Funding Level		Payout Goal Score		Final AIP Payout
Thomas F. Farrell II	$1,465,729	X	125%	X	20%	X	100%	=	$366,432
Mark F. McGettrick	829,322	X	100%	X	20%	X	100%	=	165,864
David A. Christian	663,550	X	90%	X	20%	X	100%	=	119,439
Paul D. Koonce	663,550	X	90%	X	20%	X	100%	=	119,439
David A. Heacock	515,217	X	70%	X	20%	X	99.5%	=	71,770

*As a percentage of base salary

LONG-TERM INCENTIVE PROGRAM

Our long-term incentive program is designed to focus on Dominion's longer-term strategic goals and the retention of our executives. Each year, our NEOs receive a long-term incentive award consisting of two components: 50% of the award is a full value equity award in the form of restricted stock with time-based vesting and the other 50% is a performance-based cash award. 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. Our performance-based award encourages and rewards officers for making decisions and investments that create and maintain long-term shareholder value and benefit our customers.

The CGN Committee approves long-term incentive awards in January each year. In setting long-term award levels for each NEO, the CGN Committee applies the concepts and individual factors discussed under *Our Philosophy*. The CGN Committee approved a $500,000 increase in Mr. Farrell's long-term incentive award target for 2015 in recognition of the complexity of Dominion's operations, earnings growth over the prior three-year period and shareholder value created during his tenure as CEO, as well as his leadership experience. There were no changes to the long-term incentive targets for any of the other NEOs. The 2015 targets for the NEOs were approved as follows:

Name	2015 Performance Grant	2015 Restricted Stock Grant	2015 Total Target Long-Term Incentive Award	2014 Total Target Long-Term Incentive Award
Thomas F. Farrell II	$4,450,000	$4,450,000	$8,900,000	$8,400,000
Mark F. McGettrick	1,168,750	1,168,750	2,337,500	2,337,500
David A. Christian	728,750	728,750	1,457,500	1,457,500
Paul D. Koonce	728,750	728,750	1,457,500	1,457,500
David A. Heacock	350,000	350,000	700,000	700,000

2015 Restricted Stock Grants

All NEOs received a restricted stock grant on February 1, 2015, based on the stated dollar value above. The number of shares awarded was determined by dividing the stated dollar value by the closing price of Dominion's common stock on January 30, 2015. The grants have a three-year vesting term, with cliff vesting at the end of the restricted period on February 1, 2018. Dividends are paid to officers during the restricted period.

2015 Performance Grants

In January 2015, the CGN Committee approved cash performance grants for the NEOs, effective February 1, 2015 (2015 Performance Grants). The performance period commenced on January 1, 2015, and will end on December 31, 2016. The 2015 Performance Grants are denominated as a target dollar value, with potential payouts ranging from 0% to 200% of the target based on Dominion's TSR relative to the Philadelphia Stock Exchange Utility Index and ROIC, weighted equally. (See *Performance Grant Peer Group* for additional information about the Philadelphia Stock Exchange Utility Index.) In certain circumstances, a portion of the 2015 Performance Grants may also be earned based on Dominion's absolute TSR performance for the performance period.

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. The TSR metric was selected to focus our officers on long-term shareholder value when developing and implementing strategic plans and reward management based on the achievement of TSR levels relative to the Philadelphia Stock Exchange Utility Index.

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 and 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. 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 cost control.

Because officers are expected to retain ownership of shares upon vesting of restricted stock awards, as explained in *Share Ownership Guidelines,* the cash performance grant balances the long-term program and allows a portion of the long-term incentive award to be accessible to our NEOs during the course of their employment.

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. As all of our NEOs have met their full targeted share ownership guidelines, all of our NEOs received the performance-based component of their 2015 long-term incentive award in the form of a cash performance grant.

Performance Grant Peer Group

TSR performance for the 2015 Performance Grant is measured against the TSR of the companies listed as members of the Philadelphia Stock Exchange Utility Index at the end of the performance period (the Performance Grant Peer Group). In selecting the Philadelphia Stock Exchange Utility Index, the CGN Committee took into consideration that the companies represented in the index are similar to those companies currently included in Dominion's Compensation Peer Group, and the index is a recognized published index whose members are determined externally and independently from the company. The companies (other than Dominion) in the Philadelphia Stock Exchange Utility Index as of the grant date of the 2015 Performance Grants were as follows:

- The AES Corporation
- Ameren Corporation
- American Electric Power Company, Inc.
- CenterPoint Energy, Inc.
- Consolidated Edison, Inc.
- Covanta Holding Corporation
- DTE Energy Company
- Duke Energy Corporation
- Edison International
- El Paso Electric Company
- Entergy Corporation
- Exelon Corporation
- FirstEnergy Corp.
- NextEra Energy, Inc.
- Eversource Energy (formerly known as Northeast Utilities)
- PG&E Corporation
- Public Service Enterprise Group Incorporated
- The Southern Company
- Xcel Energy, Inc.

2014 Performance Grant Payout

In January 2016, final payouts were made to officers who received cash performance grants in February 2014 (2014 Performance Grants), including the NEOs. The 2014 Performance Grants were based on two goals: TSR for the two-year period ended December 31, 2015, relative to the companies in the Philadelphia Stock Exchange Utility Index as of the end of the performance period (weighted 50%) and ROIC for the same two-year period (weighted 50%).

- Relative TSR (50% weighting). The relative TSR targets and corresponding payout scores for the 2014 Performance Grant were as follows:

Relative TSR Performance Percentile Ranking	Goal Achievement %*
85th or above	200%
50th	100%
25th	50%
Below 25th	0%

* TSR weighting is interpolated between the top and bottom of the percentages within a quartile. If the company's relative TSR is below the 25th percentile, but its absolute TSR is at least 9% on a compounded annual basis for the performance period, a goal achievement of 25% of the TSR percentage will apply. In addition to the foregoing amounts and regardless of the company's relative TSR, if the company's absolute TSR on a compounded annual basis for the performance period is either (i) at least 10% but less than 15%, then an additional 25% will be added to the goal achievement percentage or (ii) at least 15%, then an additional 50% will be added to the goal achievement percentage, provided that the aggregate goal achievement may not exceed 200%.

Actual relative TSR performance for the 2014-2015 period was in the 26th percentile, which produced a goal achievement percentage of 52.6%. Dominion's TSR for the two-year period ended December 31, 2015, was 12.2%, which is equivalent to 6.1% on a compounded annual basis.

- ROIC (50% weighting). We designed our ROIC goals for the 2014 Performance Grant to provide 100% payout if the company achieved an ROIC between 6.86% and 7.16% over the two-year performance period. The ROIC performance targets and corresponding payout scores for the 2014 Performance Grant were as follows:

ROIC Performance	Goal Achievement %*
7.68% and above	200%
7.38%	125%
6.86% – 7.16%	100%
6.78%	50%
Below 6.78%	0%

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

Actual ROIC performance for the 2014-2015 period was 7.00%, which produced a goal achievement percentage of 100%.

Based on the achievement of the TSR and ROIC performance goals, the CGN Committee approved a 76.3% payout for the 2014 Performance Grants, determined as follows:

Measure	Goal Weight %		Goal Achievement %		Payout %
Relative TSR	50%	X	52.6%	=	26.3%
ROIC	50%	X	100%	=	50.0%
			Combined Overall Performance Score		76.3%

Although the CGN Committee has discretionary authority to reduce this overall score for any reason, this discretion was not exercised. The resulting payout amounts for the NEOs for the 2014 Performance Grants are shown below.

Name	2014 Performance Target Grant Award		Overall Performance Score		Calculated Performance Grant Payout
Thomas F. Farrell II	$4,200,000	X	76.3%	=	$3,204,600
Mark F. McGettrick	1,168,750	X	76.3%	=	891,756
David A. Christian	728,750	X	76.3%	=	556,036
Paul D. Koonce	728,750	X	76.3%	=	556,036
David A. Heacock	350,000	X	76.3%	=	267,050

EMPLOYEE AND EXECUTIVE BENEFITS

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

Retirement Plans

All eligible non-union employees participate in a tax-qualified defined benefit pension plan (the Pension Plan) and a 401(k) plan that includes a company match. Each year, officers whose matching contributions under our 401(k) plan are limited by the Code receive a taxable cash payment to make them whole for the company match that is lost as a result of these limits. 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). These plans help us compete for and retain executive talent. 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 would produce a lower percentage of replacement income in retirement for officers than these plans will provide for other employees. The BRP restores benefits that cannot 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. Effective July 1, 2013, the ESRP was closed to any new participants.

The Pension Plan, 401(k) plan, 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 more 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 Employment 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 age or service credit were granted to the NEOs during 2015.

Other Benefit Programs

Dominion's officers participate in 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 companywide 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. 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 corporate aircraft for personal travel by executive officers. For security and other reasons, the Board has directed Mr. Farrell to use the corporate aircraft for air travel, including personal travel. Mr. Farrell's family and guests may accompany him on any personal trips. The use of corporate 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 corporate aircraft is not available when there is a company need for the aircraft. Use of corporate aircraft saves substantial time and allows us to have better access to our executives for business purposes. During 2015, 95% of the use of Dominion's aircraft was for business purposes.

Other than costs associated with comprehensive executive physical exams (which are exempt from taxation under the 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. These agreements are consistent with competitive practice for our peer companies, and they protect the company in the event of an anticipated or actual change in control. 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. 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 appropriate 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 most benefits. 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 with 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 some 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*. We did not enter into any new letter agreements with NEOs in 2015.

4. Our Process

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

The CGN Committee evaluates each NEO's base salary, total cash compensation (base salary plus target AIP award) and total direct compensation (base salary plus target AIP award and target long-term incentive award) against data from our Compensation Peer Group. To ensure the compensation levels are appropriately competitive and consistent with the company's overall strategy, the CGN Committee considers the peer data together with the considerations described under *Individual Factors in Setting Compensation*. Neither the peer comparison nor the individual factors are assigned any specific weighting. As part of its analysis, the CGN Committee also considers Dominion's size, including market capitalization and price-to-earnings ratio, and complexity compared to the companies in our Compensation Peer Group, as well as the tenure of the NEO as compared to executives in a similar position in a Compensation Peer Group company.

THE ROLE OF THE INDEPENDENT COMPENSATION CONSULTANT

The CGN Committee has retained Cook & Co. as its independent compensation consultant to advise the CGN Committee on executive and director compensation matters. The CGN Committee's consultant:

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

In 2015, the CGN Committee reviewed and assessed the independence of Cook & Co. and concluded that Cook & Co.'s work did not raise any conflicts of interest. Cook & Co. did not provide any additional services to Dominion during 2015.

MANAGEMENT'S ROLE IN OUR PROCESS

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

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

THE COMPENSATION PEER GROUP

The CGN Committee uses the Compensation Peer Group to assess the competitiveness of the compensation of our NEOs. A separate Performance Grant Peer Group is used to evaluate the relative performance of the company for purposes of our long-term incentive program (see *2015 Performance Grants* and *Performance Grant Peer Group* for additional information about that group).

In the fall of each year, the CGN Committee reviews and approves the Compensation Peer Group. In selecting the Compensation Peer Group, we 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 in revenues, assets or market capitalization. We also consider the geographic locations and the regulatory environment in which potential peer companies operate.

Dominion's Compensation Peer Group is generally consistent from year to year, with merger and acquisition activity being the primary reason for changes. No changes were made to the Compensation Peer Group for 2015, except that we replaced CMS Energy Corporation with CenterPoint Energy, Inc. based on size and business model considerations. Dominion's Compensation Peer Group for 2015 was comprised of the following companies:

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

The CGN Committee and management use the Compensation Peer Group to: (i) compare Dominion's stock and financial performance against these peers using a number of different metrics and time periods to evaluate how we are performing; (ii) analyze compensation practices within our industry; (iii) evaluate peer company practices and determine peer median and 75th percentile ranges for base pay, annual incentive pay, long-term incentive pay and total direct compensation, both generally and for specific positions; and (iv) compare our benefits and perquisites. In setting the levels for base pay, annual incentive pay, long-term incentive pay and total direct compensation, the CGN Committee also takes into consideration Dominion's size compared with the median of the Compensation Peer Group and the complexity of its business. As of year-end 2015, Dominion ranked fourth in market capitalization, sixth in assets and seventh in revenues as compared to the Compensation Peer Group.

SURVEY AND OTHER DATA

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

CEO COMPENSATION RELATIVE TO OTHER NEOS

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

We consider CEO compensation trends as compared to the next highest-paid officer, as well as to our executive officers as a group, over a multi-year period to monitor the ratio of Mr. Farrell's pay relative to the pay of other executive officers. The CGN Committee did not make any adjustments to the compensation of any NEOs based on this review for 2015.

5. Our Governance

Dominion's strong corporate governance is rooted in our core value of ethics. We support our culture of good governance with solid compensation practices that pay for performance and promote strategic risk management.

We Do:

- ✓ Balance short- and long-term incentives
- ✓ Place a substantial portion of NEO pay at risk and tie to enhanced shareholder value
- ✓ Use different performance measures for our annual and long-term incentive programs
- ✓ Review our executive compensation program to ensure it does not promote excessive risk taking
- ✓ Measure relative TSR for our performance grant payout using the Philadelphia Stock Exchange Utility Index, an independently-determined peer group
- ✓ Maintain rigorous share ownership guidelines
- ✓ Incorporate clawback provisions in incentive compensation
- ✓ Include a non-compete clause in our executive retirement plans
- ✓ Proactively engage with our top shareholders on compensation and governance issues
- ✓ Conduct annual Say on Pay votes
- ✓ Require two triggers for the payment of most change in control benefits

We Do Not:

- ✕ *Allow payout of AIP awards or performance grants greater than 200% of target*
- ✕ *Offer long-term or indefinite employment agreements to our executives*
- ✕ *Include long-term incentive awards in retirement or severance calculations (other than prorated payout of outstanding awards)*
- ✕ *Permit officers or directors to hedge or pledge shares as collateral*
- ✕ *Offer excessive executive perquisites or provide tax gross-ups on executive perquisites*
- ✕ *Dilute shareholder value by issuing excessive equity compensation*
- ✕ *Offer excessive change in control severance benefits*
- ✕ *Provide excise tax gross-ups in change in control agreements for new officers (elected after February 1, 2013)*
- ✕ *Offer the ESRP to new officers (elected after July 1, 2013)*

ANNUAL COMPENSATION RISK REVIEW

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

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

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

Based on management's 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.

SHARE OWNERSHIP GUIDELINES

We require officers to own and retain significant amounts of Dominion stock to align their interests with those of our shareholders by promoting a long-term focus through 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 count toward the ownership targets. Restricted stock, goal-based stock and shares underlying stock options do not count toward the ownership targets until the shares vest or the options are exercised.

Until an officer meets his or her ownership target, an officer must retain all after-tax shares from the vesting of restricted stock and goal-based stock awards. We refer to shares held by an officer that are more than 15% above his or her ownership target as qualifying excess shares. An officer may sell, gift or transfer qualifying excess shares at any time, subject to insider trading rules and other policy provisions as long as the sale, gift or transfer does not cause an executive to fall below his or her ownership target.

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. As of January 1, 2016, each NEO exceeded his share ownership target as shown below:

Name	Shares Owned and Counted Toward Target (1)	Share Ownership Target (2)
Thomas F. Farrell II	780,774	145,000
Mark F. McGettrick	209,372	35,000
David A. Christian	93,706	35,000
Paul D. Koonce	122,790	35,000
David A. Heacock	34,209	20,000

(1) Does not include shares of unvested restricted stock that are not counted toward ownership targets

(2) Share ownership target is the lesser of salary multiple or number of shares

ANTI-HEDGING POLICY

We prohibit our employees and directors from engaging in certain types of transactions that are designed to or may result in protection against potential decreases in the value of Dominion stock that they own, including owning derivative securities, hedging transactions, using margin accounts and pledging shares as collateral.

RECOVERY OF INCENTIVE COMPENSATION

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. Our AIP and long-term incentive performance grant documents include a broader clawback provision that 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.

We are also monitoring developments regarding the SEC's proposed compensation recovery rules under the Dodd-Frank Wall Street Reform and Consumer Protection Act. Currently, we include provisions in our LTIP performance grants and restricted stock grants that subject those awards to any additional or revised clawback guidelines that Dominion may adopt in the future in response to the Dodd-Frank rules.

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 the 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 generally seek 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 incentive compensation programs and approving payouts under such programs, it reserves the right to approve, and in some cases has approved, non-deductible compensation when it feels that corporate objectives justify the cost of being unable to deduct such compensation.

ACCOUNTING FOR STOCK-BASED COMPENSATION

We measure and recognize compensation expense in accordance with the Financial Accounting Standards Board (FASB) guidance for stock-based payments, which requires that compensation expense relating to stock-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.

SAY ON PAY AND SHAREHOLDER FEEDBACK

Our shareholders voted on an advisory basis on our executive compensation program (also known as Say on Pay) and approved it with an 86% vote at the 2015 Annual Meeting of Shareholders, which followed an approval by a 97% vote in 2014.

Unless the Board modifies its policy on the frequency of future Say on Pay advisory votes, shareholders will have an annual opportunity to cast an advisory vote to approve our executive compensation program. We will ask shareholders, on an advisory basis, to vote on the frequency of the Say on Pay vote at least once every six years, with the next advisory vote on frequency to be held no later than the 2017 Annual Meeting of Shareholders.

After considering feedback received from shareholders and business drivers, the CGN Committee retained the overall structure of our compensation program and did not grant any off-cycle long-term incentive awards to NEOs in 2015.

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.

- **Salary.** The amounts in this column are the base salaries earned by the NEOs for the years indicated.
- **Stock Awards.** The amounts in this column reflect the 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.
- **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 program. 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 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 account if Code contribution limits did not apply.
- **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, 2015, 2014 and 2013 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	**2015**	**$1,458,614**	**$4,450,009**	**$ 3,571,032**	**$ —**	**$180,774**	**$ 9,660,429**
Chairman, President and	2014	1,411,744	5,700,063	10,038,797	3,286,303	176,038	20,612,945
Chief Executive Officer	2013	1,348,695	4,200,017	5,155,593	—	209,956	10,914,261
Mark F. McGettrick	**2015**	**816,756**	**1,168,805**	**1,057,620**	**21,198**	**99,197**	**3,163,576**
Executive Vice President and	2014	747,945	1,870,057	3,125,492	1,046,263	94,250	6,884,007
Chief Financial Officer	2013	712,329	1,168,772	1,768,840	—	90,806	3,740,747
David A. Christian*	**2015**	**660,328**	**728,763**	**675,475**	**—**	**108,104**	**2,172,670**
Executive Vice President and	2014	641,096	1,166,118	1,705,015	760,722	103,823	4,376,774
CEO – Dominion Generation Group	2013	622,423	728,803	1,218,126	276,997	101,100	2,947,449
Paul D. Koonce*	**2015**	**660,328**	**728,763**	**675,475**	**—**	**75,981**	**2,140,547**
Executive Vice President and	2014	635,630	1,166,118	1,705,769	1,915,575	61,568	5,484,660
CEO – Energy Infrastructure Group	2013	589,788	728,803	1,163,727	733,834	60,006	3,276,158
David A. Heacock	**2015**	**512,716**	**350,003**	**338,820**	**359,707**	**58,166**	**1,619,412**
President and	2014	492,632	350,008	797,640	1,216,185	48,459	2,904,924
Chief Nuclear Officer – Dominion Nuclear	2013	452,530	300,048	565,566	139,549	45,267	1,502,960

* Effective January 1, 2016, Mr. Christian began serving as Executive Vice President and Chief Executive Officer – Energy Infrastructure Group and Mr. Koonce began serving as Executive Vice President and CEO – Dominion Generation Group.

(1) Effective March 1, 2015, Mr. McGettrick received a 10% base salary increase, and the remaining NEOs each received a 3% base salary increase.

(2) The amounts in this column reflect the grant date fair value of stock awards for the respective year grant in accordance with FASB guidance for share-based payments. Dominion did not grant any stock options in 2015. See also Note 19 to the Consolidated Financial Statements in Dominion's 2015 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 2015, and the *Outstanding Equity Awards at Fiscal Year-End* table for a listing of all outstanding equity awards as of December 31, 2015.

(3) The 2015 amounts in this column include the payout under Dominion's 2015 AIP and 2014 Performance Grant Awards. All of the NEOs received 20% funding of their 2015 AIP target awards and Messrs. Farrell, McGettrick, Christian and Koonce received 100% payout scores for accomplishment of their goals. Mr. Heacock received 99.5% payout score for his goal accomplishment due to a missed safety goal. The 2015 AIP payout amounts were as follows: Mr. Farrell: $366,432; Mr. McGettrick: $165,864; Mr. Christian: $119,439; Mr. Koonce: $119,439; and Mr. Heacock: $71,770. See CD&A for additional information on the 2015 AIP and the *Grants of Plan-Based Awards* table for the range of each NEO's potential award under the 2015 AIP. The 2014 Performance Grant Award was issued on February 1, 2014 and the payout amount was determined based on achievement of performance goals for the performance period ended December 31, 2015. Payouts can range from 0% to 200% of the target amount. The actual payout was 76.3% of the target amount. The 2014 Performance Grant payout amounts were as follows: Mr. Farrell: $3,204,600; Mr. McGettrick: $891,756; Mr. Christian: $556,036; Mr. Koonce: $556,036; and Mr. Heacock: $267,050. See *2014 Performance Grant Payout* in the CD&A for additional information on the 2014 Performance Grants. The 2014 amounts reflect both the 2014 AIP and the 2013 Performance Grant payouts, and the 2013 amounts reflect both the 2013 AIP and 2012 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; (iv) discount rate used to determine present value of benefit; and (v) other relevant factors. Reductions in the actuarial present value of an NEO's accumulated pension benefits are reported as $0.

A change in the discount rate can be a significant factor in the change reported in this column. A decrease in the discount rate results in an increase in the present value of the accumulated benefit without any increase in the benefits payable to the NEO at retirement and an increase in the discount rate has the opposite effect. The discount rate used in determining the present value of the accumulated benefit increased from 4.40% used as of December 31, 2014 to a discount rate of 4.96% used as of December 31, 2015. The decrease in present value attributed solely to the change in discount rate was as follows: Mr. Farrell: $(1,087,119); Mr. McGettrick: $(671,036); Mr. Christian: $(457,159); Mr. Koonce: $(419,413); and Mr. Heacock: $(288,243).

(5) *All Other Compensation* amounts for 2015 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	$95,629	$29,448	$ 7,950	$47,747	$180,774
Mark F. McGettrick	30,438	36,088	10,600	22,071	99,197
David A. Christian	30,551	51,139	10,600	15,814	108,104
Paul D. Koonce	26,762	29,409	7,950	11,860	75,981
David A. Heacock	22,025	15,632	10,600	9,909	58,166

(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 amount in this column also includes $74,509 for the value of his personal use of the corporate aircraft. 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 95% of the use of the corporate aircraft is for business purposes. The CGN Committee has directed Mr. Farrell to use corporate aircraft for personal travel.

(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 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. All NEOs were hired prior to 2008.

(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, 2015.

Name	Grant Date[(1)]	Grant Approval Date [(1)]	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Options Award [(1)(4)]
			Threshold	Target	Maximum		
Thomas F. Farrell II							
2015 Annual Incentive Plan [(2)]			$–	$1,832,161	$3,664,322		
2015 Cash Performance Grant [(3)]			–	4,450,000	8,900,000		
2015 Restricted Stock Grant [(4)]	2/1/2015	1/22/2015				57,875	$4,450,009
Mark F. McGettrick							
2015 Annual Incentive Plan [(2)]			–	829,322	1,658,644		
2015 Cash Performance Grant [(3)]			–	1,168,750	2,337,500		
2015 Restricted Stock Grant [(4)]	2/1/2015	1/22/2015				15,201	1,168,805
David A. Christian							
2015 Annual Incentive Plan [(2)]			–	597,195	1,194,390		
2015 Cash Performance Grant [(3)]			–	728,750	1,457,500		
2015 Restricted Stock Grant [(4)]	2/1/2015	1/22/2015				9,478	728,763
Paul D. Koonce							
2015 Annual Incentive Plan [(2)]			–	597,195	1,194,390		
2015 Cash Performance Grant [(3)]			–	728,750	1,457,500		
2015 Restricted Stock Grant [(4)]	2/1/2015	1/22/2015				9,478	728,763
David A. Heacock							
2015 Annual Incentive Plan [(2)]			–	360,652	721,304		
2015 Cash Performance Grant [(3)]			–	350,000	700,000		
2015 Restricted Stock Grant [(4)]	2/1/2015	1/22/2015				4,552	350,003

(1) On January 22, 2015, the CGN Committee approved the 2015 long-term incentive compensation awards for our officers, which consisted of a restricted stock grant and a cash performance grant. The 2015 restricted stock award was granted on February 1, 2015. Under the 2014 Incentive Compensation Plan, fair market value is defined as the closing price of Dominion common stock on the date of grant or, if that day is not a trading day, on the most recent trading day immediately preceding the date of grant. The fair market value for the February 1, 2015 restricted stock grant was $76.89 per share, which was Dominion's closing stock price on January 30, 2015.

(2) Amounts represent the range of potential payouts under the 2015 AIP. Actual amounts paid under the 2015 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 2015 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 2015 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, 2017 depending on the achievement of performance goals for the two-year period ending December 31, 2016.

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, 2016 relative to the TSR of the companies that are listed as members of the Philadelphia Stock Exchange Utility Index as of the end of the performance period. ROIC goal achievement will be scored against 2015 and 2016 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 prorated vesting for retirement, termination without cause, death or disability. In the case of retirement, prorated 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 2015 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 prorated 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, prorated 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, prorated 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, 2015. There were no unexercised or unexercisable option awards outstanding for any of our NEOs as of December 31, 2015.

	Stock Awards	
Name	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested[1] ($)
Thomas F. Farrell II	77,534[2]	$5,244,400
	61,847[3]	4,183,331
	57,875[4]	3,914,665
Mark F. McGettrick	21,576[2]	1,459,401
	17,211[3]	1,164,152
	15,201[4]	1,028,196
David A. Christian	13,454[2]	910,029
	10,732[3]	725,912
	9,478[4]	641,092
Paul D. Koonce	13,454[2]	910,029
	10,732[3]	725,912
	9,478[4]	641,092
David A. Heacock	5,539[2]	374,658
	5,154[3]	348,617
	4,552[4]	307,897

(1) The market value is based on closing stock price of $67.64 on December 31, 2015.

(2) Shares scheduled to vest on February 1, 2016.

(3) Shares scheduled to vest on February 1, 2017.

(4) Shares scheduled to vest on February 1, 2018.

Option Exercises and Stock Vested

The following table provides information about the value realized by NEOs during the year ended December 31, 2015, on vested restricted stock awards. There were no option exercises by NEOs in 2015.

	Stock Awards	
Name	Number of Shares Acquired on Vesting	Value Realized on Vesting
Thomas F. Farrell II	211,977	$15,000,598
Mark F. McGettrick	84,588	5,892,462
David A. Christian	51,485	3,589,958
Paul D. Koonce	50,989	3,551,821
David A. Heacock	4,959	381,298

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, 2015, 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	20.00	$ 1,300,225
	Benefit Restoration Plan	30.00	12,431,846
	Supplemental Retirement Plan	30.00	13,237,370
Mark F. McGettrick	Pension Plan	30.00	1,858,193
	Benefit Restoration Plan	30.00	5,968,200
	Supplemental Retirement Plan	30.00	7,244,848
David A. Christian	Pension Plan	30.00	2,088,892
	Benefit Restoration Plan	30.00	3,755,777
	Supplemental Retirement Plan	30.00	4,912,171
Paul D. Koonce	Pension Plan	17.00	929,573
	Benefit Restoration Plan	17.00	1,506,712
	Supplemental Retirement Plan	17.00	5,796,370
David A. Heacock	Pension Plan	28.50	1,879,555
	Benefit Restoration Plan	28.50	1,938,008
	Supplemental Retirement Plan	28.50	1,824,762

(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, 2015. Service for the Benefit Restoration Plan and the Supplemental Retirement Plan is the NEO's actual credited service as of December 31, 2015 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, Dominion Executive Supplemental Retirement 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 Heacock, 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 $5,066,409 lower for Mr. Farrell and $1,512,094 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 were hired before 2008 and therefore participate in the "final average earnings" formula of the Pension Plan. A "cash balance" formula applies to non-union employees hired on or after January 1, 2008.

The "final average earnings" formula of 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 basic pension 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.

Participants in the "final average earnings" formula also receive a special retirement account, which is in addition to the basic 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 (3.26% in 2015). 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 2015, the compensation limit was $265,000. The Code also limits the total annual benefit that may be provided to a participant under a qualified defined benefit plan. For 2015, this limitation was the lesser of (i) $210,000 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.

Participants have elected to receive the portion of the restoration benefit that accrued before 2005 as a single lump sum cash payment or in the same annuity form elected by the participant under the Dominion Pension Plan. For the portion of the benefit that accrued in 2005 or later, benefits must be paid in a lump sum. 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 BRP benefits. Per his letter agreement, Mr. Farrell was granted 30 years of service when he reached age 60. 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 toward 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 (except that the IRS salary limit is not applied) 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 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. Effective July 1, 2013, the ESRP was closed to any new participants.

Before the plan was closed, a Dominion employee became eligible to participate in the ESRP if (1) he or she was a member of management or a highly compensated employee, and (2) he or she had 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, prorated 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.

Under the ESRP, a participant has elected to receive the portion of his or her benefit that had accrued as of December 31, 2004, in a lump sum or in monthly installments. Any portion of the ESRP benefit that accrued after December 31, 2004, 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 are currently entitled to a full ESRP retirement benefit. Based on the terms of their individual letter agreements, Messrs. Farrell, McGettrick, Christian and Koonce will receive an ESRP benefit calculated as a lifetime benefit. 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.

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 (PBGC) 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, 2015, benefit calculations shown in the *Pension Benefits* table include a discount rate of 4.96% to determine the present value of the future benefit obligations for the Pension Plan, BRP and ESRP and a lump sum interest rate of 4.21% 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. 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 2020) 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 2015, a 3.56% discount rate was used to determine the lump sum payout amounts. This discount rate was selected based on a rolling average of the blended rate published by the PBGC in October of the previous five years.

Nonqualified Deferred Compensation

Name	Aggregate Earnings in Last FY (as of 12/31/2015)*	Aggregate Withdrawals/Distributions (as of 12/31/2015)	Aggregate Balance at Last FYE (as of 12/31/2015)
Thomas F. Farrell II	$ –	$–	$ –
Mark F. McGettrick	–	–	–
David A. Christian	263	–	30,259
Paul D. Koonce	(104,367)	–	1,811,714
David A. Heacock	–	–	–

*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) vested 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 Consolidated Natural Gas Company deferred compensation plans. The Frozen Deferred Compensation Plan offers 29 investment funds for the plan balances, including a Dominion Resources 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 Resources 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 2015 as follows: Dominion Resources Stock Fund, -8.7%; and Dominion Fixed Rate Fund, 2.9%.

The Dominion Fixed Rate 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 match 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 27 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 NEO that participates in the Frozen DSOP held options on the publicly available mutual fund, Vanguard Short-Term Bond Index, which had a rate of return for 2015 of 0.85%.

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 AIP award (determined as the greater of (i) the target annual award for the current year or (ii) the highest actual AIP 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 tenth 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.

In January 2013, the CGN Committee approved the elimination of the excise tax gross-up provision included in the Employment Continuity Agreement for any new officer elected after February 1, 2013.

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, 2015. 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 & Tax Gross-Up	Total
Thomas F. Farrell II(4)									
Retirement	$ —	$8,967,508	$2,128,261	$1,465,729	$ —	$ —	$ —	$—	$12,561,498
Death/Disability	—	8,967,508	2,128,261	—	—	—	—	—	11,095,769
Change in Control(5)	—	4,374,888	2,321,739	—	9,893,671	—	25,000	—	16,615,298
Mark F. McGettrick(4)									
Retirement(6)	—	2,476,639	558,967	—	—	—	—	—	3,035,606
Change in Control(5)	—	1,175,110	609,783	—	4,975,932	—	25,000	—	6,785,825
David A. Christian(4)									
Retirement(6)	—	1,544,356	348,533	—	—	—	—	—	1,892,889
Change in Control(5)	—	732,676	380,217	—	3,782,234	—	25,000	—	4,920,127
Paul D. Koonce(4)									
Retirement(6)	—	1,544,356	348,533	—	—	—	—	—	1,892,889
Change in Control(5)	1,772,411	732,676	380,217	—	3,782,234	90,676	25,000	—	6,783,214
David A. Heacock(4)									
Retirement(6)	—	680,932	167,391	—	—	—	—	—	848,323
Change in Control(5)	671,524	350,240	182,609	—	2,627,608	—	25,000	—	3,856,981

(1) Grants made in 2013, 2014 and 2015 under the long-term incentive program vest pro rata upon termination without cause, death or disability. These grants vest pro rata 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. The amounts shown in the restricted stock column are based on the closing stock price of $67.64 on December 31, 2015.

(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 annual incremental benefit that NEOs would receive for executive life insurance and retiree medical coverage. Messrs. Farrell, McGettrick, Christian and Heacock are eligible for retiree medical and executive life insurance upon any termination because they are retirement eligible and have completed 10 years of service. Mr. Koonce is entitled to executive life insurance coverage upon termination because he has reached age 55 and has 10 years of service. Mr. Koonce is eligible for retiree medical upon a change in control.

(4) All the NEOs are eligible for retirement, and this table above assumes they would each retire in connection with any termination event.

(5) Change in control amounts assume that a change in control and a termination or constructive termination takes place on December 31, 2015. 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. 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.

(6) These amounts would also be received in the event of termination due to death or disability.

Equity Compensation Plans

As of December 31, 2015	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	–	$–	24,961,040 (1)(2)
Plans not approved by shareholders	–	–	945,150 (3)
Total	–	–	25,906,190

(1) Amount includes shares that may be issued other than upon the exercise of an option, warrant or right as follows: Directors' Stock Accumulation Plan, 158,230 shares.

(2) Amount also includes 99,324 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.

(3) 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. The Directors' Stock Compensation Plan was 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 Director 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, as amended (the Exchange Act), we are asking shareholders to approve the following advisory resolution at the 2016 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.

The primary objectives of Dominion's executive compensation program are 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. A focal point of the compensation program is 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 increase shareholder value.

We continued to execute on our strategic vision throughout 2015, making progress on dynamic new generation and energy projects, contributing new assets to our master limited partnership and investing in infrastructure. We believe our executive compensation program is an important contributor to our long-term success as seen in the *Our Performance* section of the *Compensation Discussion and Analysis* in this Proxy Statement, beginning on page 24, and in the following:

- *Over the five-year period ending December 31, 2015, Dominion's TSR has outperformed the Compensation* Peer Group median, the Philadelphia Stock Exchange Utility Index and the S&P 500.
- Dominion's TSR performed in line with the Compensation Peer Group median and outperformed the Philadelphia Stock Exchange Utility Index for the three-year period ending December 31, 2015, but we underperformed the S&P 500 over this period.
- The Board increased the annual dividend rate by 7.9% from $2.40 per share in 2014 to $2.59 per share in 2015.
- Our executive compensation program links pay to results, as demonstrated by 2015 pay below target, consistent with 2015 earnings below guidance and our one- and two-year TSR performance.
- We matched last year's record low OSHA recordable rate by sustaining our safety focus.

This vote is not intended to address any specific item of compensation, but rather the overall compensation that is paid to our NEOs resulting from our compensation objectives, policies and practices relating to our NEOs as described in this Proxy Statement. Because your vote is advisory, it will not be binding upon the Board. However, the Board and the CGN Committee value the opinions expressed by Dominion's 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 2016 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 to any shareholder 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 – Report on Lobbying

Whereas, its lobbying exposes Dominion Resources, Inc. to risks that could adversely affect the company's stated goals, objectives, and ultimately shareholder value, and

Whereas, we rely on the information provided by our company to evaluate goals and objectives, and we, therefore, have a strong interest in full disclosure of the company's lobbying to assess whether its expenditures are consistent with its expressed goals and in the best interests of shareholders and long-term value.

Resolved, the shareholders of Dominion Resources (Dominion) request the Board to prepare a report, updated annually, disclosing:
1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.

2. Payments by Dominion used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.

3. Dominion's membership in and payments to any tax-exempt organization that writes or endorses model legislation.

4. A description of the decision-making process and oversight by management and the Board for making payments described in sections 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Dominion is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels. The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Dominion's website.

SUPPORTING STATEMENT

Dominion discloses portions of trade association payments used for lobbying on its website but acknowledges its disclosure does "not include amounts for which the trade association directly pays tax on the portion that is not deductible under section 162(e) of the Internal Revenue Code."

Shareholders thus don't know if Dominion is making additional payments that are used to lobby but are not disclosed.

Dominion spent over $3.8 million in 2014 and 2015 on direct federal lobbying activities (opensecrets.org). This does not include state lobbying, where Dominion has drawn attention ("HB 129, the Solar Bill, Killed by Virginia's utilities," The Examiner, March 2, 2012). Dominion does not disclose membership in or contributions to tax-exempt organizations that write and endorse model legislation, such as Dominion's participation on the Energy, Environment and Agriculture Task Force of the American Legislative Exchange Council (ALEC). Many large corporations including Entergy, Xcel Energy, Alliant Energy, Berkshire Hathaway Energy, BP, Google, Microsoft, Facebook, and Southern California Edison, have left ALEC because their business objectives and values did not align with ALEC's activities.

Opposing Statement

The Board of Directors recommends that shareholders vote AGAINST this proposal.

Dominion believes that participation in the legislative, regulatory and political processes at all levels of government is vital to our business and to our shareholders. Dominion actively participates in the political process to help shape policies that advance our business strategies and goals, promote effective public and government relations, and serve the interests of key stakeholder groups. By engaging with elected officials, regulators, community and business leaders, and environmental and safety agencies, among others, we strive to conduct our business as transparently as possible to help build public trust and form mutually beneficial, lasting partnerships.

Dominion discloses comprehensive information regarding its participation in the political process and its political contributions and lobbying expenses on its website at https://www.dom.com/corporate/investors/governance/political-contributions. Since 2009, Dominion has published a report annually on its website that identifies corporate political contributions to 527 organizations. The report also discloses the lobbying portion of dues and payments to trade associations if Dominion made payments of $50,000 or more to the association and if that association informs Dominion that a portion of its dues was used for lobbying. Dominion's website also discusses the reasons that Dominion participates in lobbying activities, selection and engagement of lobbyists, and oversight of lobbying activities. We increased our disclosures in July 2015 with the addition of our Political Contributions Policy.

In addition, the site provides links to access Dominion's federal Lobbying Disclosure Act Registration and Reports. Dominion fully complies with all federal and state lobbying registration and disclosure requirements, which include filing all required reports with Congress and with the applicable state agencies. These reports detail the particular bills and issues on which individual lobbyists had activity, as well as the total lobbying expense each quarter.

For the past four years, Dominion's political contribution disclosure has been evaluated by the Center for Political Accountability (CPA). The CPA-Zicklin Index of Corporate Political Accountability and Disclosure examines the top S&P 500 companies' policies and practices related to corporate political spending as published on their corporate websites. Dominion's disclosure score was in the first tier for both 2014 and 2015. The 2015 CPA-Zicklin Index is available online at http://politicalaccountability.net/index.

Dominion intends to continue providing appropriate information and disclosures to its investors concerning its lobbying activities. We believe that preparation of the requested report would be duplicative and an unnecessary waste of company resources.

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

Item 5 – Report on Potential Impact of Denial of a Certificate for North Anna 3

Whereas: In documents provided by Dominion in the Virginia State Corporation Commission's (SCC) most recent Integrated Resource Plan proceedings, Dominion projects the price of constructing a new reactor at North Anna (NA3) at approximately $14.8 billion. In those proceedings an expert witness for the Virginia Office of the Attorney General, Division of Consumer Counsel, Scott Norwood, estimated that "after including a conservative estimate of construction interest costs, the current capital cost forecast for NA3 would be approximate $19.3 billion or $13,283/kW."

While Dominion did not offer an estimate of the residential rate impact of building NA3 in these SCC proceedings, Mr. Norwood, testifying on behalf of the Virginia Attorney General calculated an "average rate increase of 25.7% over current Virginia retail residential rates."

As the proposed NA3 reactor is of a new design never before built, there is also a significant risk of substantial cost overruns over the $19.3 billion cost estimate as has consistently been the case with the construction of new nuclear reactors in the United States.

In that same SCC proceeding, Mr. Norwood observed that based on Dominion's own cost forecast, the Company would expend $1.87 billion in capital costs for NA3 development "by the end of 2018, the likely earliest date when a final order on a certificate of public convenience and necessity application for NA3 could be ruled on by the Commission."

In both the most recent biennial rate case and the IRP proceeding the Virginia Attorney General has raised concerns with the SCC about the impact on Virginia rate payers of spending $19.3 billion developing NA3 and whether construction of NA3 is "reasonable and in the public interest". Furthermore, in the event the SCC were to deny Dominion a certificate to proceed with NA3, the Attorney General is urging the SCC to consider whether Dominion will have acted prudently if it incurs $1.87 billion in construction costs before a decision on a certificate is issued.

The $19.3 billion projected cost of NA3 and the Virginia Attorney General's concerns in the SCC proceedings relating to NA3 increase the risk that Dominion may be denied a certificate to develop NA3. Additionally, there is a further risk that the SCC may deny a petition by Dominion to recover the $1.87 billion development costs incurred for NA3 before a decision on issuance of a certificate, thereby impacting Company earnings, share price and dividends.

Resolved: Shareholders request that Dominion prepare and make public a financial analysis by November 30, 2016 reporting on the potential impact on earnings, share price and dividends should the State Corporation Commission deny a certificate for the development of North Anna 3 and further deny the recovery of $1.87 billion in costs associated with the North Anna 3 nuclear reactor incurred prior to an order denying a certificate to construct the reactor.

Opposing Statement

The Board of Directors recommends that shareholders vote AGAINST this proposal.

The analysis and report requested by the proposal involves numerous factors and hypothetical outcomes. The regulatory landscape of cost recovery is capable of producing several different outcomes and is subject to change based on legislative or other developments. It would also require hypothesizing a number of unrelated factors and contingencies that could affect the company's earnings, the market's view of the company's stock and the company's own decisions regarding dividends. In addition, pursuant to the Virginia State Corporation Commission's 2015 Integrated Resource Plan (IRP) order, the company will provide additional information related to North Anna 3 in its upcoming 2016 IRP filing that will provide additional information to shareholders and investors. A copy of the Virginia State Corporation Commission's final order is available at http://www.scc.virginia.gov/docketsearch/DOCS/369z01!.PDF.

Under the general principle of cost recovery, utilities are generally allowed to recover through their rates prudently incurred costs associated with the development of new generation facilities, even facilities that are not actually constructed. However, when it comes to quantifying the amount of costs to be recovered for a facility left unconstructed, the process becomes much more complicated. Although it is highly unlikely that any cost-recovery petition would be denied in full, it is impossible to say today whether regulators would permit recovery of costs in whole or in part and, if recovery is permitted in part, what the amount of any such recovery would be. In addition, it is currently unknown whether any permitted cost-recovery would come through base rates, rate adjustment clauses or some other means, as well as to predict the period of time over which any such recovery would occur. It is also unclear whether regulators would permit the company to collect some level of return on investment in addition to any cost recovery. The potential outcomes of these issues, each of which would depend, in part, on subjective determinations by regulators, would need to be taken into account if we were to prepare the requested report. The complexity of any cost-recovery analysis is further compounded by the fact that the legislative process can, at times, alter the regulatory landscape.

Finally, with respect to determining a potential impact on earnings, other issues, including the accounting treatment of any failure to recover costs and any replacement costs, would have to be considered as well. There are many other factors and uncertainties that would affect Dominion's common stock share price and dividends. In the case of the company's share price, it is impossible to determine the reaction of the market to the regulatory outcomes identified in the proposal or to speculate as to the state of the economy that may affect the price of the company's stock. Because of the number of uncertainties and hypotheticals involved in preparing the requested analysis and report, and the speculative nature of any conclusions we might draw, we believe that preparation of the requested report would not be useful to shareholders or the company and, thus, would be an unnecessary waste of company resources.

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

Item 6 – Right to Act by Written Consent

Proposal 4 – Right to Act by Written Consent

Resolved, Shareholders request that our board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This written consent is to be consistent with applicable law and consistent with giving shareholders the fullest power to act by written consent consistent with applicable law. This includes shareholder ability to initiate any topic for written consent consistent with applicable law.

A shareholder right to act by written consent and to call a special meeting are 2 complimentary ways to bring an important matter to the attention of both management and shareholders outside the annual meeting cycle. A shareholder right to act by written consent is one method to equalize our restricted provisions for shareholders to call a special meeting. For instance it takes 25% of Dominion Resources shareholders to call a special meeting when many states allow 10% of shareholders. Plus tens of millions of Dominion shareholders are automatically excluded from participating in this 25% threshold.

Please vote to enhance shareholder value:

Right to Act by Written Consent – Proposal 4

Opposing Statement

The Board of Directors recommends that shareholders vote AGAINST this proposal.

The Board believes that the proposed written consent process, as compared with shareholders acting in person or by proxy at a meeting, is not in the best interests of Dominion's shareholders. In particular, the proposal could allow a dissident shareholder group to disenfranchise other shareholders – particularly smaller shareholders – by sidestepping a full debate of the merits or consequences such a proposed action presents. Under Dominion's Articles of Incorporation and Bylaws, all of Dominion's shareholders have the opportunity to participate either in person or by proxy in meetings called to determine proposed actions. The SEC's process for soliciting meeting proxies, and the conduct of the meeting, creates an opportunity for full consideration of the reasons for and against the proposed action. Dominion's meetings are normally attended in person or by proxy by at least 80% of the company's shareholders.

In addition, Dominion's Bylaws allow a special meeting of the shareholders to be held whenever called by the Corporate Secretary or upon the written request of shareholders owning continuously, for a period of at least one year prior to the date of such request, more than 25% of all the outstanding shares of Dominion common stock. The shareholder proposal would make it possible for any group of shareholders constituting a bare majority to take action without a meeting, potentially without prior notice to the other shareholders of Dominion, and before other shareholders have an opportunity to participate and all arguments can be heard. Smaller shareholders, in particular, could be completely disenfranchised under this proposed process.

Under applicable Virginia law, which governs Dominion, a company's shareholders may act without a meeting only by a unanimous written consent signed by every shareholder entitled to vote on the action, unless otherwise provided by the company's Articles of Incorporation. This unanimous consent provision protects all shareholders against the potential self-interested actions of a few large shareholders. However, if this proposal were implemented, a group of shareholders would have the ability to act by written consent, however frequently and at any time, and possibly without the consideration of minority shareholders.

Dominion holds shareholders' meetings annually, and under Virginia law, must hold a meeting at least every 15 months. Under Dominion's Bylaws and SEC rules and regulations, shareholders have the ability at those meetings to present appropriate proposals of their own, and to nominate individuals of their choosing to become members of the Board. Consequently, the written consent procedure does not create a right for shareholders to take any actions they are not already in a position to take at a meeting. We believe that all shareholders should have an opportunity to be informed about, and vote on, significant actions and proposals. Acting on matters and proposals at a meeting is an inherently more open process than acting by written consent, and ensures the presentation of information to all shareholders for consideration.

Dominion is proud to have in place corporate governance practices that are viewed as best practices, which include a recent amendment to our Bylaws to allow "proxy access" whereby a shareholder or a group of up to 20 shareholders, owning at least 3% of the company's outstanding shares continuously for at least three years, may nominate and include in the company's proxy materials director nominees constituting up to 20%, or two seats, whichever is greater, of the Board. Other governance practices include the ability of shareholders to call special meetings, the election of directors annually by a majority of the votes cast in uncontested elections, no supermajority voting provisions in our Bylaws and Articles of Incorporation and having an independent Lead Director. We believe our current governance practices represent the interests of all our shareholders, and should not be changed at this time.

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

Item 7 – Required Nomination of Director with Environmental Expertise

WHEREAS:

Climate-science/environmental expertise is critical to Dominion's success, because of the significant climate risks and other environmental issues associated with its operations. Dominion does not have an independent director with climate-science/ environmental expertise and designated responsibility for climate risk/environmental matters. Dominion's ability to demonstrate that its climate risk assessments and environmental policies and practices are consistent with internationally accepted standards can lead either to successful business planning or to difficulties in raising new capital and obtaining necessary licenses.

Dominion stakeholders are increasingly concerned about devastation and costs resulting from contributions to severe weather events from global climate change. A leading cause of climate change is man-made carbon emissions from burning fossil fuels. Dominion is the largest industrial source of carbon emissions in Virginia. The company must mitigate environmental challenges and manage climate risk in an effective, strategic and transparent manner to minimize its operations' adverse environmental impacts.

Climate risk/environmental management is critical to the company's future success and must be part of strategic planning. Dominion would benefit by addressing the climate risk/environmental impact of its business at the most strategic level. An authoritative figure with acknowledged climate science expertise and standing would enable Dominion to address environmental issues more effectively, including climate risk and other environmental and health impacts of such large projects as the currently proposed VA pipelines. This expert would also help ensure focus at the highest levels on the development of climate risk/ environmental standards for all new and ongoing projects and strengthen Dominion's ability to demonstrate the seriousness with which it addresses climate risk/environmental issues.

The independent director* would:

- Have a high level of expertise in climate science and other environmental matters relevant to use of renewable resources to produce electricity and have wide recognition in the business, scientific, climate science, and environmental communities as an authority in these fields; and
- Qualify, subject to exceptions in extraordinary circumstances explicitly specified by the Board, as an independent director* under the standards applicable to Dominion as an NYSE-listed company.

RESOLVED:

Shareholders request that as elected board directors' terms of office expire, at least one expert independent director* is recommended for Board Election satisfying the described criteria.

*A director is "independent" if, during the preceding three years, he or she was **NOT**

- affiliated with a company that was an advisor or consultant to Dominion;
- employed by or had personal service contract(s) with Dominion or its senior management;
- affiliated with a company or non-profit entity that received the greater of $2 million or 2% of its gross annual revenues from Dominion;
- in a business relationship with Dominion worth at least $100,000 annually;
- employed by a public company at which an executive officer of Dominion serves as a director;
- in a relationship of the sorts described herein with any affiliate of Dominion; and
- a spouse, parent, child, sibling or in-law of any person described above.

Opposing Statement

The Board of Directors recommends that shareholders vote AGAINST this proposal.

We believe our current process for the nomination, selection and election of directors is effective. As a matter of corporate governance, the Board does not believe that it is in our shareholders' best interests to require a particular type of specialist on Dominion's Board of Directors. A director's fiduciary responsibilities are not limited to any single issue. As provided in more detail in the section titled *Election of Directors*, the CGN Committee considers a variety of factors in evaluating nominees for membership on the Board. We believe that the Board represents a diverse group of individuals with broad experience and that the standard suggested by the proposal is too narrow and would limit the Board's ability to identify and recruit the most qualified candidates to serve.

The Board and its committees have access to extensive internal and external expertise on environmental matters. The Board receives periodic updates throughout the year on environmental matters from senior management, and the Audit Committee receives an environmental compliance report from our Chief Environmental Officer at least annually, as well as reports from the Chief Auditor on environmental compliance audits for each of Dominion's business units.

Our existing commitment to environmental management is evidenced by our established environmental policies, practices and procedures. The company has established a strong track record of environmental protection and stewardship and has spent more than $1.8 billion since 1998 to make environmental improvements to its generation fleet. These improvements have reduced the emissions by 80% for nitrogen oxide (NOx), 78% for mercury (Hg), and 91% for sulfur dioxide (SO_2) from 2000 levels. By 2020, the company expects to have reduced NOx emissions by 86%, Hg emissions by 95% and SO_2 emissions by 94%. We currently provide extensive environmental disclosures in our 2014 Greenhouse Gas Report (available at https://www.dom.com/library/domcom/pdfs/corporate/our-commitments/environment/greenhouse-gas-report.pdf) and our Citizenship & Sustainability Report (available at http://www.dominioncsr.com).

For these reasons, the Board does not believe that it would be in the best interests of shareholders or be appropriate to select a director exclusively on the basis of a single criterion or area of expertise.

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

Item 8 – Report on the Financial Risks to Dominion Posed by Climate Change

WHEREAS: The three costliest storms in Dominion's 100 year operating history, Hurricane Isabel, Hurricane Irene and the June 2012 derecho, have occurred in the last decade.

The consensus among climate scientists is that without significant reduction of greenhouse gas emissions, climate change will continue to result in more severe and frequent storms, among other effects. The latest installment of the Intergovernmental Panel on Climate Change (IPCC) reports, released October 2014, is the strongest and most comprehensive assessment of global warming. This report further reinforced scientific certainty of climate impacts to an unprecedented extent, concluding that global warming is "unequivocal", humanity's role in causing it is "clear" and "most of the world's electricity can—and must—be produced from low-carbon sources by 2050." As cited by the United Nations, inaction would cost "much more" than taking the necessary action. Thus, it is unquestioned that climate change will pose significant risk to Dominion, its employees, and customers.

Dominion's restoration costs amounted to $128 million after Hurricane Isabel in 2003, $59 million after Hurricane Irene in 2011 and $42 million after the June 2012 derecho storm. With the addition of storms like Superstorm Sandy in October 2012, Dominion's restoration costs for major storm activity in 2012 totaled $81.6 million throughout the year. Additionally, between 2011 and 2012, weather events, earthquakes, and environmental regulations imposed more than $450 million in costs on the company, adversely affecting its earnings.

Dominion is unlikely to recoup such costs from insurance providers. The Virginia Supreme Court ruled in 2012 that utilities are not protected from lawsuits from damage due to greenhouse gas emissions. That means Dominion retains climate liability risks, which could impact shareholders.

Social concerns over carbon emissions and the implementation of the US Clean Power Plan will decrease fossil fuel demand, potentially stranding fossil fuel assets and impacting investments.

Storms also carry reputational risks. After the derecho, more than 1 million customers of Dominion's regulated electric utility division lost power, some for a full week. "Freak" storms like the derecho are expected to become more common as climate change progresses. Loss of power for customers also means lost sales for Dominion. Lost electricity sales after Hurricane Isabel, for instance, reduced operating earnings by 4 cents per share.

Because of the large risks that climate change carries, many companies are conducting internal assessments of business risks and are becoming more transparent about climate change by adding sections in their 10K, Annual Reports, website and other public statements on present and future risks.

The Board of Directors has the responsibility to share this type of information with shareholders.

Resolved: Shareholders request that within 6 months of the 2016 annual meeting, the Board of Directors provide a report to shareholders, prepared at reasonable cost and omitting proprietary information, describing the financial risks to Dominion Resources posed by climate change and resulting impacts on share value, specifically including the impact of more frequent and more intense storms, as well as any actions the Board plans to address these risks.

Opposing Statement

The Board of Directors recommends that shareholders vote AGAINST this proposal.

Dominion is committed to being a good environmental steward with an ongoing objective to provide reliable, affordable energy for its customers. *Dominion has an integrated voluntary strategy for reducing overall greenhouse gas emission intensity that is based on* maintaining a diverse fuel mix, including gas, nuclear, coal, oil, hydro, investing in renewable energy projects such as wind and solar, and promoting energy conservation and efficiency efforts.

Dominion currently reports on our climate change strategy, including associated risks. Our annual report on Form 10-K and our quarterly reports on Form 10-Q filed with the SEC contain discussions regarding the material risks, including financial risks, that climate change and issues frequently associated with climate change, such as extreme weather event risk and greenhouse gas emissions regulation risk, pose for Dominion. These reports are available on our website at www.dom.com/investors. We also publish an annual Citizenship & Sustainability Report (CSR) which discusses our climate change strategy. Our 2014-2015 CSR is available at www.dominioncsr.com. We also recently published our 2014 Greenhouse Gas Report available at https://www.dom.com/library/domcom/pdfs/corporate/our-commitments/environment/greenhouse-gas-report.pdf and our 2015 Methane Management Report available at https://www.dom.com/library/domcom/pdfs/corporate/our-commitments/environment/methane-management-report-2015.pdf that contains significant environmental disclosures.

Dominion has provided, and intends to continue providing, appropriate disclosures to its investors regarding climate change and the risks it poses to Dominion. We believe that preparation of the requested report would be duplicative and an unnecessary waste of company resources.

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

Item 9 – Report on Impact of Climate Change Driven Technology Changes

Whereas:

Electric Utilities are facing unprecedented changes to their business model due to climate change driven growth in low-carbon sources of electric power, and increased energy efficiency which is reducing demand for electricity. These trends are accelerating and our company's response has not been commensurate with the pace of the changes.

Distributed generation, including residential rooftop solar paired with energy store, is expanding rapidly as costs decrease and companies such as Solar City and First Solar build their businesses. More energy efficient manufacturing, heating, cooling and lighting systems are reducing electricity demand.

To control costs by hedging against energy price volatility and in response to climate change, corporations such as Apple, Google, Wal-Mart, and IKEA are aggressively increasing their investments in energy efficiency and their production and use of renewable energy, thereby reducing the electricity they are purchasing from electric utilities. Fifty major companies globally have committed to using 100 percent renewable energy, because of concerns about climate change and for financial reasons.

Non-utility companies are entering the market of providing energy efficiency services. Google recently purchased Nest, which provides products and services to reduce residential electricity use. Comcast now provides an EcoSaver service to help customers save money on energy bills. General Electric has created a new company Current, to provide products and services in energy efficiency, renewable generation and storage to large customers like hospitals, universities, retail stores and cities.

According to PricewaterhouseCoopers "In defining future business models, utilities need to understand and challenge their company's purpose and positioning in tomorrow's markets. In the past, operating an integrated utility from generation through customer supply was well understood. Now, unbundling opportunities are extending deeper into the value chain and enabling greater participation by specialists. As a result, electric companies will need to rethink not just their roles and business models, but also their service and product offerings and approaches to customer engagement."

Shareholders of Dominion Resources are concerned about the accelerating impact climate change driven technology including distributed energy generation and energy efficiency could have on our company's revenue. They are also concerned that our company's generating facilities – both current and planned – may not be able to be used to full capacity in the future due to decreased demand. This has the potential to significantly adversely affect shareholder value.

Shareholders are also concerned that business opportunities for our company – both in distributed generation and in energy efficiency – face increasing competition from major national corporations.

Resolved: Shareholders request that a committee of the Board of Directors oversee a study of potential future threats and opportunities presented by climate change driven technology changes in the electric utility industry, and prepare a report to shareholders that includes the company's plan to meet these challenges, protect shareholder value, and reduce the company's substantial carbon emissions. The report to shareholders should be prepared at reasonable cost and omit proprietary information and be completed by September 1st, 2016.

Opposing Statement

The Board of Directors recommends that shareholders vote AGAINST this proposal.

Under Virginia law, we are annually required to develop and file an Integrated Resource Plan (IRP) with the objective of identifying a diverse mix of resources necessary to meet future energy needs efficiently and reliably at the lowest reasonable cost, while considering future uncertainties. The company also makes a similar filing every two years in North Carolina.

To meet growing demand for electricity, Dominion is committed to evaluating a variety of generating resources to best match the needs of its customers while providing the fuel diversity required to minimize operational risks as well as those associated with changing market conditions. Our evaluation includes renewable, nuclear and conventional technology, alongside demand-side resources, conservation programs, energy efficiency and market purchases. This evaluation considers current and potential future technologies as a matter of course in its in-depth analysis to find the best generation mix to serve customers and to carry out the company's commitment to provide reliable electricity service at competitive rates in an environmentally responsible fashion. The company has a proven record of reliable service, competitive and stable rates, and clean generation when compared to regional and national peers.

The proposal seeks a report on the company's plan to account for technologically-driven changes in the future demand for electricity and the resulting impact on the company's generation portfolio, while at the same time reducing its carbon emissions. Our IRP is designed to do just that—analyze the amount, reliability and type of the company's generation facilities available in view of market conditions and current and pending state and federal environmental regulations, including the U.S. Environmental Protection Agency's proposed Clean Power Plan rules (CPP). Part of the process is to develop forecasts of the company's expected long-term load and reserve requirements. These models necessarily take into account various items that could affect future load requirements (*i.e.* demand), including weather, general economic conditions, increased energy efficiency, technological advancements and other matters.

Chapter 5 of the 2015 IRP (available at https://www.dom.com/library/domcom/pdfs/electric-generation/2015-irp-final-public-version-internal-cover.pdf?la=en) specifically discusses the company's potential future generation and other resources based on its monitoring of commercial- and utility-scale emerging generation technologies. Chapter 4 discloses numerous assumptions relied upon by the company related to capacity and energy needs, reserve requirements, commodity prices and other matters. The 2015 IRP also includes the company's evaluation of potential alternatives for compliance with the CPP, based on currently available information, and accordingly serves as the company's guide for reducing its carbon emissions and assisting Virginia, and other states in which it has facilities, in their compliance with the CPP, to the extent such compliance is ultimately required when the court challenges currently ongoing with respect to the CPP are resolved. The 2015 IRP balances the company's commitment to operate in an environmentally-responsible manner with its obligation to provide reliable and reasonably-priced electric service.

Based on its continuing evaluation of developing technologies and the evolution of environmental regulations, the company anticipates that future IRPs, to be filed annually with the SCC beginning May 1, 2016, will further define a recommended long-term path forward. The company also intends to address the final CPP rule and related state plans and requirements, as appropriate in light of the U.S. Supreme Court's stay of the CPP, in its future IRPs. As discussed above, the disclosures in the 2015 IRP are comparable to the report requested by the proposal. Therefore, we believe that preparation of the requested report would be duplicative of our IRPs filed in Virginia and North Carolina and an unnecessary waste of company resources.

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

QUESTION 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 common stock as of March 4, 2016 (the record date), and are therefore eligible to vote at the 2016 Annual Meeting. These materials allow you to exercise your right to vote at the 2016 Annual Meeting and provide you with important information about Dominion and the items to be presented for a vote at this meeting.

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

Most shareholders received a Notice Regarding the Availability of Proxy Materials (the Notice) instead of a full set of printed proxy materials. The Notice provides access to proxy materials in a fast and efficient manner via the Internet. This reduces the amount of paper necessary to produce these materials, as well as costs associated with mailing these materials to shareholders. On or around March 22, 2016, we began mailing the Notice to certain shareholders of record as of March 4, 2016, 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 2016 Annual Meeting. The person you designate is called a proxy. When you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card.

The proxy card accompanying this Proxy Statement is solicited by your Board of Directors for the 2016 Annual Meeting. By signing and returning it, you will be designating two non-employee members of the Board and Dominion's Corporate Secretary as proxies to vote your shares at the 2016 Annual Meeting based on your direction. You also may designate your proxies and direct your votes 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 the record date of March 4, 2016, may vote. Each share of Dominion common stock is entitled to one vote on each matter properly brought before the 2016 Annual Meeting. There were 596,726,733 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 2016;
- Advisory vote on approval of executive compensation (Say on Pay);
- 6 shareholder proposals, if properly presented; and
- Other business properly presented at the meeting.

Your Board is soliciting this proxy for the 2016 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 2016 and **FOR** approving, on a non-binding, advisory basis, the executive compensation of those executive officers named in this Proxy Statement.

Your Board recommends that you vote **AGAINST** all shareholder proposals presented in this proxy statement.

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. If an incumbent nominee does not receive a majority of votes cast for his or her election, he or she will continue to serve on the Board as a "holdover director" and will be required to submit a letter of resignation promptly to the Board. A majority of votes cast means that the number of shares voted for a director exceeds the number of votes cast against the director. In a contested election, where the number of nominees for director exceeds the number of directors to be elected, directors are elected by a plurality of the votes cast. All other items on the agenda 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 2016 Annual Meeting?

Management and the Board are not aware of any matters that may properly be brought before the 2016 Annual Meeting other than the matters disclosed in this Proxy Statement. If any other matters not disclosed in this Proxy Statement are properly presented at the 2016 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.

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 2016 Annual Meeting.
- If you attend the 2016 Annual Meeting, you may vote your shares in person. For admission requirements, please see *How do I attend the 2016 Annual Meeting in person?* on page 66.
- You may revoke your proxy and change your vote before the 2016 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 2016 Annual Meeting.
- All shares will be voted according to your instructions if you properly vote your proxy by one of the methods listed above. If you sign your proxy card but do not specify how you want your shares voted on any matter, you will be deemed to have directed the proxies to vote your shares as recommended by the Board. However, no vote will be recorded if you do not properly sign your proxy card, regardless of whether you specify how you want your shares voted.

Beneficial Owners

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

- Follow the instructions on the voting instruction form or Notice provided by the institution that holds your shares.
- To vote in person at the 2016 Annual Meeting, you must present a government-issued photo identification, your Admission Ticket and a legal proxy provided by the institution that holds your shares. For admission requirements, please see *How do I attend the 2016 Annual Meeting in person?* on page 66.
- If you do not provide your broker with timely voting instructions, your broker will not be able to vote on most of the items on the agenda of the 2016 Annual Meeting. Please see *What is discretionary voting by brokers?* on page 66.

Dominion Employee Savings Plan Participants

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

- Only the Trustee can vote your Plan shares. To allow sufficient time for the Trustee to vote your shares, your voting instructions must be received by 6:00 a.m. Eastern Time, May 5, 2016.
- You may revoke or change your voting instructions any time prior to the deadline by submitting a later dated Internet vote or by submitting a written notice to the agent for the Plan Trustee, Corporate Election Services, at P.O. Box 125, Pittsburgh, PA 15230-0125.

- The Trustee will vote according to your instructions, except as otherwise provided in accordance with the Employee Retirement Income Security Act of 1974, as amended. The Trustee will keep your vote confidential. Under the terms of the Plans, you are not allowed to vote your own Plan shares, even if you attend the meeting in person.
- If you do not vote your Plan shares or if you return your voting instruction card signed with no direction given, your shares will be voted by the Trustee as directed by the independent fiduciary hired by the Plan Administrator.

What is discretionary voting by brokers?

If you hold your shares in street name and you do not provide your broker with timely voting instructions, 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 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 2016 Annual Meeting?

In order for us to conduct the 2016 Annual Meeting, a majority of the shares outstanding on the record date of March 4, 2016, 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 2016 Annual Meeting in person or if you submit a properly executed proxy by mail, Internet or telephone.

Do I have to attend the 2016 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.

How do I attend the 2016 Annual Meeting in person?

If you plan to attend the 2016 Annual Meeting, *you must request and obtain an Admission Ticket in advance.*

Please submit your request for an Admission Ticket on or before Thursday, May 5, 2016, by emailing a request to shareholder.services@dom.com or contacting Dominion Shareholder Services at (800) 552-4034. Please provide the following information with your request:

- your name, mailing address and email address;
- whether you need special assistance at the meeting; and
- if your shares are held for you in the name of your broker, bank or other Shareholder of Record, evidence of your stock ownership as of March 4, 2016 (such as a current letter from your broker or bank or a photocopy of a current brokerage or other account statement).

You will need both the Admission Ticket and government-issued photo identification to enter the 2016 Annual Meeting. An authorized proxy must also present an Admission Ticket, government-issued photo identification and proof that he or she is an authorized proxy of a shareholder. Admission tickets are nontransferable.

For safety and security reasons, video and still cameras, recording equipment, electronic devices (including cell phones, smartphones, tablets, laptops, other portable electronic devices, etc.), large purses or bags, briefcases and packages will not be permitted in the 2016 Annual Meeting, other than for company-authorized purposes. Security measures may include bag and hand-wand searches. Rules of the meeting will be printed on the back of the agenda given to you at the 2016 Annual Meeting. We thank you in advance for your patience and cooperation with these rules.

Will seating be limited at the 2016 Annual Meeting?

Yes. Seating will be limited and shareholders will be admitted on a first-come, first-served basis. Admission will begin one hour before the start of the meeting.

Will shareholders be given the opportunity to ask questions at the 2016 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 this proxy solicitation. 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 2016 Annual Meeting.

Can I access the Notice of Annual Meeting, 2016 Proxy Statement, 2015 Summary Annual Report and 2015 Annual Report on Form 10-K over the Internet?

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

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

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

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

What is "householding" and how does it affect me?

Householding refers to practices used to reduce the number of copies of proxy materials sent to one address. For Shareholders of Record who received printed proxy materials, a single copy of the 2016 Proxy Statement, 2015 Summary Annual Report and 2015 Annual Report on Form 10-K (annual report package) has been sent to multiple shareholders who reside at the same address, unless we have received instructions from you to the contrary. Any shareholder who would like to receive a separate annual report package may call or write us at the telephone number and address above, and we will promptly deliver it. If you received multiple copies of the annual report package and would like to receive combined mailings in the future, please contact us as shown above. Beneficial Owners of shares should contact the institution that holds the shares regarding combined mailing.

OTHER INFORMATION

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, 2015.

Related Party Transactions

The Board has adopted related party transaction guidelines for the purpose of identifying potential conflicts of interests 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 a related person has or will have a direct or indirect material interest. The full text of the guidelines may be found on our website at https://www.dom.com/library/domcom/pdfs/investors/related-party-guidelines.pdf.

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

The CGN Committee has reviewed certain categories of transactions and determined that transactions between Dominion and a related person that fall within such categories will not result in the related person having a direct or indirect material interest. Under our guidelines, such transactions are not deemed related party transactions and, therefore, are not subject to review by the CGN Committee. The categories of excluded transactions include, among other items, compensation and expense reimbursements paid to directors and executive officers in the ordinary course of performing their duties; transactions with other companies where the related party's only relationship is as an employee, if the aggregate amount involved does not exceed the greater of $1 million or 2% of that company's gross revenues; and charitable contributions that are less than the greater of $1 million or 2% of the charity's annual receipts.

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

Other than as described below, since January 1, 2015, there have been no related party transactions that were required either to be approved or ratified under Dominion's related party transaction guidelines or reported under the SEC's related party transaction rules.

During 2015, Mr. Thomas P. Wohlfarth, the spouse of Ms. Diane Leopold (President of Dominion Energy, one of the company's principal business units) was employed by Dominion's services company as Senior Vice President, Regulatory Affairs. Mr. Wohlfarth received aggregate compensation of approximately $855,300, consisting of salary, annual and long-term incentive plan payouts, restricted stock (including dividend payments) and other benefits. His compensation and benefits are consistent with the company's overall compensation principles based on his years of experience, performance and position within the company. The transaction involving the compensation paid to Mr. Wohlfarth was reviewed and approved by the CGN Committee in accordance with Dominion's related party transaction guidelines.

During 2015, Ms. Francine Mathews, the adult, financially independent daughter of Dr. Peter W. Brown (who did not stand for re-election as a director at the May 2015 Annual Meeting of Shareholders) was employed by Dominion's services company as a staff attorney. Ms. Mathews' total compensation for 2015 was approximately $161,500, and she was eligible for company benefits available to all other employees in a similar position. The transaction involving the compensation paid to Ms. Mathews was reviewed and approved by the CGN Committee in accordance with Dominion's related party transaction guidelines.

During 2015, four providers of asset management services to Dominion were also beneficial owners of at least 5% of Dominion common stock: BlackRock, Inc. (BlackRock), The Vanguard Group (Vanguard), Capital Research Global Investors (Capital Research) and State Street Corporation (State Street). The nature and value of services provided by these 5% shareholders and their affiliates are described below.

- Affiliates of BlackRock provided asset management services to the company's pension plan and received approximately $423,500 in fees for such services for 2015.
- Affiliates of Vanguard provided asset management services to various trusts associated with the company's employee benefit plans and received approximately $443,500 in fees for such services for 2015.
- Affiliates of Capital Research provided asset management services to the company's pension plan and various trusts associated with the company's employee benefit plans and received approximately $1,570,200 in fees for such services for 2015.
- Affiliates of State Street provided asset management services to the company's pension plan and various trusts associated with the company's employee benefit plan and received approximately $336,100 in fees for such services for 2015.

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

Shareholder Proposals and Director Nominations

Under SEC rules, if a shareholder wishes to submit a proposal for possible inclusion in the 2017 Proxy Statement, Dominion's Corporate Secretary must receive it no later than 5 p.m., Eastern Time, on November 22, 2016. Shareholders should refer to Rule 14a-8 of the Exchange Act, which sets standards for eligibility and specifies the types of proposals that are not appropriate for inclusion in the 2017 Proxy Statement. Shareholder proposals should be sent to our Corporate Secretary at Dominion Resources, Inc., 120 Tredegar Street, Richmond, Virginia 23219. In addition, we recently adopted a proxy access right to permit a shareholder, or a group of up to 20 shareholders, owning continuously for at least three years, shares of our Company representing an aggregate of at least 3% of the Company's outstanding shares, to nominate and include in our proxy materials, director nominees constituting up to 20% of our Board or two seats, whichever is greater, provided that the shareholder(s) and the nominee(s) satisfy the requirements in our Bylaws. Notice of proxy access director nominees must be received by our Corporate Secretary at the address above no earlier than October 23, 2016 and no later than the close of business on November 22, 2016. Please refer to our Bylaws for the complete proxy access requirements.

To nominate a director at the 2017 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:

- Your name and address;
- Each nominee's name and address;
- 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;
- A description of all arrangements or understandings between you and each nominee and any other person concerning the nomination;
- Other information about the nominee that would be included in a proxy statement soliciting proxies for the election of directors; and
- 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 2017 Annual Meeting, Dominion's Bylaws require you to notify the Corporate Secretary in writing no less than 90 days and not more than 120 days prior to the one-year anniversary of the date of the 2016 Annual Meeting. This means that for the 2017 Annual Meeting, your notice must be delivered, or mailed and received, between January 11, 2017, and February 10, 2017, 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 2017 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 2017 Annual Meeting; and
- Any material interest you and any associated person of yours have in such business.

APPENDIX A

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

(Millions, Except Per Share Amounts)	2011	2012	2013	2014	2015
Operating Earnings (non-GAAP)	**$1,743**	**$1,774**	**$1,881**	**$2,003**	**$2,040**
Items excluded from operating earnings (after-tax):					
Loss from discontinued operations	(58)	(1,125)	(92)	—	—
Charges associated with North Anna and offshore wind facilities	—	—	—	(248)	—
Producer Services repositioning	—	—	(76)	(193)	—
Charges associated with liability management exercise	—	—	—	(174)	—
Impairment of generation assets	(139)	(269)	—	—	—
Future ash pond and landfill closure costs	—	—	—	(74)	(60)
Other items	(138)	(78)	(16)	(4)	(81)
Total after-tax items	(335)	(1,472)	(184)	(693)	(141)
Reported Earnings (GAAP)	**$1,408**	**$ 302**	**$1,697**	**$1,310**	**$1,899**
Earnings per common share - diluted:					
Operating Earnings	**$ 3.03**	**$ 3.09**	**$ 3.25**	**$ 3.43**	**$ 3.44**
Items excluded from operating earnings	(0.58)	(2.56)	(0.32)	(1.19)	(0.24)
Reported Earnings	**$ 2.45**	**$ 0.53**	**$ 2.93**	**$ 2.24**	**$ 3.20**

Consolidated operating earnings is a financial measure that is not required by, or presented in accordance with GAAP. This non-GAAP financial measure should not be considered as alternative to GAAP measures, such as reported earnings, and may be calculated differently from, and therefore may not be comparable to, similarly titled measures used at other companies.

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.

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

WWW.DOM.COM

2015 Annual Report on Form 10-K

You may request, without charge, a copy of Dominion's 2015 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 three copies of recent 10-K and 8-K filings of parent company Dominion Resources, Inc. Website references to those same filings are noted below.

2016 8-K filing:

https://www.sec.gov/Archives/edgar/data/715957/000071595716000040/driearnings8k05042016.htm

2015 10-K filing:

https://www.sec.gov/Archives/edgar/data/103682/000119312516480850/d126742d10k.htm

8-K 1 driearnings8k05042016.htm DRI EARNINGS 8-K 05-04-2016

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) **May 4, 2016**

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 May 4, 2016, Dominion Resources, Inc. issued a press release announcing unaudited earnings for the three months ended March 31, 2016. 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 May 4, 2016

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
Senior Vice President, Chief Administrative &
Compliance Officer and Corporate Secretary

Date: May 4, 2016

EX-99 2 ex99.htm EX-99

Dominion

NEWS RELEASE

May 4, 2016

Dominion Announces First-Quarter Earnings

- ***First-quarter 2016 operating earnings of $0.96 per share compared to guidance of $0.90 to $1.05 per share***
- ***First-quarter 2016 GAAP earnings of $0.88 per share***
- ***Company affirms 2016 earnings guidance of $3.60 to $4.00 per share***

RICHMOND, Va. – Dominion Resources (NYSE: D) today announced operating earnings for the three months ended March 31, 2016, of $572 million ($0.96 per share), compared to operating earnings of $584 million ($0.99 per share) for the same period in 2015. Operating earnings are defined as reported earnings, determined in accordance with Generally Accepted Accounting Principles (GAAP), adjusted for certain items.

Unaudited reported GAAP earnings for the three months ended March 31, 2016, were $524 million ($0.88 per share) compared with earnings of $536 million ($0.91 per share) for the same period in 2015.

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.

The principal difference between GAAP earnings and operating earnings for the quarter was due to charges associated with an organizational design initiative.

Business segment results and detailed descriptions of items included in 2016 and 2015 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 first-quarter operating earnings were in the middle of our guidance range of $0.90 to $1.05 per share.

"We continue to execute with strong operational and safety performance while also investing in an array of clean energy infrastructure. Brunswick County, the 1,358-megawatt natural gas combined-cycle facility, was placed in commercial operation last week ahead of schedule. Our request for a Certificate of Public Convenience and Necessity (CPCN) and rate rider for the proposed 1,588-megawatt Greensville County project was recently approved by the Virginia State Corporation Commission. We continued our commitment to increase the renewable energy in Virginia by signing solar agreements with the Commonwealth of Virginia and Microsoft.

"Our Cove Point liquefaction project is also progressing on time and on budget. The project overall is about 64 percent complete and engineering 99 percent complete as we are on schedule for a late 2017 in-service date."

FIRST-QUARTER 2016 OPERATING EARNINGS COMPARED TO 2015

The decrease in first-quarter 2016 operating earnings per share as compared to first-quarter 2015 operating earnings per share is primarily attributable to milder weather and the absence of a farmout agreement offset by higher anticipated renewable energy investment tax credits.

Details of first-quarter 2016 operating earnings as compared to 2015 may be found on Schedule 4 of this release.

SECOND-QUARTER 2016 OPERATING EARNINGS GUIDANCE

Dominion expects second-quarter 2016 operating earnings in the range of $0.65-$0.75 per share, compared to second-quarter 2015 operating earnings of $0.73 per share. Positive drivers as compared to the same period of the prior year include an increase in revenues from our growth projects, lower capacity expenses and higher anticipated investment tax credits from our solar facilities. Offsetting factors include a planned refueling outage at Millstone Power Station, higher depreciation, interest costs and share dilution. Reconciliation of operating and GAAP earnings for the second quarter of 2015 can be found on Schedule 3 of this release.

In providing its second-quarter and full-year 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, acquisitions, divestitures or changes in accounting principles. At this time, Dominion management is not able to estimate the aggregate impact of these items on reported earnings.

CONFERENCE CALL TODAY

Dominion will host its first-quarter earnings conference call at 10 a.m. ET on Wednesday, May 4, 2016. Management will discuss first-quarter financial results and other matters of interest to the financial community.

Domestic callers should dial (877) 410-5657. International callers should dial (334) 323-9872. The passcode for the conference call is "Dominion." 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 other financial information will be available on the investor information pages at www.dom.com/investors and www.dommidstream.com/investors.

A replay of the conference call will be available beginning about 1 p.m. ET May 4 and lasting until 11 p.m. ET May 11. Domestic callers may access the recording by dialing (877) 919-4059. International callers should dial (334) 323-0140. The PIN for the replay is 13190640. Additionally, a replay of the webcast will be available on the investor information pages by the end of the day May 4.

Dominion is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 25,700 megawatts of generation, 12,200 miles of natural gas transmission, gathering and storage pipeline, and 6,500 miles of electric transmission lines. Dominion operates one of the nation's largest natural gas storage systems with 933 billion cubic feet of storage capacity and serves more than 5 million utility and retail energy customers in 14 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 2016 which is 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, including fluctuations in energy-related commodity prices, estimates of future market conditions, additional competition in our industries, changes in the demand for Dominion's services, access to and costs of capital, fluctuations in the value of our pension assets and assets held in our decommissioning trusts, impacts of acquisitions, divestitures, transfers of assets to joint ventures or Dominion Midstream and retirements of assets based on asset portfolio reviews, the expected timing and likelihood of completion of the proposed acquisition of Questar, including the ability to obtain the requisite approvals of Questar's shareholders and timing, receipt and terms and conditions of required regulatory approvals, the receipt of regulatory approvals for, and timing of, other planned projects, acquisitions and divestitures, the timing and execution of Dominion Midstream's growth strategy, and the ability to complete planned construction or expansion projects at all or 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, major storms and changes in water temperatures on operations, the risk associated with the operation of nuclear facilities, unplanned outages at facilities in which Dominion has an ownership interest, the impact of operational hazards and catastrophic events, state and federal legislative and regulatory developments, including changes in federal and state tax laws 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, changes in enforcement practices of regulators relating to environmental standards and litigation exposure for remedial activities, 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, 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 quarterly reports on Form 10-Q or most recent annual report on Form 10-K filed with the Securities and Exchange Commission.

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CONTACTS: Media: Ryan Frazier, (804) 819-2521 or C.Ryan.Frazier@dom.com

Financial analysts: Kristy Babcock, (804) 819-2492 or Kristy.R.Babcock@dom.com

Schedule 1 - Segment Operating Earnings

Preliminary, Unaudited
(millions, except earnings per share)

	Three months ended March 31,		
	2016	**2015**	**Change**
Earnings:			
Dominion Virginia Power	$ 120	$ 140	$ (20)
Dominion Energy*	186	227	(41)
Dominion Generation*	245	262	(17)
Corporate and Other	21	(45)	66
OPERATING EARNINGS	**$ 572**	**$ 584**	**$ (12)**
Items excluded from operating earnings [2, 3]	(48)	(48)	-
REPORTED EARNINGS [1]	**$ 524**	**$ 536**	**$ (12)**
Common Shares Outstanding (average, diluted)	598.2	589.9	
Earnings Per Share (EPS):			
Dominion Virginia Power	$ 0.20	$ 0.24	$ (0.04)
Dominion Energy*	0.31	0.39	(0.08)
Dominion Generation*	0.41	0.44	(0.03)
Corporate and Other	0.04	(0.08)	0.12
OPERATING EARNINGS	**$ 0.96**	**$ 0.99**	**$ (0.03)**
Items excluded from operating earnings [2]	(0.08)	(0.08)	-
REPORTED EARNINGS [1]	**$ 0.88**	**$ 0.91**	**$ (0.03)**

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" in the Earnings Release Kit on Dominion's website at www.dom.com/investors.

3) Pre-tax amounts for the current period and the prior period are ($67) million and ($76) million, respectively.

*2015 amounts have been recast to reflect non-regulated retail energy marketing operations in the Dominion Energy segment.

Schedule 2 - Reconciliation of 2016 Operating Earnings to Reported Earnings

2016 Earnings (Three months ended March 31, 2016)

The net effects of the following items, all shown on an after-tax basis, are included in 2016 reported earnings, but are excluded from operating earnings:

- $43 million charge associated with an organizational design initiative, primarily comprised of employee severance benefits.
- $5 million net expense related to other items.

(millions, except per share amounts)	1Q16	2Q16	3Q16	4Q16	YTD 2016
Operating earnings	$572				$572
Items excluded from operating earnings (after-tax):					
Organizational design initiative	(43)				(43)
Other items	(5)				(5)
Total items excluded from operating earnings (after-tax) [1]	(48)				(48)
Reported net income	$524				$524
Common shares outstanding (average, diluted)	598.2				598.2
Operating earnings per share	$0.96				$0.96
Items excluded from operating earnings (after-tax)	(0.08)				(0.08)
Reported earnings per share	$0.88				$0.88

1) **Pre-tax amounts for items excluded from operating earnings are reflected in the following table:**

Items excluded from operating earnings:	1Q16	2Q16	3Q16	4Q16	YTD 2016
Organizational design initiative	(70)				(70)
Other items	3				3
Total items excluded from operating earnings	($67)	$0	$0	$0	($67)

Schedule 3 - Reconciliation of 2015 Operating Earnings to Reported Earnings

2015 Earnings (Twelve months ended December 31, 2015)

The net effects of the following items, all shown on an after-tax basis, are included in 2015 reported earnings, but are excluded from operating earnings:

- $52 million charge associated with Virginia legislation enacted in February that required the write-off of Virginia Power prior-period deferred fuel costs during the first quarter of 2015.

- $60 million charge associated with the asset retirement obligations for ash ponds and landfills at certain utility generation facilities in connection with the enactment of EPA coal combustion residuals rules in the second quarter of 2015.
- $17 million net charge in connection with the Virginia Commission's final ruling associated with its biennial review of Virginia Power's base rates for 2013-2014 test years.
- $12 million net expense related to other items.

(millions, except per share amounts)	1Q15	2Q15	3Q15	4Q15	YTD[2] 2015
Operating earnings	$584	$429	$611	$416	$2,040
Items excluded from operating earnings (after-tax):					
Write-off of deferred fuel costs	(52)				(52)
Future ash pond and landfill closure costs		(28)		(32)	(60)
Impact of Virginia Power biennial review				(17)	(17)
Other items	4	12	(18)	(10)	(12)
Total items excluded from operating earnings (after-tax) [1]	(48)	(16)	(18)	(59)	(141)
Reported net income	$536	$413	$593	$357	$1,899
Common shares outstanding (average, diluted)	589.9	592.5	595.5	596.7	593.7
Operating earnings per share	$0.99	$0.73	$1.03	$0.70	$3.44
Items excluded from operating earnings (after-tax)	(0.08)	(0.03)	(0.03)	(0.10)	(0.24)
Reported earnings per share	$0.91	$0.70	$1.00	$0.60	$3.20

1) Pre-tax amounts for items excluded from operating earnings are reflected in the following table:

Items excluded from operating earnings:	1Q15	2Q15	3Q15	4Q15	YTD 2015
Write-off of deferred fuel costs	(85)				(85)
Future ash pond and landfill closure costs		(45)		(54)	(99)
Impact of Virginia Power biennial review				(28)	(28)
Other items	9	18	(19)	(16)	(8)
Total items excluded from operating earnings	($76)	($27)	($19)	($98)	($220)

2) YTD EPS may not equal sum of quarters due to share count differences

Schedule 4 - Reconciliation of 1Q16 Earnings to 1Q15

Preliminary, unaudited
(millions, except EPS)

Reconciling Items	Three Months Ended March 31, 2016 vs. 2015 Increase / (Decrease) Amount	EPS
Dominion Virginia Power		
Regulated electric sales:		
Weather	($15)	($0.03)
Other	(5)	(0.01)
FERC Transmission equity return	11	0.02
Other	(11)	(0.02)

Change in contribution to operating earnings	**($20)**	**($0.04)**
Dominion Energy		
Gas Distribution margin	($3)	($0.01)
Farmout transactions	(41)	(0.08)
Other	3	0.01
Change in contribution to operating earnings	**($41)**	**($0.08)**
Dominion Generation		
Regulated electric sales:		
Weather	($31)	($0.05)
Other	(3)	(0.01)
Merchant generation margin	(8)	(0.02)
Rate adjustment clause equity return	6	0.01
Capacity related expenses	14	0.03
Depreciation	(6)	(0.01)
Other	11	0.02
Change in contribution to operating earnings	**($17)**	**($0.03)**
Corporate and Other		
Renewable energy investment tax credits	75	0.13
Other	(9)	(0.01)
Change in contribution to operating earnings	**$66**	**$0.12**
Change in consolidated operating earnings	**($12)**	**($0.03)**
Change in items excluded from operating earnings 1	$0	$0.00
Change in reported earnings (GAAP)	**($12)**	**($0.03)**

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.

Note: Figures may not add due to rounding

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, 2015

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**
000-55337	**VIRGINIA ELECTRIC AND POWER COMPANY**	**54-0418825**
001-37591	**DOMINION GAS HOLDINGS, LLC**	**46-3639580**

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:

Registrant	Title of Each Class	Name of Each Exchange on Which Registered
DOMINION RESOURCES, INC.	Common Stock, no par value	New York Stock Exchange
	2013 Series A 6.125% Corporate Units	New York Stock Exchange
	2013 Series B 6% Corporate Units	New York Stock Exchange
	2014 Series A 6.375% Corporate Units	New York Stock Exchange
DOMINION GAS HOLDINGS, LLC	2014 Series C 4.6% Senior Notes	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
VIRGINIA ELECTRIC AND POWER COMPANY
Common Stock, no par value
DOMINION GAS HOLDINGS, LLC
Limited Liability Company Membership Interests

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 ☐ Dominion Gas Holdings, LLC 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 ☒ Dominion Gas Holdings, LLC 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 ☐ Dominion Gas Holdings, LLC 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 ☐ Dominion Gas Holdings, LLC 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 ☒ Dominion Gas Holdings, LLC ☒

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 ☒ Smaller reporting company ☐

Dominion Gas Holdings, LLC
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 ☒ Dominion Gas Holdings, LLC Yes ☐ No ☒

The aggregate market value of Dominion Resources, Inc. common stock held by non-affiliates of Dominion was approximately $39.6 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 Dominion's most recently completed second fiscal quarter. Dominion is the sole holder of Virginia Electric and Power Company common stock. As of January 31, 2016, Dominion had 596,419,295 shares of common stock outstanding and Virginia Power had 274,723 shares of common stock outstanding. Dominion Resources, Inc. holds all of the membership interests of Dominion Gas Holdings, LLC.

DOCUMENT INCORPORATED BY REFERENCE.

Portions of Dominion's 2016 Proxy Statement are incorporated by reference in Part III.

This combined Form 10-K represents separate filings by Dominion Resources, Inc., Virginia Electric and Power Company and Dominion Gas Holdings, LLC. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Virginia Electric and Power Company and Dominion Gas Holdings, LLC make no representations as to the information relating to Dominion Resources, Inc.'s other operations.
VIRGINIA ELECTRIC AND POWER COMPANY AND DOMINION GAS HOLDINGS, LLC MEET THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION I(1)(a) AND (b) OF FORM 10-K AND ARE FILING THIS FORM 10-K UNDER THE REDUCED DISCLOSURE FORMAT.

Dominion Resources, Inc., Virginia Electric and Power Company and Dominion Gas Holdings, LLC

Glossary of Terms

The following abbreviations or acronyms used in this Form 10-K are defined below:

Abbreviation or Acronym	Definition
2013 Biennial Review Order	Order issued by the Virginia Commission in November 2013 concluding the 2011—2012 biennial review of Virginia Power's base rates, terms and conditions
2013 Equity Units	Dominion's 2013 Series A Equity Units and 2013 Series B Equity Units issued in June 2013
2014 Equity Units	Dominion's 2014 Series A Equity Units issued in July 2014
2015 Biennial Review Order	Order issued by the Virginia Commission in November 2015 concluding the 2013—2014 biennial review of Virginia Power's base rates, terms and conditions
2016 Proxy Statement	Dominion 2016 Proxy Statement, File No. 001-08489
ABO	Accumulated benefit obligation
AFUDC	Allowance for funds used during construction
AGL	AGL Resources Inc.
Altavista	Altavista power station
AMI	Advanced Metering Infrastructure
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
ATEX line	Appalachia to Texas Express ethane line
Atlantic Coast Pipeline	Atlantic Coast Pipeline, LLC, a limited liability company owned by Dominion, Duke Energy, Piedmont and AGL
Atlantic Coast Pipeline Project	The approximately 600-mile natural gas pipeline running from West Virginia through Virginia to North Carolina which will be owned by Dominion, Duke Energy, Piedmont and AGL and constructed and operated by DTI
BACT	Best available control technology
bcf	Billion cubic feet
bcfe	Billion cubic feet equivalent
Bear Garden	A 590 MW combined cycle, natural gas-fired power station in Buckingham County, Virginia
Blue Racer	Blue Racer Midstream, LLC, a joint venture between Dominion and Caiman
BOEM	Bureau of Ocean Energy Management
BP	BP Wind Energy North America Inc.
Brayton Point	Brayton Point power station
BREDL	Blue Ridge Environmental Defense League
Bremo	Bremo power station
Brunswick County	A 1,358 MW combined cycle, natural gas-fired power station under construction in Brunswick County, Virginia
CAA	Clean Air Act
Caiman	Caiman Energy II, LLC
CAIR	Clean Air Interstate Rule
CAISO	California ISO
CAO	Chief Accounting Officer
CAP	IRS Compliance Assurance Process
CCR	Coal combustion residual
CEA	Commodity Exchange Act
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 of Dominion's Board of Directors
Chesapeake	Chesapeake power station
Clean Power Plan	Regulations issued by the EPA in August 2015 for states to follow in developing plans to reduce CO_2 emissions from existing fossil fuel-fired electric generating units, stayed by the U.S. Supreme Court in February 2016 pending resolution of court challenges by certain states
CNG	Consolidated Natural Gas Company
CNO	Chief Nuclear Officer
CO_2	Carbon dioxide
COL	Combined Construction Permit and Operating License
Columbia to Eastover Project	Project to provide 15,800 Dths/day of firm transportation service from an existing interconnect with Southern Natural Gas Company, LLC in Aiken County, South Carolina and provide for a receipt point change of 2,200 Dths/day under an existing contract from an existing interconnect with Transco in Cherokee County, South Carolina for a total 18,000 Dths/day, to a new delivery point for the International Paper Company at its pulp and paper mill known as the Eastover Plant in Richland County, South Carolina
Companies	Dominion, Virginia Power and Dominion Gas, collectively

Abbreviation or Acronym	Definition
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
Corporate Unit	A stock purchase contract and 1/20 interest in a RSN issued by Dominion
Cove Point	Dominion Cove Point LNG, LP
Cove Point Holdings	Cove Point GP Holding Company, LLC
CPCN	Certificate of Public Convenience and Necessity
CSAPR	Cross State Air Pollution Rule
CWA	Clean Water Act
D.C.	District of Columbia
DCG	Dominion Carolina Gas Transmission, LLC (successor by statutory conversion to and formerly known as Carolina Gas Transmission Corporation)
DEI	Dominion Energy, Inc.
DESRI	D.E. Shaw Renewable Investments, LLC, a limited liability company owned by certain affiliates of the D.E. Shaw group, Madison Dearborn Capital Partners IV, L.P. and Northwestern University
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 its consolidated subsidiaries (other than Virginia Power and Dominion Gas) 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
Dominion Gas	The legal entity, Dominion Gas Holdings, LLC, one or more of its consolidated subsidiaries or operating segment, or the entirety of Dominion Gas Holdings, LLC and its consolidated subsidiaries
Dominion Iroquois	Dominion Iroquois, Inc., which holds a 24.72% noncontrolling partnership interest in Iroquois
Dominion Midstream	The legal entity, Dominion Midstream Partners, LP, one or more of its consolidated subsidiaries, Cove Point Holdings, Iroquois GP Holding Company, LLC and DCG (beginning April 1, 2015), or the entirety of Dominion Midstream Partners, LP and its consolidated subsidiaries
Dominion NGL Pipelines, LLC	The initial owner of the 58-mile G-150 pipeline project, which is designed to transport approximately 27,000 barrels per day of NGLs from Natrium to an interconnect with the ATEX line of Enterprise near Follansbee, West Virginia
DRS	Dominion Resources Services, Inc.
DSM	Demand-side management
Dth	Dekatherm
DTI	Dominion Transmission, Inc.
Duke Energy	Duke Energy Corporation
DVP	Dominion Virginia Power operating segment
E&P	Exploration & production
EA	Environmental assessment
East Ohio	The East Ohio Gas Company, doing business as Dominion East Ohio
Edgemoor Project	Project to provide 45,000 Dths/day of firm transportation service from an existing interconnect with Transco in Cherokee County, South Carolina to customers in Calhoun and Lexington counties, South Carolina
EGWP	Employer Group Waiver Plan
Elwood	Elwood power station
Enterprise	Enterprise Product Partners, L.P.
EPA	Environmental Protection Agency
EPACT	Energy Policy Act of 2005
EPC	Engineering, procurement and construction
EPS	Earnings per share
ERISA	The Employee Retirement Income Security Act of 1974
ERM	Enterprise Risk Management
ERO	Electric Reliability Organization
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
FERC	Federal Energy Regulatory Commission
Fitch	Fitch Ratings Ltd.
Four Brothers	Four Brothers Solar, LLC, a limited liability company owned by Dominion and Four Brothers Holdings, LLC, a wholly-owned subsidiary of SunEdison
Fowler Ridge	Fowler I Holdings LLC, a wind-turbine facility joint venture with BP in Benton County, Indiana
FTRs	Financial transmission rights
GAAP	U.S. generally accepted accounting principles
Gal	Gallon
GHG	Greenhouse gas

Abbreviation or Acronym	Definition
Granite Mountain	Granite Mountain Holdings, LLC, a limited liability company owned by Dominion and Granite Mountain Renewables, LLC, a wholly-owned subsidiary of SunEdison
Green Mountain	Green Mountain Power Corporation
Greensville County	An approximately 1,588 MW proposed natural gas-fired combined-cycle power station in Greensville County, Virginia
Hastings	A natural gas processing and fractionation facility located near Pine Grove, West Virginia
HATFA of 2014	Highway and Transportation Funding Act of 2014
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
Illinois Gas Contracts	A Dominion Retail, Inc. natural gas book of business consisting of residential and commercial customers in Illinois
INPO	Institute of Nuclear Power Operations
IRCA	Intercompany revolving credit agreement
Iron Springs	Iron Springs Holdings, LLC, a limited liability company owned by Dominion and Iron Springs Renewables, LLC, a wholly-owned subsidiary of SunEdison
Iroquois	Iroquois Gas Transmission System, L.P.
IRS	Internal Revenue Service
ISO	Independent system operator
ISO-NE	ISO New England
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
Keys Energy Project	Project to provide 107,000 Dths/day of firm transportation service from Cove Point's interconnect with Transco in Fairfax County, Virginia to Keys Energy Center, LLC's power generating facility in Prince George's County, Maryland
Kincaid	Kincaid power station
kV	Kilovolt
Liability Management Exercise	Dominion exercise in 2014 to redeem certain debt and preferred securities
LIBOR	London Interbank Offered Rate
LIFO	Last-in-first-out inventory method
Line TPL-2A	An approximately 11-mile, 30-inch gathering pipeline extending from Tuscarawas County, Ohio to Harrison County, Ohio
Line TL-388	A 37-mile, 24-inch gathering pipeline extending from Texas Eastern, LP in Noble County, Ohio to its terminus at Dominion's Gilmore Station in Tuscarawas County, Ohio
Line TL-404	An approximately 26-mile, 24- and 30- inch gas gathering pipeline that extends from Wetzel County, West Virginia to Monroe County, Ohio
Liquefaction Project	A natural gas export/liquefaction facility currently under construction by Cove Point
LNG	Liquefied natural gas
LTIP	Long-term incentive program
MAP 21 Act	Moving Ahead for Progress in the 21st Century Act
Maryland Commission	Maryland Public Service Commission
Massachusetts Municipal	Massachusetts Municipal Wholesale Electric Company
MATS	Utility Mercury and Air Toxics Standard Rule
mcf	thousand cubic feet
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
Medicare Act	The Medicare Prescription Drug, Improvement and Modernization Act of 2003
Medicare Part D	Prescription drug benefit introduced in the Medicare Act
MGD	Million gallons a day
Millstone	Millstone nuclear power station
MISO	Midwest Independent Transmission System Operators, Inc.
MLP	Master limited partnership, also known as publicly traded partnership
Moody's	Moody's Investors Service
Morgans Corner	Morgans Corner Solar Energy, LLC
MW	Megawatt
MWh	Megawatt hour
NAAQS	National Ambient Air Quality Standards
Natrium	A natural gas and fractionation facility located in Natrium, West Virginia, owned by Blue Racer
NAV	Net asset value
NedPower	NedPower Mount Storm LLC, a wind-turbine facility joint venture between Dominion and Shell in Grant County, West Virginia
NEIL	Nuclear Electric Insurance Limited

Abbreviation or Acronym	Definition
NERC	North American Electric Reliability Corporation
NG	Collectively, North East Transmission Co., Inc. and National Grid IGTS Corp.
NGLs	Natural gas liquids
NJNR	NJNR Pipeline Company
NO_2	Nitrogen dioxide
North Anna	North Anna nuclear power station
North Carolina Commission	North Carolina Utilities Commission
Northern System	Collection of approximately 131 miles of various diameter natural gas pipelines in Ohio
NO_X	Nitrogen oxide
NRC	Nuclear Regulatory Commission
NSPS	New Source Performance Standards
NYSE	New York Stock Exchange
October 2014 hybrids	2014 Series A Enhanced Junior Subordinated Notes due 2054
ODEC	Old Dominion Electric Cooperative
Ohio Commission	Public Utilities Commission of Ohio
Order 1000	Order issued by FERC adopting new requirements for electric transmission planning, cost allocation and development
Philadelphia Utility Index	Philadelphia Stock Exchange Utility Index
Piedmont	Piedmont Natural Gas Company, Inc.
PIPP	Percentage of Income Payment Plan deployed by East Ohio
PIR	Pipeline Infrastructure Replacement program deployed by East Ohio
PJM	PJM Interconnection, L.L.C.
Possum Point	Possum Point power station
PREP	Pipeline Replacement and Expansion Program, a program of replacing, upgrading and expanding natural gas utility infrastructure to be deployed by Hope
PSMP	Pipeline Safety and Management Program to be deployed by East Ohio to ensure the continued safe and reliable operation of East Ohio's system and compliance with pipeline safety laws
ppb	Parts-per-billion
PSD	Prevention of significant deterioration
Questar	The legal entity, Questar Corporation, one or more of its consolidated subsidiaries, or operating segments, or the entirety of Questar Corporation and its consolidated subsidiaries
Questar Combination	Agreement and plan of merger entered on January 31, 2016 between Dominion and Questar in which Questar will become a wholly-owned subsidiary of Dominion upon closing
RCC	Replacement Capital Covenant
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, as amended in 2015
REIT	Real estate investment trust
Rider B	A rate adjustment clause associated with the recovery of costs related to the conversion of three of Virginia Power's coal-fired power stations to biomass
Rider BW	A rate adjustment clause associated with the recovery of costs related to Brunswick County
Rider GV	A rate adjustment clause associated with the recovery of costs related to Greensville County
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 T1	A rate adjustment clause to recover the difference between revenues produced from transmission rates included in base rates, and the new total revenue requirement developed annually for the rate years effective September 1
Rider U	A rate adjustment clause associated with the recovery of costs of new underground distribution facilities
Rider US-1	A rate adjustment clause associated with the recovery of costs related to Remington solar facility
Rider US-2	A market-based rate adjustment clause associated with Woodland, Scott Solar and Whitehouse
Rider W	A rate adjustment clause associated with the recovery of costs related to Warren County
Riders C1A and C2A	Rate adjustment clauses associated with the recovery of costs related to certain DSM programs approved in DSM cases
ROE	Return on equity
ROIC	Return on invested capital
RSN	Remarketable subordinated note
RTEP	Regional transmission expansion plan
RTO	Regional transmission organization
SAFSTOR	A method of nuclear decommissioning, as defined by the NRC, in which a nuclear facility is placed and maintained in a condition that allows the facility to be safely stored and subsequently decontaminated to levels that permit release for unrestricted use
SAIDI	System Average Interruption Duration Index, metric used to measure electric service reliability
Scott Solar	An approximately 17 MW proposed utility-scale solar power station in Powhatan County, VA

Abbreviation or Acronym	Definition
SEC	Securities and Exchange Commission
SELC	Southern Environmental Law Center
September 2006 hybrids	2006 Series B Enhanced Junior Subordinated Notes due 2066
Shell	Shell WindEnergy, Inc.
SO_2	Sulfur dioxide
St. Charles Transportation Project	Project to provide 132,000 Dths/day of firm transportation service from Cove Point's interconnect with Transco in Fairfax County, Virginia to Competitive Power Venture Maryland, LLC's power generating facility in Charles County, Maryland
Standard & Poor's	Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc.
SunEdison	The legal entity, SunEdison, Inc., one or more of its consolidated subsidiaries (including Four Brothers Holdings, LLC, Granite Mountain Renewables, LLC and Iron Springs Renewables, LLC) or operating segments, or the entirety of SunEdison, Inc. and its consolidated subsidiaries
Surry	Surry nuclear power station
Terra Nova Renewable Partners	A partnership between SunEdison and institutional investors advised by J.P. Morgan Asset Management—Global Real Assets
Three Cedars	Granite Mountain and Iron Springs, collectively
TransCanada	The legal entity, TransCanada Corporation, one or more of its consolidated subsidiaries, or operating segments, or the entirety of TransCanada Corporation and its consolidated subsidiaries
TSR	Total shareholder return
U.S.	United States of America
UAO	Unilateral Administrative Order
UEX Rider	Uncollectible Expense Rider deployed by East Ohio
VEBA	Voluntary Employees' Beneficiary Association
VIE	Variable interest entity
Virginia City Hybrid Energy Center	A 610 MW baseload carbon-capture compatible, clean coal powered electric generation facility 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 Electric and Power Company and its consolidated subsidiaries
VOC	Volatile organic compounds
Warren County	A 1,342 MW combined-cycle, natural gas-fired power station in Warren County, Virginia
West Virginia Commission	Public Service Commission of West Virginia
Western System	Collection of approximately 212 miles of various diameter natural gas pipelines and three compressor stations in Ohio
Whitehouse	An approximately 20 MW proposed utility-scale solar power station in Louisa County, VA
Woodland	An approximately 19 MW proposed utility-scale solar power station in Isle of Wight County, VA
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. As of December 31, 2015, Dominion's portfolio of assets includes approximately 24,300 MW of generating capacity, 6,500 miles of electric transmission lines, 57,300 miles of electric distribution lines, 12,200 miles of natural gas transmission, gathering and storage pipeline and 22,000 miles of gas distribution pipeline, exclusive of service lines. As of December 31, 2015, Dominion serves over 5 million utility and retail energy customers in 14 states and operates one of the nation's largest underground natural gas storage systems, with approximately 933 bcf of storage capacity.

In March 2014, Dominion formed Dominion Midstream, an MLP designed to grow a portfolio of natural gas terminaling, processing, storage, transportation and related assets. In October 2014, Dominion Midstream launched its initial public offering and issued 20,125,000 common units (including 2,625,000 common units issued pursuant to the exercise of the underwriters' over-allotment option) representing limited partner interests. Dominion has recently and may continue to investigate opportunities to acquire assets that meet its strategic objective for Dominion Midstream. At December 31, 2015, Dominion owns the general partner and 64.1% of the limited partner interests in Dominion Midstream, which owns a preferred equity interest and the general partner interest in Cove Point, DCG and a 25.93% noncontrolling partnership interest in Iroquois. Dominion Midstream is consolidated by Dominion, and is an SEC registrant. However, its Form 10-K is filed separately and is not combined herein.

Dominion is focused on expanding its investment in regulated electric generation, transmission and distribution and regulated natural gas transmission and distribution infrastructure. Dominion expects 80% to 90% of earnings from its primary operating segments to come from regulated and long-term contracted businesses.

Dominion continues to expand and improve its regulated and long-term contracted electric and natural gas businesses, in accordance with its existing five-year capital investment program. A major impetus for this program is to meet the anticipated increase in demand in its electric utility service territory. Other drivers for the capital investment program include the construction of infrastructure to handle the increase in natural gas production from the Marcellus and Utica Shale formations, to upgrade Dominion's gas and electric transmission and distribution networks, and to meet environmental requirements and standards set by various regulatory bodies. Investments in utility solar generation are expected to be a focus in meeting such environmental requirements, particularly in Virginia. Blue Racer is investing in natural gas gathering and processing assets in Ohio and West Virginia, targeting primarily the Utica Shale formation. In September 2014, Dominion announced the formation of Atlantic Coast Pipeline. Atlantic Coast Pipeline is focused on constructing an approximately 600-mile natural gas pipeline running from West Virginia through Virginia to North Carolina, to increase natural gas supplies in the region.

Dominion has transitioned to a more regulated, less volatile earnings mix as evidenced by its capital investments in regulated infrastructure and infrastructure whose output is sold under long-term purchase agreements, as well as dispositions of certain merchant generation facilities during 2013 and the sale of the electric retail energy marketing business in March 2014. Dominion's nonregulated operations include merchant generation, energy marketing and price risk management activities and natural gas retail energy marketing operations. Dominion's operations are conducted through various subsidiaries, including Virginia Power and Dominion Gas.

Virginia Power, headquartered in Richmond, Virginia and incorporated in Virginia in 1909 as a Virginia public service corporation, is a wholly-owned subsidiary of Dominion and 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" and primarily serves retail customers. 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 stock is owned by Dominion.

Dominion Gas, a limited liability company formed in September 2013, is a wholly-owned subsidiary of Dominion and a holding company. It serves as the intermediate parent company for the majority of Dominion's regulated natural gas operating subsidiaries, which conduct business activities through a regulated interstate natural gas transmission pipeline and underground storage system in the Northeast, mid-Atlantic and Midwest states, regulated gas transportation and distribution operations in Ohio, and gas gathering and processing activities primarily in West Virginia, Ohio and Pennsylvania. Dominion Gas' principal wholly-owned subsidiaries are DTI, East Ohio and Dominion Iroquois. DTI is an interstate natural gas transmission pipeline company serving a broad mix of customers such as local gas distribution companies, marketers, interstate and intrastate pipelines, electric power generators and natural gas producers. The DTI system links to other major pipelines and markets in the mid-Atlantic, Northeast, and Midwest including Dominion's Cove Point pipeline. DTI also operates one of the largest underground natural gas storage systems in the U.S. and is a producer and supplier of NGLs. East Ohio is a regulated natural gas distribution operation serving residential, commercial and industrial gas sales and transportation customers. Its service territory includes Cleveland, Akron, Canton, Youngstown and other eastern and western Ohio communities. Dominion Iroquois holds a 24.72% noncontrolling partnership interest in Iroquois, a FERC-regulated interstate natural gas pipeline in New York and Connecticut. All of Dominion Gas' membership interests are owned by Dominion.

Amounts and information disclosed for Dominion are inclusive of Virginia Power and/or Dominion Gas, where applicable.

Employees

At December 31, 2015, Dominion had approximately 14,700 full-time employees, of which approximately 5,300 employees are subject to collective bargaining agreements. At December 31, 2015, Virginia Power had approximately 6,800 full-time employees, of which approximately 3,100 employees are subject to collective bargaining agreements. At December 31, 2015, Dominion Gas had approximately 2,800 full-time employees, of which approximately 2,000 employees are subject to collective bargaining agreements.

Where You Can Find More Information About the Companies

The Companies 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.

The Companies 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, http://www.dom.com, as soon as reasonably practicable after filing or furnishing the material to the SEC. Information contained on Dominion's website is not incorporated by reference in this report.

Acquisitions and Dispositions

Following are significant acquisitions and divestitures by the Companies during the last five years.

Proposed Acquisition of Questar

Under the terms of the Questar Combination announced in February 2016, upon closing, Dominion has agreed to pay Questar's shareholders approximately $4.4 billion in cash as well as assume Questar's outstanding debt. Subject to receipt of Questar shareholder and any required regulatory approvals and meeting closing conditions, Dominion targets closing by the end of 2016. See Note 3 to the Consolidated Financial Statements and *Liquidity and Capital Resources* in Item 7. MD&A for additional information.

Acquisition of Wholly-Owned Merchant Solar Projects

Throughout 2015, Dominion completed the acquisition of various wholly-owned merchant solar projects in California and Virginia for $381 million. The projects are expected to cost approximately $588 million to construct, including the initial acquisition cost, and are expected to generate approximately 182 MW.

Throughout 2014, Dominion completed the acquisition of various wholly-owned solar development projects in California for $200 million. The projects cost $578 million to construct, including the initial acquisition cost, and generate approximately 179 MW.

See Note 3 to the Consolidated Financial Statements for additional information.

Acquisition of Non-Wholly-Owned Merchant Solar Projects

In 2015, Dominion acquired 50% of the units in Four Brothers and Three Cedars from SunEdison for $107 million. The projects are expected to cost approximately $1.2 billion to construct, including the initial acquisition cost. The facilities are expected to begin commercial operations in the third quarter of 2016, generating approximately 530 MW. See Note 3 to the Consolidated Financial Statements for additional information.

Sale of Interest in Merchant Solar Projects

In September 2015, Dominion signed an agreement to sell a noncontrolling interest (consisting of 33% of the equity interests) in all of its then wholly-owned merchant solar projects, 24 solar projects totaling approximately 425 MW, to SunEdison for approximately $300 million. In December 2015, the sale of interest in 15 of the solar projects closed for $184 million with the sale of interest in the remaining projects completed in January 2016. See Note 3 to the Consolidated Financial Statements for additional information.

Dominion Midstream Acquisition of Interest in Iroquois

In September 2015, Dominion Midstream acquired from NG and NJNR a 25.93% noncontrolling partnership interest in Iroquois. The investment was recorded at $216 million based on the value of Dominion Midstream's common units at closing. The common units issued to NG and NJNR are reflected as noncontrolling interest in Dominion's Consolidated Financial Statements. See Note 3 to the Consolidated Financial Statements for additional information.

Acquisition of DCG

In January 2015, Dominion completed the acquisition of 100% of the equity interests of DCG from SCANA Corporation for $497 million in cash, as adjusted for working capital. In April 2015, Dominion contributed DCG to Dominion Midstream. See Note 3 to the Consolidated Financial Statements for additional information.

Sale of Electric Retail Energy Marketing Business

In March 2014, Dominion completed the sale of its electric retail energy marketing business. The proceeds were $187 million, net of transaction costs. The sale of the electric retail energy marketing business did not qualify for discontinued operations classification. See Note 3 to the Consolidated Financial Statements for additional information.

Sale of Pipelines and Pipeline Systems

In March 2014, Dominion Gas sold the Northern System to an affiliate that subsequently sold the Northern System to Blue Racer for consideration of $84 million. Dominion Gas' consideration consisted of $17 million in cash proceeds and the extinguishment of affiliated current borrowings of $67 million and Dominion's consideration consisted of cash proceeds of $84 million.

In September 2013, DTI sold Line TL-388 to Blue Racer for $75 million in cash proceeds.

In December 2012, East Ohio sold two pipeline systems to an affiliate for consideration of $248 million. East Ohio's consideration consisted of $61 million in cash proceeds and the extinguishment of affiliated long-term debt of $187 million and Dominion's consideration consisted of a 50% interest in Blue Racer and cash proceeds of $115 million.

See Note 9 to the Consolidated Financial Statements for additional information on sales of pipelines and pipeline systems.

Assignments of Shale Development Rights

In March 2015, Dominion Gas and a natural gas producer closed on an amendment to a December 2013 agreement, which included the immediate conveyance of approximately 9,000 acres of Marcellus Shale development rights and a two-year extension of the term of the original agreement. The conveyance of development rights resulted in the recognition of $43 million of previously deferred revenue. Also in March 2015, Dominion Gas conveyed to a natural gas producer approximately 11,000 acres of Marcellus Shale development rights underneath one of its natural gas storage fields and received proceeds of $27 million and an overriding royalty interest in gas produced from the acreage. In September 2015, Dominion Gas closed on an agreement with a natural gas producer to convey approximately 16,000 acres of Utica and Point Pleasant Shale development rights underneath one of its natural gas storage fields. The agreement provided for a payment to Dominion Gas, subject to customary adjustments, of $52 million and an overriding royalty interest in gas produced from the acreage.

In November 2014, Dominion Gas closed an agreement with a natural gas producer to convey over time approximately 24,000 acres of Marcellus Shale development rights underneath one of its natural gas storage fields. The agreement provides for payments to Dominion Gas, subject to customary adjustments, of approximately $120 million over a period of four years, and an overriding royalty interest in gas produced from the acreage.

In December 2013, Dominion Gas closed on agreements with two natural gas producers to convey over time approximately 100,000 acres of Marcellus Shale development rights underneath several natural gas storage fields. The agreements provide for payments to Dominion Gas, subject to customary adjustments, of approximately $200 million over a period of nine years, and overriding royalty interest in gas produced from that acreage.

See Note 10 to the Consolidated Financial Statements for additional information on these sales of Marcellus acreage.

Sale of Brayton Point, Kincaid and Equity Method Investment in Elwood

In August 2013, Dominion completed the sale of Brayton Point, Kincaid and its equity method investment in Elwood to Energy Capital Partners and received proceeds of $465 million, net of transaction costs. The historical results of Brayton Point's and Kincaid's operations are included in the Corporate and Other segment and presented in discontinued operations. See Note 3 to the Consolidated Financial Statements for additional information.

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 operations that are discontinued, which is discussed in Note 3 to the Consolidated Financial Statements. In addition, Corporate and Other includes specific items attributable to Dominion's other 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.

Dominion Gas manages its daily operations through its primary operating segment: Dominion Energy. It also reports a Corporate and Other segment that primarily includes specific items attributable to its operating segment that are not included in profit measures evaluated by executive management in assessing the segment's performance.

While daily operations are managed through the operating segments previously discussed, assets remain wholly-owned by the Companies 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	Dominion Gas
DVP	Regulated electric distribution	X	X	
	Regulated electric transmission	X	X	
Dominion Generation	Regulated electric fleet	X	X	
	Merchant electric fleet	X		
Dominion Energy	Gas transmission and storage	X(1)		X
	Gas distribution and storage	X		X
	Gas gathering and processing	X		X
	LNG import and storage	X		
	Nonregulated retail energy marketing(2)	X		

(1) Includes remaining producer services activities.

(2) As a result of Dominion's decision to realign its business units effective for 2015 year-end reporting, nonregulated retail energy marketing operations were moved from the Dominion Generation segment to the Dominion Energy segment. See Note 25 to the Consolidated Financial Statements for additional information.

For additional financial information on operating segments, including revenues from external customers, see Note 25 to the Consolidated Financial Statements. For additional information on operating revenue related to the Companies' principal products and services, see Notes 2 and 4 to the Consolidated Financial Statements, which information is incorporated herein by reference.

DVP

The DVP Operating Segment of Dominion and Virginia Power includes Virginia Power's regulated electric transmission and distribution (including customer service) operations, which serve approximately 2.5 million residential, commercial, industrial and governmental customers in Virginia and North Carolina.

DVP's existing five-year investment plan includes spending approximately $7.7 billion from 2016 through 2020 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 customer growth and increases in electricity consumption by the typical consumer. In addition, data centers continue to contribute to anticipated demand growth.

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. SAIDI performance results, excluding major events, were 120 minutes at the end of 2015, up from the three-year average of 113 minutes, due to increased weather related outages. Virginia Power's overall customer satisfaction, however, improved year over year when compared to its 2014 score in the South Large segment of J.D. Power and Associates' rankings. In the future, safety, electric service reliability and customer service will remain key focus areas for electric distribution.

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.

Competition

DVP Operating Segment—Dominion and Virginia Power

There is no competition for electric distribution service within Virginia Power's service territory in Virginia and North Carolina and no such competition is currently permitted. Historically, since its electric transmission facilities are integrated into PJM and electric transmission services are administered by PJM, there was no competition in relation to transmission service provided to customers within the PJM region. However, competition from non-incumbent PJM transmission owners for development, construction and ownership of certain transmission facilities in Virginia Power's service territory is now permitted pursuant to FERC Order 1000, subject to state and local siting and permitting approvals. This could result in additional competition to build transmission lines in Virginia Power's service area in the future and could allow Dominion to seek opportunities to build facilities in other service territories.

Regulation

DVP Operating Segment—Dominion and Virginia Power

Virginia Power's electric retail service, including the rates it may charge to jurisdictional customers, is subject to regulation by the Virginia and North Carolina Commissions. Virginia Power's wholesale 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 13 to the Consolidated Financial Statements for additional information, including a discussion of the February 2015 amendment to the Regulation Act and the 2015 Biennial Review Order.

Properties

DVP Operating Segment—Dominion and Virginia Power

Virginia Power has approximately 6,500 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.

As a part of PJM's RTEP process, PJM authorized the following material reliability projects (including Virginia Power's estimated cost):

- Surry-to-Skiffes Creek-to-Whealton ($150 million);
- Dooms-to-Lexington ($112 million);
- Cunningham-to-Elmont ($106 million);
- Landstown voltage regulation ($70 million);
- Warrenton (including Remington CT-to-Warrenton, Vint Hill-to-Wheeler-to-Gainesville, and Vint Hill and Wheeler switching stations) ($105 million);

- Carolina-to-Kerr Dam ($58 million);
- Remington/Gordonsville/Pratts Area Improvement (including Remington-to-Gordonsville, and new Gordonsville substation transformer) ($104 million);
- Kings Dominion-to-Fredericksburg ($51 million); and
- Cunningham-to-Dooms ($110 million).

Over the next 5 years, Virginia Power plans to increase transmission substation physical security and to invest in a new system operations center. Virginia Power expects to invest $300 million-$400 million during that time to strengthen its electrical system to better protect critical equipment, enhance its spare equipment process and create multiple levels of security.

In addition, Virginia Power's electric distribution network includes approximately 57,300 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 owners 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.

Virginia legislation in 2014 provides for the recovery of costs, subject to approval by the Virginia Commission, for Virginia Power to move approximately 4,000 miles of electric distribution lines underground. The program, designed to reduce restoration outage time, has an annual investment cap of approximately $175 million and is expected to be implemented over the next decade. In December 2015, Virginia Power re-filed its application with the Virginia Commission seeking approval to place its most outage-prone overhead distribution lines underground as part of the initial phase of this program.

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.

Seasonality

DVP Operating Segment—Dominion and Virginia Power

DVP's earnings vary seasonally as a result of the impact of changes in temperature, the impact of storms and other catastrophic weather events, 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.

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. *The Dominion Generation Operating Segment of Dominion* includes Virginia Power's generation facilities and its related energy supply operations as well as the generation operations of Dominion's merchant fleet and energy marketing and price risk management activities for these assets.

Dominion Generation's existing five-year electric utility investment plan includes spending approximately $8.0 billion from 2016 through 2020 to construct new generation capacity to meet growing electricity demand within its utility service territory and to continue to replace coal-fired generating capacity with less carbon-intensive natural gas and solar. The most significant project currently under construction is Brunswick County, which is estimated to cost approximately $1.2 billion, excluding financing costs. See *Properties* and *Environmental Strategy* for additional information on this and other utility projects.

In addition, Dominion's merchant fleet has acquired and developed numerous renewable generation projects, which include a fuel cell generation facility in Connecticut and solar generation facilities in California, Indiana, Georgia, Tennessee, Utah and Connecticut. The output of these facilities is sold under long-term power purchase agreements with terms generally ranging from 15 to 25 years. See Note 3 to the Consolidated Financial Statements for additional information regarding certain solar projects.

Earnings for the *Dominion 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. Base rates for the Virginia jurisdiction are set using a modified cost-of-service rate model, and are generally designed to allow an opportunity to recover the cost of providing utility service and earn a reasonable return on investments used to provide that service. Earnings variability may arise when revenues are impacted by factors not reflected in current rates, such as the impact of weather on customers' demand for services. Likewise, earnings may reflect variations in the timing or nature of expenses as compared to those contemplated in current rates, such as labor and benefit costs, capacity expenses, and the timing, duration and costs of scheduled and unscheduled outages. 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. The cost of new generation facilities is generally recovered through rate adjustment clauses in Virginia. Variability in earnings from rate adjustment clauses reflects changes in the authorized ROE and the carrying amount of these facilities, which are largely driven by the timing and amount of capital investments, as well as depreciation. See *Electric Regulation in Virginia* under *Regulation* and Note 13 to the Consolidated Financial Statements for additional information.

The Dominion 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 from associated capacity and ancillary services. Variability in earnings provided by Dominion's nonrenewable 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 the electric price volatility of its merchant fleet by hedging a substantial portion of its expected near-term energy sales with derivative instruments. 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

Dominion Generation's recently acquired and developed renewable generation projects are not subject to significant competition as the output from these facilities is primarily sold under long-term power purchase agreements with terms generally lasting between 15 and 25 years. Competition for the nonrenewable 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.

Unlike Dominion Generation's regulated generation fleet, its nonrenewable merchant generation fleet is dependent on its ability to operate in a competitive environment and does not have a predetermined rate structure that provides for a rate of return on its capital investments. Dominion Generation's nonrenewable merchant assets 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 nonrenewable merchant units compete in the wholesale 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 nonrenewable merchant fleet is competitive compared to similar assets within the region.

Regulation

Dominion Generation Operating Segment—Dominion and Virginia Power

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 *Regulation, Future Issues and Other Matters* in Item 7. MD&A and Notes 13 and 22 to the Consolidated Financial Statements for more information.

The Clean Power Plan and related proposed rules discussed represent a significant regulatory development affecting this segment. See *Future Issues and Other Matters* in Item 7. MD&A.

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 approximately 20,000 MW. The generation mix is diversified and includes coal, nuclear, gas, oil, hydro, renewables and power purchase agreements. Virginia Power's generation facilities are located in Virginia, West Virginia and North Carolina and serve load in Virginia and northeastern North Carolina.

Virginia Power is developing, financing and constructing new generation capacity to meet growing electricity demand within its service territory. Significant projects under construction or development are set forth below:

- In August 2013, the Virginia Commission authorized the construction of Brunswick County, which is estimated to cost approximately $1.2 billion, excluding financing costs. Construction of the facility commenced in the third quarter of 2013 with commercial operations expected to begin in mid-2016. Brunswick County is expected to offset the expected reduction in capacity caused by the retirement of coal-fired units at Chesapeake in December 2014 and at Yorktown as early as 2017, primarily due to the cost of compliance with MATS.
- Virginia Power has filed for approval to construct certain solar facilities in Virginia. See Note 13 to the Consolidated Financial Statements for more information.
- Virginia Power is considering the construction of a third nuclear unit at a site located at North Anna. See Note 13 to the Consolidated Financial Statements for more information on this project.
- The BOEM auctioned approximately 113,000 acres of federal land off the Virginia coast as a single lease for construction of offshore wind turbines. Virginia Power was awarded the lease, effective November 1, 2013. The BOEM has several lease milestones with which Virginia Power must comply as conditions to being awarded the lease.
- Virginia Power is also considering the development of a commercial offshore wind generation project through a federal land lease off the Virginia coast. Virginia Power and several partners are collaborating to develop a 12 MW offshore wind demonstration project, which is proposed to be located approximately 24 miles off the coast of Virginia. In May 2014, the DOE selected the Virginia Offshore Wind Technology Advancement project as one of three projects to receive up to $47 million of follow-on funding. This project may be operational as early as the end of 2018, pending regulatory approvals.

- Subject to the receipt of certain regulatory approvals, Virginia Power plans to construct and operate Greensville County and related transmission interconnection facilities. If the project is approved, commercial operations are expected to commence in late 2018, at an estimated cost of approximately $1.3 billion, excluding financing costs.

Dominion Generation Operating Segment—Dominion

The generation capacity of Dominion's merchant fleet totals approximately 4,300 MW. The generation mix is diversified and includes nuclear, natural gas and renewables. Merchant non-renewable generation facilities are located in Connecticut, Pennsylvania and Rhode Island, with a majority of that capacity concentrated in New England. Dominion's merchant renewable generation facilities include a fuel cell generation facility in Connecticut, solar generation facilities in Indiana, Georgia, California, Tennessee, Utah and Connecticut, and wind generation facilities in Indiana and West Virginia. Additional solar projects under construction are as set forth below:

- In June 2015, Dominion acquired 50% of the units in Four Brothers from SunEdison for $64 million of consideration. Four Brothers' purpose is to develop and operate four solar projects located in Utah, which will produce and sell electricity and renewable energy credits. The projects are expected to cost approximately $730 million to construct, including the initial acquisition cost. The facilities are expected to begin commercial operations in the third quarter of 2016, generating approximately 320 MW.
- In September 2015, Dominion acquired 50% of the units in Three Cedars from SunEdison for $43 million of consideration. Three Cedars' purpose is to develop and operate three solar projects located in Utah, which will produce and sell electricity and renewable energy credits. The projects are expected to cost approximately $425 million to construct. The facilities are expected to begin commercial operations in the third quarter of 2016, generating approximately 210 MW.
- In November 2015, Dominion acquired 100% of the equity interests of the Eastern Shore Solar project in Virginia from Community Energy, Inc. for $34 million. The project is expected to cost approximately $212 million once constructed, including the initial acquisition cost. The facility is expected to begin commercial operations in October 2016 and generate approximately 80 MW.

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 natural gas and coal in its fossil fuel plants. All recent fossil fuel plant construction for Dominion Generation, with the exception of the Virginia City Hybrid Energy Center, involves natural gas generation.

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 and Marcellus and Utica regions, 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 provides for reliable natural gas deliveries to its gas turbine fleet, while minimizing costs.

Dominion Generation's coal supply is obtained through long-term contracts and short-term spot agreements from domestic suppliers.

Biomass—Dominion Generation's biomass supply is obtained through long-term contracts and short-term spot agreements from local suppliers.

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 and ISO-NE 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	2015	2014	2013
Nuclear(1)	**30%**	33%	33%
Purchased power, net	**15**	19	21
Coal(2)	**26**	30	29
Natural gas	**23**	15	16
Other(3)	**6**	3	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 2015 Virginia in-system generation was $31.29 per MWh.
(3) Includes oil, hydro, biomass and solar.

Seasonality

Dominion Generation Operating Segment—Dominion and Virginia Power

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. See *DVP-Seasonality* above for additional considerations that also apply to Dominion Generation.

NUCLEAR DECOMMISSIONING

Dominion Generation Operating Segment—Dominion and Virginia Power

Virginia Power has a total of four licensed, operating nuclear reactors at Surry and North Anna 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 are placed into trusts and are 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 requirements, which may include, if needed, the use of parent company guarantees, surety bonding or other financial instruments recognized by the NRC.

The estimated cost to decommission Virginia Power's four nuclear units is reflected in the table below and is primarily based upon site-specific studies completed in 2014. These cost studies are generally completed every four to five years. 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 2078.

Dominion Generation Operating Segment—Dominion

In addition to the four nuclear units discussed above, Dominion has two licensed, operating nuclear reactors at Millstone in Connecticut. A third Millstone unit ceased operations before Dominion acquired the power station. In May 2013, Dominion ceased operations at its single unit Kewaunee in Wisconsin and commenced decommissioning activities using the SAFSTOR methodology. The planned decommissioning completion date is 2073, which is within the NRC allowed 60-year window.

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 requirements, which may include, if needed, the use of parent company guarantees, surety bonding or other financial instruments recognized by the NRC. The estimated cost to decommission Dominion's eight units is reflected in the table below and is primarily based upon site-specific studies completed for Surry, North Anna and Millstone in 2014 and for Kewaunee in 2013.

The estimated decommissioning costs and license expiration dates for the nuclear units owned by Dominion and Virginia Power are shown in the following table:

(dollars in millions)	NRC license expiration year	Most recent cost estimate (2015 dollars)(1)	Funds in trusts at December 31, 2015	2015 contributions to trusts
Surry				
Unit 1	**2032**	**$ 588**	**$ 551**	**$ 0.6**
Unit 2	**2033**	**608**	**543**	**0.6**
North Anna				
Unit 1(2)	**2038**	**503**	**439**	**0.4**
Unit 2(2)	**2040**	**515**	**412**	**0.3**
Total (Virginia Power)		**2,214**	**1,945**	**1.9**
Millstone				
Unit 1(3)	**N/A**	**369**	**444**	**—**
Unit 2	**2035**	**552**	**570**	**—**
Unit 3(4)	**2045**	**669**	**563**	**—**
Kewaunee				
Unit 1(5)	**N/A**	**494**	**661**	**—**
Total (Dominion)		**$ 4,298**	**$ 4,183**	**$ 1.9**

(1) The cost estimates shown above reflect reductions for the expected future recovery of certain spent fuel costs based on Dominion's and Virginia Power's contracts with the DOE for disposal of spent nuclear fuel consistent with the reductions reflected in Dominion's and Virginia Power's nuclear decommissioning AROs.

(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 permanently 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 and Green Mountain. Decommissioning cost is shown at Dominion's ownership percentage. At December 31, 2015, the minority owners held $35 million of trust funds related to Millstone Unit 3 that are not reflected in the table above.

(5) Permanently ceased operations in 2013.

Also see Note 14 and Note 22 to the Consolidated Financial Statements for further information about AROs and nuclear decommissioning, respectively, and Note 9 for information about nuclear decommissioning trust investments.

Dominion Energy

The Dominion Energy Operating Segment of Dominion Gas includes the majority of Dominion's regulated natural gas operations. DTI, the gas transmission pipeline and storage business, serves gas distribution businesses and other customers in the Northeast, mid-Atlantic and Midwest. Included in the transmission pipeline and storage business is gas gathering and processing activity, which includes the sale of extracted products at market rates. As discussed further under *Properties and Investments*, Dominion Gas has requested approval from FERC to transfer these gathering and processing assets from DTI to another wholly-owned subsidiary of Dominion Gas. East Ohio, the primary gas distribution business of Dominion, serves residential, commercial and industrial gas sales, transportation and gathering service customers. Dominion Iroquois holds a 24.72% noncontrolling partnership interest in

Iroquois, which provides service to local gas distribution companies, electric utilities and electric power generators, as well as marketers and other end users, through interconnecting pipelines and exchanges primarily in New York.

Earnings for the *Dominion Energy Operating Segment of Dominion Gas* primarily result from rates established by FERC and the Ohio Commission. The profitability of this business is dependent on Dominion Gas' 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 changes in 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.

Approximately 96% of the transmission capacity under contract on DTI's pipeline is subscribed with long-term contracts (two years or greater). The remaining 4% is contracted on a year-to-year basis. Less than 1% of firm transportation capacity is currently unsubscribed. Less than 1% of storage services are unsubscribed. All contracted storage is subscribed with long-term contracts.

Revenue from processing and fractionation operations largely results from the sale of commodities at market prices. For DTI's processing plants, Dominion Gas receives the wet gas product from producers and may retain the extracted NGLs as compensation for its services. This exposes Dominion Gas to commodity price risk for the value of the spread between the NGL products and natural gas. In addition, Dominion Gas has volumetric risk as customers receiving these services are not required to deliver minimum quantities of gas.

East Ohio utilizes a straight-fixed-variable rate design for a majority of its customers. Under this rate design, East Ohio recovers a large 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.

In addition to the operations of Dominion Gas, *the Dominion Energy Operating Segment of Dominion* also includes LNG operations, Hope's gas distribution operations in West Virginia, and nonregulated retail natural gas marketing, as well as Dominion's investments in the Blue Racer joint venture, Atlantic Coast Pipeline and Dominion Midstream. See *Properties and Investments* below for additional information regarding the Atlantic Coast Pipeline investment. 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. Dominion has received DOE and FERC approval to export LNG from Cove Point and has begun construction on a bi-directional facility, which will be able to import LNG and vaporize it as natural gas and liquefy natural gas and export it as LNG. See Note 22 to the Consolidated Financial Statements for more information.

In 2014, Dominion formed Dominion Midstream, an MLP initially consisting of a preferred equity interest in Cove Point. See *General* above for more information. Also see *Acquisitions and Dispositions* above and Note 3 to the Consolidated Financial Statements for a description of Dominion's acquisition of DCG, which Dominion contributed to Dominion Midstream in April 2015, as well as Dominion Midstream's acquisition of an additional partnership interest in Iroquois in September 2015.

Blue Racer concentrates on building and operating new gathering, processing, fractionation and NGL transportation assets as the development of the Utica Shale formation increases. Dominion has contributed or sold various assets to the joint venture. See Note 9 to the Consolidated Financial Statements for more information.

Dominion Energy's existing five-year investment plan includes spending approximately $7.3 billion from 2016 through 2020 to upgrade existing infrastructure or add new pipelines to meet growing energy needs within its service territory and maintain reliability. Demand for natural gas is expected to continue to grow as the Clean Power Plan and other initiatives to transition to gas from more carbon-intensive fuels are implemented. This plan includes spending for the Atlantic Coast Pipeline Project and approximately $1.4 billion, exclusive of financing costs, for the Liquefaction Project.

In addition to the earnings drivers noted above for Dominion Gas, earnings for the *Dominion Energy Operating Segment of Dominion* primarily include the results of rates established by FERC and the West Virginia Commission. Additionally, Dominion Energy receives revenue from firm fee-based contractual arrangements, including negotiated rates, for certain LNG storage and regasification services. Hope's gas distribution operations in West Virginia serve residential, commercial and industrial gas sales, transportation and gathering service customers. Revenue provided by Hope's operations is based primarily on rates established by the West Virginia Commission. DCG's revenues are primarily derived from reservation charges for firm transportation services as provided for in its FERC approved tariff. The profitability of these businesses is dependent on their ability, through the rates they are permitted to charge, to recover costs and earn a reasonable return on their capital investments. Variability in earnings results from changes in 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. The processing and fractionation operations within Dominion Energy's Blue Racer joint venture are primarily managed under long-term fee-based contracts, which minimizes direct commodity price risk. However, commodity prices do impact customer demand for Blue Racer's services.

Dominion's retail energy marketing operations compete in nonregulated energy markets. In March 2014, Dominion completed the sale of its electric retail energy marketing business; however, it still participates in the retail natural gas and energy-related products and services businesses. The remaining customer base includes approximately 1.3 million customer accounts. Dominion has a heavy concentration of natural gas customers in markets where utilities have a long-standing commitment to customer choice, primarily in the states of Ohio and Pennsylvania.

Competition

Dominion Energy Operating Segment—Dominion and Dominion Gas

Dominion Gas' natural gas transmission operations compete with domestic and Canadian pipeline companies. Dominion Gas 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.

DTI's processing and fractionation operations face competition in obtaining natural gas supplies for its processing and related services. Numerous factors impact any given customer's choice of processing services provider, including the location of the facilities, efficiency and reliability of operations, and the pricing arrangements offered.

In Ohio, there has been no legislation enacted to require supplier choice for natural gas distribution consumers. However, East Ohio has offered an Energy Choice program to residential and commercial customers since October 2000. East Ohio has since taken various steps approved by the Ohio Commission toward exiting the merchant function, including restructuring its commodity service and placing Energy Choice-eligible customers in a direct retail relationship with participating suppliers. Further, in April 2013, East Ohio fully exited the merchant function for its nonresidential customers, which are now required to choose a retail supplier or be assigned to one at a monthly variable rate set by the supplier. At December 31, 2015, approximately 1 million of East Ohio's 1.2 million Ohio customers were participating in the Energy Choice program.

Dominion Energy Operating Segment—Dominion

For Hope, West Virginia does not allow customers to choose their provider in its retail natural gas markets at this time. See *Regulation-State Regulations-Gas* for additional information.

Cove Point's gas transportation, LNG import and storage operations, as well as the Liquefaction Project's capacity are contracted primarily under long-term fixed reservation fee agreements. However, in the future Cove Point may compete with other independent terminal operators as well as major oil and gas companies on the basis of terminal location, services provided and price. Competition from terminal operators primarily comes from refiners and distribution companies with marketing and trading arms.

DCG's pipeline system generates a substantial portion of its revenue from long-term firm contracts for transportation services and is therefore insulated from competitive factors during the terms of the contracts. When these long-term contracts expire, DCG's pipeline system faces competitive pressures from similar facilities that serve the South Carolina and southeastern Georgia area in terms of location, rates, terms of service, and flexibility and reliability of service.

Dominion's retail energy marketing operations compete against incumbent utilities and other energy marketers in nonregulated energy markets for natural gas. 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

Dominion Energy Operating Segment—Dominion and Dominion Gas

Dominion Gas' natural gas transmission, storage, processing and gathering operations are regulated primarily by FERC. East Ohio's gas distribution operations, including the rates that it may charge to customers, are regulated by the Ohio Commission. See *State Regulations* and *Federal Regulations* in *Regulation* for more information.

Dominion Energy Operating Segment—Dominion

Cove Point's and DCG's operations are regulated primarily by FERC. Hope's gas distribution operations, including the rates that it may charge customers, are regulated by the West Virginia Commission. See *State Regulations* and *Federal Regulations* in *Regulation* for more information.

Properties and Investments

For a description of Dominion's and Dominion Gas' existing facilities see Item 2. Properties.

Dominion Energy Operating Segment—Dominion and Dominion Gas

Dominion Gas has the following significant projects under construction or development to better serve customers or expand its service offerings within its service territory.

In July 2013, East Ohio signed long-term precedent agreements with two customers to move 320,000 Dths per day of processed gas from the outlet of new gas processing facilities in Ohio to interconnections with multiple interstate pipelines. The first phase of the Western Access project provides system enhancements to facilitate the movement of processed gas over East Ohio's system. The initial phase of the project was completed in the fourth quarter of 2014 and cost approximately $85 million. During the second and third quarters of 2014, East Ohio executed long-term precedent agreements with customers for 450,000 Dths per day of service to new interconnects with interstate pipelines. This second phase of the Western Access project will expand the number of interstate pipelines to which East Ohio will deliver processed gas to four. East Ohio commenced service to the Western Access II project customers in January 2016 at a cost of approximately $130 million.

In September 2014, DTI announced its intent to construct and operate the Supply Header project which is expected to cost approximately $500 million and provide 1,500,000 Dths per day of firm transportation service to various customers. In October 2014, DTI requested authorization to use FERC's pre-filing process. The application to request FERC authorization to construct and operate the project facilities was filed in September 2015, with the facilities expected to be in service in the fourth quarter of 2018. In December 2014, DTI entered into a precedent agreement with Atlantic Coast Pipeline for the Supply Header project.

In June 2014, DTI executed binding precedent agreements with two power generators for the Leidy South project. In November 2014, one of the power generators assigned a portion of its capacity to an affiliate, bringing the total number of project customers to three. The project is expected to cost approximately

$210 million and provide 155,000 Dths per day of firm transportation service from Clinton County, Pennsylvania to Loudoun County, Virginia. The application to request FERC authorization to construct and operate the project facilities was filed in May 2015. Service under the 20-year contracts is expected to commence in the fourth quarter of 2017.

During the second quarter of 2014, DTI executed a binding precedent agreement with a customer for the Monroe-to-Cornwell project. The project is expected to cost approximately $70 million and provide 205,000 Dths per day of firm transportation service from Monroe County, Ohio to an interconnect near Cornwell, West Virginia. In December 2015, DTI received FERC authorization to construct, operate and maintain the project facilities, which are expected to be in service in the fourth quarter of 2016. Construction is expected to commence in March 2016.

In the first quarter of 2014, DTI executed a binding precedent agreement for the Lebanon West II project. The project is expected to cost approximately $112 million and provide 130,000 Dths per day of firm transportation service from Butler County, Pennsylvania to an interconnect with Texas Gas Pipeline in Lebanon, Ohio. In November 2015, DTI received FERC authorization to construct, operate and maintain the project facilities, which are expected to be in service in the fourth quarter of 2016. Construction commenced in January 2016.

In September 2013, DTI executed binding precedent agreements with several local distribution company customers for the New Market project. The project is expected to cost approximately $159 million and provide 112,000 Dths per day of firm transportation service from Leidy, Pennsylvania to interconnects with Iroquois and Niagara Mohawk Power Corporation's distribution system in the Albany, New York market. In June 2014, DTI filed an application to request FERC authorization to construct, operate and maintain the project facilities, which are expected to be in service in the fourth quarter of 2016.

In October 2013, DTI executed a binding precedent agreement with CNX Gas Company LLC for the Clarington project. The project is expected to cost approximately $78 million and provide 250,000 Dths per day of firm transportation service from central West Virginia to Clarington, Ohio. In August 2015, DTI received FERC authorization to construct, operate and maintain the project facilities. Construction commenced in December 2015. The project is expected to be placed into service in the fourth quarter of 2016.

In 2008, East Ohio began PIR, aimed at replacing approximately 4,100 miles of its pipeline system at a cost of $2.7 billion. In 2011, approval was obtained to include an additional 1,450 miles and to increase annual capital investment to meet the program goal. The program will replace approximately 25% of the pipeline system and is anticipated to take place over a total of 25 years.

In October 2015, DTI filed an application with FERC seeking authority to abandon by sale its gathering and processing facilities to Dominion Gathering and Processing, Inc., a newly-formed wholly-owned subsidiary of Dominion Gas. Pending approval by FERC, these gathering and processing facilities with a carrying value of approximately $430 million are expected to be transferred in 2016.

Dominion Energy Operating Segment—Dominion

Dominion has the following significant projects under construction or development.

Cove Point—Dominion is pursuing the Liquefaction Project, which would enable Cove Point to liquefy domestically-produced natural gas for export as LNG. The DOE previously authorized Dominion to export LNG to countries with free trade agreements. In September 2013, the DOE authorized Dominion to export LNG from Cove Point to non-free trade agreement countries.

In May 2014, the FERC staff issued its EA for the Liquefaction Project. In the EA, the FERC staff addressed a variety of topics related to the proposed construction and development of the Liquefaction Project and its potential impact to the environment, and determined that with the implementation of appropriate mitigation measures, the Liquefaction Project can be built and operated safely with no significant impact to the environment. In September 2014, Cove Point received the FERC order authorizing the Liquefaction Project with certain conditions. The conditions regarding the Liquefaction Project set forth in the FERC order largely incorporate the mitigation measures proposed in the EA. In October 2014, Cove Point commenced construction of the Liquefaction Project, with an in-service date anticipated in late 2017. The Cove Point facility is authorized to export at a rate of 770 million cubic feet of natural gas per day for a period of 20 years.

In April 2013, Dominion announced it had fully subscribed the capacity of the project with 20-year terminal service agreements. ST Cove Point, LLC, a joint venture of Sumitomo Corporation, a Japanese corporation that is one of the world's leading trading companies, and Tokyo Gas Co., Ltd., a Japanese corporation that is the largest natural gas utility in Japan, and GAIL Global (USA) LNG LLC, a wholly-owned indirect U.S. subsidiary of GAIL (India) Ltd., have each contracted for half of the capacity. Following completion of the front-end engineering and design work, Dominion also announced it had awarded its EPC contract for new liquefaction facilities to IHI/Kiewit Cove Point, a joint venture between IHI E&C International Corporation and Kiewit Energy Company.

Cove Point has historically operated as an LNG import facility under various long-term import contracts. Since 2010, Dominion has renegotiated certain existing LNG import contracts in a manner that will result in a significant reduction in pipeline and storage capacity utilization and associated anticipated revenues during the period from 2017 through 2028. Such amendments created the opportunity for Dominion to explore the Liquefaction Project, which, assuming it becomes operational, will extend the economic life of Cove Point and contribute to Dominion's overall growth plan. In total, these renegotiations reduced Cove Point's expected annual revenues from the import-related contracts by approximately $150 million from 2017 through 2028, partially offset by approximately $50 million of additional revenues in the years 2013 through 2017.

In 2014, DCG executed binding precedent agreements with three customers for the Transco-to-Charleston project. The project is expected to cost approximately $120 million, and provide 80,000 Dths per day of firm transportation service from an existing interconnect with Transcontinental Gas Pipe Line Company, LLC in Spartanburg County, South Carolina to customers in Dillon, Marlboro, Sumter, Charleston, Lexington and Richland counties, South Carolina. In July 2015, DCG requested authorization to utilize FERC's pre-filing process. DCG expects to file the application to request FERC authorization to construct and operate the project facilities in the first quarter of 2016. The project is expected to be placed into service in the fourth quarter of 2017.

Dominion Energy Equity Method Investments—In September 2015, Dominion, through Dominion Midstream, acquired an additional 25.93% interest in Iroquois. Dominion Gas holds a 24.72% interest with TransCanada holding a 44.48% interest and TEN Transmission Company holding a 4.87% interest. Iroquois owns and operates a 416-mile FERC regulated interstate natural gas pipeline providing service to local gas distribution companies, electric utilities and electric power generators, as well as marketers and other end users, through interconnecting pipelines and exchanges. Iroquois' pipeline extends from the U.S.-Canadian border at Waddington, New York through the state of Connecticut to South Commack, Long Island, New York and continuing on from Northport, Long Island, New York through the Long Island Sound to Hunts Point, Bronx, New York. See Note 9 to the Consolidated Financial Statements for further information about Dominion's equity method investment in Iroquois.

In September 2014, Dominion, along with Duke Energy, Piedmont and AGL, announced the formation of Atlantic Coast Pipeline. The members, which are subsidiaries of the above-referenced parent companies, hold the following membership interests: Dominion, 45%; Duke Energy, 40%; Piedmont, 10%; and AGL, 5%. In October 2015, Duke Energy entered into a merger agreement with Piedmont. The Atlantic Coast Pipeline partnership agreement includes provisions to allow Dominion an option to purchase additional ownership interest in Atlantic Coast Pipeline to maintain a leading ownership percentage. Atlantic Coast Pipeline is focused on constructing an approximately 600-mile natural gas pipeline running from West Virginia through Virginia to North Carolina, which has a total expected cost of $4.5 billion to $5.0 billion, excluding financing costs. In October 2014, Atlantic Coast Pipeline requested approval from FERC to utilize the pre-filing process under which environmental review for the natural gas pipeline project will commence. It filed its FERC application in September 2015 and expects to be in service in late 2018. The project is subject to FERC, state and other federal approvals. See Note 9 to the Consolidated Financial Statements for further information about Dominion's equity method investment in Atlantic Coast Pipeline.

In December 2012, Dominion formed Blue Racer with Caiman to provide midstream services to natural gas producers operating in the Utica Shale region in Ohio and portions of Pennsylvania. Blue Racer is an equal partnership between Dominion and Caiman, with Dominion contributing midstream assets and Caiman contributing private equity capital. Midstream services offered by Blue Racer include gathering, processing, fractionation, and natural gas liquids transportation and marketing. Blue Racer is expected to leverage Dominion's existing presence in the Utica region with significant additional new capacity designed to meet producer needs as the development of the Utica Shale formation increases. See Note 9 to the Consolidated Financial Statements for further information about Dominion's equity method investment in Blue Racer.

Sources of Energy Supply

Dominion's and Dominion Gas' 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 and Dominion Gas' large underground natural gas storage network and the location of their pipeline systems are a significant link between the country's major interstate gas pipelines and large markets in the Northeast and mid-Atlantic regions. Dominion's and Dominion Gas' 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 and Dominion Gas' 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.

The supply of gas to serve Dominion's retail energy marketing customers is procured through market wholesalers or by Dominion Energy.

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. Earnings are also impacted by changes in commodity prices driven by seasonal weather changes, the effects of unusual weather events on operations and the economy.

The earnings of Dominion's retail energy marketing operations also vary seasonally. Generally, the demand for gas peaks during the winter months to meet heating needs.

Corporate and Other

Corporate and Other Segment—Virginia Power and Dominion Gas

Virginia Power's and Dominion Gas' Corporate and Other segments primarily include certain specific items attributable to their 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 operations that are discontinued, which is discussed in Note 3 and Note 25 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.

REGULATION

The Companies are subject to regulation by various federal, state and local authorities, including the Virginia Commission, North Carolina Commission, Ohio Commission, West Virginia Commission, Maryland Commission, SEC, FERC, EPA, DOE, NRC, Army Corps of Engineers, and the Department of Transportation.

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 CPCNs 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 Regulation Act enacted in 2007 instituted a cost-of-service rate model, ending Virginia's planned transition to retail competition for electric supply service to most classes of customers.

The Regulation Act authorizes stand-alone rate adjustment clauses for recovery of costs for new generation projects, FERC-approved transmission costs, underground distribution lines, environmental compliance, conservation and energy efficiency programs and renewable energy programs, and also contains statutory provisions directing Virginia Power to file annual fuel cost recovery cases with the Virginia Commission. As amended, it provides for enhanced returns on capital expenditures on specific newly-proposed generation projects.

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 may adversely affect its results of operations, financial condition and cash flows.

Regulation Act Legislation

In February 2015, the Virginia Governor signed legislation into law which will keep Virginia Power's base rates unchanged until at least December 1, 2022. In addition, no biennial reviews will be conducted by the Virginia Commission for the five successive 12-month test periods beginning January 1, 2015, and ending December 31, 2019. The legislation states that Virginia Power's 2015 biennial review, filed in March 2015, would proceed for the sole purpose of reviewing and determining whether any refunds are due to customers based on earnings performance for generation and distribution services during the 2013 and 2014 test periods. In addition the legislation requires the Virginia Commission to conduct proceedings in 2017 and 2019 to determine the utility's ROE for use in connection with rate adjustment clauses and requires utilities to file integrated resource plans annually rather than biennially. However, in November 2015, the Virginia Commission ordered testimony, briefs and separate bifurcated hearing in Virginia Power's currently pending Rider B, Rider R, Rider S and Rider W cases on whether the Virginia Commission can adjust the ROE applicable to these rate adjustment clauses prior to 2017. The legislation also required Virginia Power to write-off $85 million of prior-period deferred fuel costs during the first quarter of 2015. In addition, the legislation required the Virginia Commission to implement a fuel rate reduction for Virginia Power as soon as practicable based on this non-recovery as well as any over-recovery for the 2014-2015 fuel year and projected fuel expense for the 2015-2016 fuel year. The legislation also deems the construction or purchase of one or more utility-scale solar facilities located in Virginia up to 500 MW in total to be in the public interest.

2015 Biennial Review

Pursuant to the Regulation Act, in March 2015, Virginia Power filed its base rate case and schedules for the Virginia Commission's 2015 biennial review of Virginia Power's rates, terms and conditions. Per legislation enacted in February 2015, this biennial review was limited to reviewing Virginia Power's earnings on rates for generation and distribution services for the combined 2013 and 2014 test period, and determining whether credits are due to customers in the event Virginia Power's earnings exceeded the earnings band determined in the 2013 Biennial Review Order. In November 2015, the Virginia Commission issued the 2015 Biennial Review Order.

After deciding several contested regulatory earnings adjustments, the Virginia Commission ruled that Virginia Power earned on average an ROE of approximately 10.89% on its generation and distribution services for the combined 2013 and 2014 test periods. Because this ROE was more than 70 basis points above Virginia Power's authorized ROE of 10.0%, the Virginia Commission ordered that approximately $20 million in excess earnings be credited to customer bills based on usage in 2013 and 2014 over a six-month period beginning within 60 days of the 2015 Biennial Review Order. Based upon 2015 legislation keeping Virginia Power's base rates unchanged until at least December 1, 2022, the Virginia Commission did not order certain existing rate adjustment clauses to be combined with Virginia Power's base rates. The Virginia Commission did not determine whether Virginia Power had a revenue deficiency or sufficiency when projecting the annual revenues generated by base rates to the revenues required to recover costs of service and earn a fair return. In December 2015, a group of large industrial customers filed notices of appeal with the Supreme Court of Virginia from both the 2015 Biennial Review Order and the Virginia Commission's order denying their petition for rehearing or reconsideration. This appeal is pending.

See Note 13 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 authorized ROE 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's transmission service rates in North Carolina are regulated by the North Carolina Commission as part of Virginia Power's bundled retail service to North Carolina customers. In March 2012, Virginia Power filed an application with the North Carolina Commission to increase base non-fuel revenues with January 1, 2013 as the proposed effective date for the permanent rate revision. In December 2012, the North Carolina Commission approved a $36 million increase in Virginia Power's annual non-fuel base revenues based on an authorized ROE of 10.2%, and a $14 million decrease in annual base fuel revenues for a combined total base revenue increase of $22 million. These rate changes became effective on January 1, 2013. Following an appeal to the Supreme Court of North Carolina, the North Carolina Commission issued an opinion reaffirming its 10.2% ROE determination in July 2015.

In August 2015, Virginia Power submitted its annual filing to the North Carolina Commission to adjust the fuel component of its electric rates. Virginia Power proposed an $11 million decrease to the fuel component of its electric rates for the rate year beginning January 1, 2016. This decrease includes the North Carolina Commission's previous approval to defer recovering 50% of Virginia Power's estimated $17 million jurisdictional deferred fuel balance to the 2016 fuel year, without interest. In December 2015, the North Carolina Commission approved Virginia Power's proposed fuel charge adjustment.

See Note 13 to the Consolidated Financial Statements for additional information.

Gas

East Ohio's natural gas distribution services, including the rates it may charge its customers, are regulated by the Ohio Commission. Hope's natural gas distribution services are regulated by the West Virginia Commission.

Gas Regulation in Ohio

East Ohio is subject to regulation of rates and other aspects of its business by the Ohio Commission. When necessary, East Ohio seeks 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 which included an authorized ROE of 10.38%.

In addition to general base rate increases, East Ohio makes routine filings with the Ohio Commission to reflect changes in the costs of gas purchased for operational balancing on its system. 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 rider filings cover unrecovered gas costs plus prospective annual demand costs. Increases or decreases in gas cost rider 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 stand-alone 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 13 to the Consolidated Financial Statements for additional information.

Gas Regulation in West Virginia

Dominion's gas distribution subsidiary is subject to regulation of rates and other aspects of its business by the West Virginia Commission. When necessary, Hope seeks 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. Base rates for Hope are designed primarily based on rate design methodology in which the majority of operating costs are recovered through volumetric charges.

In addition to general rate increases, Hope makes routine separate filings with the West Virginia Commission 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 a prospective twelve-month period. 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.

Legislation was passed in West Virginia authorizing a stand-alone cost recovery mechanism to recover specified costs and a return for infrastructure upgrades, replacements and expansions between general base rate cases.

Status of Competitive Retail Gas Services

Both of the states in which Dominion and Dominion Gas have gas distribution operations have considered legislation regarding a competitive deregulation of natural gas sales at the retail level.

Ohio—Since October 2000, East Ohio has offered the Energy Choice program, under which residential and commercial customers are encouraged to purchase gas directly from retail suppliers or through a community aggregation program. In October 2006, East Ohio restructured its commodity service by entering into gas purchase contracts with selected suppliers at a fixed price above the New York Mercantile Exchange month-end settlement and passing that gas cost to customers under the Standard Service Offer program. Starting in April 2009, East Ohio buys natural gas under the Standard Service Offer program only 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.

In January 2013, the Ohio Commission granted East Ohio's motion to fully exit the merchant function for its nonresidential customers, beginning in April 2013, which requires those customers to choose a retail supplier or be assigned to one at a monthly variable rate set by the supplier. At December 31, 2015, approximately 1.0 million of Dominion Gas' 1.2 million Ohio customers were participating in the Energy Choice program. 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 allowing customers to choose providers 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.

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, CAISO and ISO-NE wholesale markets, and to wholesale purchasers in the states of Tennessee, Georgia, California and Utah, 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 up to $1 million per day, per violation 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 has evaluated its transmission facilities for any discrepancies between design and actual field conditions and has taken necessary corrective actions. In addition, NERC has redefined critical assets which expanded the number of assets subject to NERC reliability standards, 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 DTI, DCG, Iroquois and certain services performed by Cove Point. Pursuant to FERC's February 2014 approval of DTI's uncontested settlement offer, DTI's base rates for storage and transportation services are subject to a moratorium through the end of 2016. The design, construction and operation of Cove Point's LNG facility, including associated natural gas pipelines, the Liquefaction Project and the import and export of LNG are also regulated by FERC.

Dominion Gas' interstate gas transmission and storage activities are conducted on an open access basis, in accordance with certificates, tariffs and service agreements on file with FERC and FERC regulations.

Dominion Gas operates in compliance with FERC standards of conduct, which prohibit the sharing of certain non-public transmission information or customer specific data by its interstate gas transmission and storage companies with non-transmission function employees. Pursuant to these standards of conduct, Dominion Gas also makes certain informational postings available on Dominion's website.

See Note 13 to the Consolidated Financial Statements for additional information.

Safety Regulations

Dominion Gas is also subject to the Pipeline Safety Improvement Act of 2002 and the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011, which mandate inspections of interstate and intrastate natural gas transmission and storage pipelines, particularly those located in areas of high-density population. Dominion Gas 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.

The Companies are subject to a number of federal and state laws and regulations, including Occupational Safety and Health Administration, and comparable state statutes, whose purpose is to protect the health and safety of workers. The Companies have an internal safety, health and security program designed to monitor and enforce compliance with worker safety requirements, which is routinely reviewed and considered for improvement. The Companies believe that they are in material compliance with all applicable laws and regulations related to worker health and safety. Nothwithstanding these preventive measures, incidents may occur that are outside of the Companies' control.

Environmental Regulations

Each of the Companies' 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. There are significant new regulations affecting Dominion's electric generation and gas businesses in the Clean Power Plan and NSPS regulating methane and VOC emissions, respectively. If expenditures for GHG emissions reductions and pollution control technologies and associated operating costs are not recoverable from customers through regulated rates (in regulated businesses) or market prices (in unregulated businesses), those costs could adversely affect future results of operations and cash flows. The Companies 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 Item 7. MD&A, which information is incorporated herein by reference. Additional information can also be found in Item 3. Legal Proceedings and Note 22 to the Consolidated Financial Statements, which information is incorporated herein by reference.

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 and regulatory action in this area. See, for example, the discussion of the Clean Power Plan and the United Nation's Paris Agreement in *Environmental Matters* in *Future Issues and Other Matters* in Item 7. MD&A. The Companies 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 growing needs of their service territory. The Companies are actively developing plans to comply with new Clean Power Plan and NSPS regulations for new and existing electric generating sources and its natural gas business. 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* below, *Environmental Matters* in *Future Issues and Other Matters* in Item 7. MD&A and Note 22 to the Consolidated Financial Statements for information on climate change legislation and regulation, which information is incorporated herein by reference.

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 must comply with applicable aspects of the CWA programs at its operating facilities.

Threatened and Endangered Species

The Endangered Species Act establishes prohibitions on activities that can result in harm of specific species of plants and animals. In some cases those prohibitions could result in impacts to the viability of projects or requirements for capital expenditures to reduce a facility's impacts on a species.

Nuclear Regulatory Commission

All aspects of the operation and maintenance of Dominion's and Virginia Power's nuclear power stations 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 Note 22 to the Consolidated Financial Statements 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 Dominion and Virginia Power are required by the NRC to be financially prepared. For information on decommissioning trusts, see *Dominion Generation-Nuclear Decommissioning* above and Note 9 to the Consolidated Financial Statements. See Note 22 to the Consolidated Financial Statements for information on spent nuclear fuel.

ENVIRONMENTAL STRATEGY

Environmental stewardship is embedded in the Companies' culture and core values and is the responsibility of all employees. They are committed to working with their stakeholders to find sustainable solutions to the energy and environmental challenges that confront our company and our nation. It is the Companies' belief that sustainable solutions must balance the interdependent goals of environmental stewardship and economic prosperity. Their integrated strategy to meet this objective consists of four major elements:

- Compliance with applicable environmental laws, regulations and rules;
- Conservation and load management;
- Renewable generation development; and
- Improvements in other energy infrastructure, including natural gas operations.

This strategy incorporates the Companies' efforts to voluntarily reduce GHG emissions, which are described below. See *Dominion Generation-Properties* and *Dominion Energy-Properties* for more information on certain of the projects described below.

Environmental Compliance

The Companies remain committed to compliance with applicable environmental laws, regulations and rules related to their operations. As part of their commitment to compliance with such laws, Dominion and Virginia Power have sold or closed a number of coal-fired generation units over the past several years, and have plans to close additional units in the future. A significant recent development in environmental regulation was the EPA's issuance in August 2015 of final carbon standards for existing fossil fuel power plants known as the Clean Power Plan, which involves coordination with the states on specific plans to reduce carbon emissions to specified levels. In February 2016, the U.S. Supreme Court stayed the Clean Power Plan pending resolution of litigation challenging the regulations. Additional information related to these and other of the Companies' environmental compliance matters can be found in *Operating Segments* and *Future Issues and Other Matters* in Item 7. MD&A and in Notes 3, 6 and 22 to the Consolidated Financial Statements.

Conservation and Load Management

Conservation and load management play a significant role in meeting the growing demand for electricity. The Regulation Act provides incentives for energy conservation through the implementation of conservation programs. Additional legislation in 2009 added definitions of peak-shaving and energy efficiency programs, and allowed for a margin on operating expenses and recovery of revenue reductions related to energy efficiency programs.

Virginia Power's DSM programs, implemented with Virginia Commission approval, provide important incremental steps in assisting customers to reduce energy consumption through programs that include energy audits and incentives for customers to upgrade or install certain energy efficient measures and/or systems. The DSM programs began in Virginia in 2010 and in North Carolina in 2011. Currently, there are residential and non-residential DSM programs active in the two states. Virginia Power continues to evaluate opportunities to redesign current DSM programs and develop new DSM initiatives in Virginia and North Carolina.

In Ohio, East Ohio offers three DSM programs, approved by the Ohio Commission, designed to help customers reduce their energy consumption.

Virginia Power continues to upgrade meters to AMI, also referred to as smart meters, in areas throughout Virginia. The AMI meter upgrades are part of an ongoing project that will help Virginia Power further evaluate the effectiveness of AMI meters in monitoring voltage stability, remotely turning off and on electric service, power outage and restoration detection and reporting, remote daily meter readings and offering dynamic rates.

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% of base year electric energy sales from renewable power sources by 2022, and 15% by 2025, and North Carolina's Renewable Portfolio Standard of 12.5% by 2021 and plans to add utility solar capacity in Virginia.

See *Operating Segments* and Item 2. Properties for additional information, including Dominion's merchant solar properties.

Improvements in Other Energy Infrastructure

Virginia Power's existing five-year investment plan includes significant capital expenditures to upgrade or add new electric transmission and distribution lines, substations and other facilities to meet growing electricity demand within its service territory, maintain reliability and address environmental requirements. 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. See *Properties* in Item 1., *Operating Segments, DVP* for additional information.

Dominion and Dominion Gas, in connection with their existing five-year investment plans, are also pursuing the construction or upgrade of regulated infrastructure in their natural gas businesses. See *Properties and Investments* in Item 1., *Operating Segments, Dominion Energy* for additional information, including natural gas infrastructure projects.

The Companies' Strategy for Voluntarily Reducing GHG Emissions

The Companies have not established a standalone GHG emissions reduction target or timetable, but they are actively engaged in voluntary reduction efforts. The Companies have an integrated voluntary strategy for reducing GHG emission intensity with diversification as its cornerstone. The six principal components of the strategy include initiatives that address electric energy management, electric energy production, electric energy delivery and natural gas storage, transmission and delivery, as follows:

- Enhance conservation and energy efficiency programs to help customers use energy wisely and reduce environmental impacts;
- Expand the Companies' renewable energy portfolio, principally wind power, solar, fuel cells and biomass, to help diversify the Companies' fleet, meet state renewable energy targets and lower the carbon footprint;

- Evaluate other new generating capacity, including low emissions natural-gas fired and emissions-free nuclear units to meet customers' future electricity needs;
- Construct new electric transmission infrastructure to modernize the grid, promote economic security and help deliver more green energy to population centers where it is needed most;
- Construct new natural gas infrastructure to expand availability of this cleaner fuel, to reduce emissions, and to promote energy and economic security both in the U.S. and abroad; and
- Implement and enhance voluntary methane mitigation measures through the EPA's Natural Gas Star Program.

Since 2000, Dominion and Virginia Power have tracked the emissions of their electric generation fleet, which employs a mix of fuel and renewable energy sources. Comparing annual year 2000 to annual year 2014, the entire electric generating fleet (based on ownership percentage) reduced its average CO_2 emissions rate per MWh of energy produced from electric generation by approximately 39%. Comparing annual year 2000 to annual year 2014, the regulated electric generating fleet (based on ownership percentage) reduced its average CO_2 emissions rate per MWh of energy produced from electric generation by approximately 20%. Dominion and Virginia Power do not yet have final 2015 emissions data.

Dominion also developed a comprehensive GHG inventory for calendar year 2014. For Dominion Generation, Dominion's and Virginia Power's direct CO_2 equivalent emissions, based on equity share (ownership), were 33.6 million metric tons and 30.1 million metric tons, respectively, in 2014, compared to 33.9 million metric tons and 30.2 million metric tons, respectively, in 2013. For the DVP operating segment's electric transmission and distribution operations, direct CO_2 equivalent emissions for 2014 were 75,671 metric tons, compared to 46,446 metric tons in 2013. The increase was due to new containing equipment purchased and installed to handle growth in the electric transmission and distribution system. Although emissions from the equipment increased, the leak rate has remained relatively consistent at 1.1%. For 2014, DTI's and Cove Point's direct CO_2 equivalent emissions together were 1.3 million metric tons, and Hope's and East Ohio's direct CO_2 equivalent emissions together were 0.9 million metric tons, similar to 2013. Dominion's GHG inventory follows all methodologies specified in the EPA Mandatory Greenhouse Gas Reporting Rule, 40 CFR Part 98 for calculating emissions.

CYBERSECURITY

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, the Companies are subject to mandatory cybersecurity regulatory requirements, interface regularly with a wide range of external organizations, and participate in classified briefings to maintain an awareness of current cybersecurity threats and vulnerabilities. The Companies' current security posture and regulatory compliance efforts are intended to address the evolving and changing cyber threats. See Item 1A. Risk Factors for additional information.

Item 1A. Risk Factors

The Companies' 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.

The Companies' results of operations can be affected by changes in the weather. Fluctuations in weather can affect demand for the Companies' services. For example, milder than normal weather can reduce demand for electricity and gas transmission and distribution services. In addition, severe weather, including hurricanes, winter storms, earthquakes, floods and other natural disasters can disrupt operation of the Companies' facilities and cause service outages, production delays and property damage that require incurring additional expenses. Changes in weather conditions can result in reduced water levels or changes in water temperatures 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 or sea temperatures.

The rates of Dominion's and Dominion Gas' gas transmission and distribution operations and Virginia Power's electric transmission, distribution and generation operations are subject to regulatory review. Revenue provided by Virginia Power's electric transmission, distribution and generation operations and Dominion's and Dominion Gas' gas transmission and distribution operations is based primarily on rates approved by state and federal 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 rates for electric transmission service are updated on an annual basis through operation of a FERC-approved formula rate mechanism. Through this mechanism, Virginia Power's wholesale rates for electric transmission reflect the estimated cost of service for each calendar year. The difference in the estimated cost of service and actual cost of service for each calendar year is included as an adjustment to the wholesale rates for electric transmission service in a subsequent calendar year. 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. They are also subject to retroactive corrections to the extent that the formula rate was not properly populated with the actual costs.

Similarly, various rates and charges assessed by Dominion's and Dominion Gas' gas transmission businesses are subject to review by FERC. Pursuant to FERC's February 2014 approval of DTI's uncontested settlement offer, DTI's base rates for storage and transportation services are subject to a moratorium through the end of 2016. In addition, the rates of Dominion's and Dominion Gas' gas distribution businesses are subject to state regulatory review in the jurisdictions in which they operate. A failure by us to support these rates could result in rate decreases from current rate levels, which could adversely affect our results of operations, cash flows and financial condition.

Virginia Power's base rates, terms and conditions for generation and distribution services to customers in Virginia are reviewed by the Virginia Commission 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. Under certain circumstances described in the Regulation Act, Virginia Power may be required to share a portion of its earnings with customers through a refund process.

Legislation signed by the Virginia Governor in February 2015 suspends biennial reviews for the five successive 12-month test periods beginning January 1, 2015 and ending December 31, 2019, and no changes will be made to Virginia Power's existing base rates until at least December 1, 2022. During this period, Virginia Power bears the risk of any severe weather events and natural disasters, the risk of asset impairments related to the early retirement of any generation facilities due to the implementation of the Clean Power Plan regulations, as well as an increase in general operating and financing costs, and Virginia Power may not recover its associated costs through increases to base rates. If Virginia Power incurs any such significant additional expenses during this period, Virginia Power may not be able to recover its costs and/or earn a reasonable return on capital investment, which could negatively affect Virginia Power's future earnings.

Virginia Power's retail electric base rates for bundled generation, transmission, and distribution services to customers 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. 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 through base rates, on a timely basis, of costs incurred in providing service, Virginia Power's future earnings could be negatively impacted.

Governmental officials, stakeholders and advocacy groups may challenge these regulatory reviews. Such challenges may lengthen the time, complexity and costs associated with such regulatory reviews.

The Companies are subject to complex governmental regulation, including tax regulation, that could adversely affect their results of operations and subject the Companies to monetary penalties. The Companies' operations are subject to extensive federal, state and local regulation and require numerous permits, approvals and certificates from various governmental agencies. Such laws and regulations govern the terms and conditions of the services we offer, our relationships with affiliates, protection of our critical electric infrastructure assets and pipeline safety, among other matters. 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. The Companies' businesses are subject to regulatory regimes which could result in substantial monetary penalties if any of the Companies is found not to be in compliance, including mandatory reliability standards and interaction in the wholesale markets. New laws or regulations, the revision or reinterpretation of existing laws or regulations, changes in enforcement practices of regulators, or penalties imposed for non-compliance with existing laws or regulations may result in substantial additional expense.

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 depend upon FERC's continuation of clearly identified market rules. From time to time FERC may investigate and authorize RTOs 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 or its interpretation of market rules, 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. For example, in July 2015, FERC approved changes to PJM's Reliability Pricing Model capacity market establishing a new Capacity Performance Resource product. This product offers the potential for higher capacity prices but can also impose significant economic penalties on generator owners such as Virginia Power for failure to perform during periods when electricity is in high demand. In addition, there have been changes to the interpretation and application of FERC's market manipulation rules. A failure to comply with these rules could lead to civil and criminal penalties.

The Companies' infrastructure build and expansion plans often require regulatory approval before construction can commence. The Companies may not complete facility construction, pipeline, conversion or other infrastructure 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 facility construction, pipeline, electric transmission line, expansion, conversion and other infrastructure projects have been announced and additional projects may be considered in the future. The Companies compete for projects with companies of varying size and financial capabilities, including some that may have competitive advantages. Commencing construction on announced and future projects may require approvals from applicable state and federal agencies, and such approvals could include mitigation costs which may be material to the Companies. 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 counterparties or vendors, or other factors beyond the Companies' control. Even if facility construction, pipeline, expansion, electric transmission line, conversion and other infrastructure projects are completed, the total costs of the projects may be higher than anticipated and the performance of the business of the Companies following completion of the projects may not meet expectations. Start-up and operational issues can arise in connection with the commencement of commercial operations at our facilities, including but not limited to commencement of commercial operations at our power generation facilities following expansions and fuel type conversions to natural gas and biomass. Such issues may include failure to meet specific operating parameters, which may require adjustments to meet or amend these operating parameters. Additionally, the Companies 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 facility construction, pipeline, electric transmission line, expansion, conversion and other infrastructure projects.

The development and construction of several large-scale infrastructure projects simultaneously involves significant execution risk. The Companies are currently simultaneously developing or constructing several major projects, including the Liquefaction Project, the Atlantic Coast Pipeline Project, the Supply Header project, Greensville County, Brunswick County, and multiple DTI producer outlet projects, which together help contribute to the over $23 billion in capital expenditures planned by the Companies through 2020. Several of the Companies' key projects are increasingly large-scale, complex and being constructed in constrained geographic areas (for example, the Liquefaction Project) or in difficult terrain (for example, the Atlantic Coast Pipeline Project). The advancement of the Companies' ventures is also affected by the interventions, litigation or other activities of stakeholder and advocacy groups, some of which oppose natural gas-related and energy infrastructure projects. For example, certain landowners and stakeholder groups oppose the Atlantic Coast Pipeline, which could impede the acquisition of rights-of-way and other land rights on a timely basis or on acceptable terms. Given that these projects provide the foundation for the Companies' strategic growth plan, if the Companies are unable to obtain or maintain the required approvals, develop the necessary technical expertise, allocate and coordinate sufficient resources, adhere to budgets and timelines, effectively handle public outreach efforts, or otherwise fail to successfully execute the projects, there could be an adverse impact to the Companies' financial position, results of operations and cash flows. For example, while Dominion has received the required approvals to commence construction of the Liquefaction Project from the DOE, all DOE export licenses are subject to review and possible withdrawal should the DOE conclude that such export authorization is no longer in the public interest. Failure to comply with regulatory approval conditions or an adverse ruling in any future litigation could adversely affect the Companies' ability to execute its business plan.

The Companies are dependent on their contractors for the successful and timely completion of large-scale infrastructure projects. The construction of such projects is expected to take several years, is typically confined within a limited geographic area or difficult terrain and could be subject to delays, cost overruns, labor disputes and other factors that could cause the total cost of the project to exceed the anticipated amount and adversely affect the Companies' financial performance and/or impair the Companies' ability to execute the business plan for the project as scheduled.

Further, an inability to obtain financing or otherwise provide liquidity for the projects on acceptable terms could negatively affect the Companies' financial condition, cash flows, the projects' anticipated financial results and/or impair the Companies' ability to execute the business plan for the projects as scheduled.

Any additional federal and/or state requirements imposed on energy companies mandating limitations on GHG emissions or requiring efficiency improvements may result in compliance costs that alone or in combination could make some of the Companies' electric generation units or natural gas facilities uneconomical to maintain or operate. The Clean Power Plan is targeted at reducing CO_2 emissions from existing fossil fuel-fired power generation facilities.

Compliance with the Clean Power Plan may require increasing the energy efficiency of equipment at facilities, committing significant capital toward carbon reduction programs, purchase of allowances and/or emission rate credits, fuel switching, and/or retirement of high-emitting generation facilities and potential replacement with lower emitting generation facilities. The Clean Power Plan uses a set of measures for reducing emissions from existing sources that includes efficiency improvements at coal plants, displacing coal-fired generation with increased utilization of natural gas combined cycle units, and expanding renewable resources. Compliance with the Clean Power Plan's anticipated implementing regulations may require Virginia Power to prematurely retire certain generating facilities, with the potential lack or delay of cost recovery and higher electric rates, which could affect consumer demand. The cost of compliance with the Clean Power Plan 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 controls and/or reduction programs, and the selected compliance alternatives. Dominion and Virginia Power 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 Dominion's and Virginia Power's 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.

There are also potential impacts on Dominion's and Dominion Gas' natural gas businesses as federal or state GHG 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, which could impact the natural gas businesses.

The Companies' operations are subject to a number of environmental laws and regulations which impose significant compliance costs to the Companies. The Companies' 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 environmental 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 the Companies expect that they will remain significant in the future. Certain facilities have become uneconomical to operate and have been shut down, converted to new fuel types or sold. These types of events could occur again in the future.

Existing environmental laws and regulations may be revised and/or new laws may be adopted or become applicable to the Companies. Risks relating to expected regulation of GHG emissions from existing fossil fuel-fired electric generating units are discussed above. In addition, further regulation of air quality and GHG emissions under the CAA will be imposed on the natural gas sector, including rules to limit methane leakage. The Companies are also subject to recently finalized federal water and waste regulations, including regulations concerning cooling water intake structures, coal combustion by-product handling and disposal practices, wastewater discharges from steam electric generating stations and the potential further regulation of polychlorinated biphenyls.

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' facilities uneconomical to operate, result in the impairment of assets, or otherwise adversely affect the Companies' results of operations, financial performance or liquidity.

Virginia Power is subject to risks associated with the disposal and storage of coal ash. Virginia Power historically produced and continues to produce coal ash, or CCRs, as a by-product of its coal-fired generation operations. The ash is stored and managed in impoundments (ash ponds) and landfills located at eight different facilities.

Virginia Power may face litigation regarding alleged CWA violations at Possum Point, and is facing litigation regarding alleged CWA violations at Chesapeake and could incur settlement expenses and other costs, depending on the outcome of any such litigation, including costs associated with closing, corrective action and ongoing monitoring of certain ash ponds. In addition, the EPA and Virginia recently issued regulations concerning the management and storage of CCRs and West Virginia may impose additional regulations that will apply to the facilities noted above. These regulations will require Virginia Power to make additional capital expenditures and increase its operating and maintenance expenses.

Further, while Virginia Power operates its ash ponds and landfills in compliance with applicable state safety regulations, a release of coal ash with a significant environmental impact, such as the Dan River ash basin release by a neighboring utility, could result in remediation costs, civil and/or criminal penalties, claims, litigation, increased regulation and compliance costs, and reputational damage, and could impact the financial condition of Virginia Power.

The Companies' operations are subject to operational hazards, equipment failures, supply chain disruptions and personnel issues which could negatively affect the Companies. Operation of the Companies' facilities involves risk, including the risk of potential breakdown or failure of equipment or processes due to aging infrastructure, fuel supply, pipeline integrity 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. The Companies' businesses are dependent upon sophisticated information technology systems and network infrastructure, the failure of which could prevent them from accomplishing critical business functions. Because the Companies' transmission facilities, pipelines and other facilities are interconnected with those of third parties, the operation of their facilities and pipelines could be adversely affected by unexpected or uncontrollable events occurring on the systems of such third parties.

Operation of the Companies' facilities below expected capacity levels could result in lost revenues and increased expenses, including higher maintenance costs. Unplanned outages of the Companies' facilities 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 output or may require the Companies to incur significant costs as a result of operating higher cost units or obtaining replacement output from third parties in the open market to satisfy forward energy and capacity or other contractual obligations. Moreover, if the Companies are unable to perform their contractual obligations, penalties or liability for damages could result.

In addition, there are many risks associated with the Companies' operations and the transportation, storage and processing of natural gas and NGLs, including nuclear accidents, fires, explosions, uncontrolled release of natural gas and other environmental hazards, pole strikes, electric contact cases, the collision of third party equipment with pipelines and avian and other wildlife impacts. Such incidents could result in loss of human life or injuries among employees, customers or the public in general, environmental pollution, damage or destruction of facilities or business interruptions and associated public or employee safety impacts, loss of revenues, increased liabilities, heightened regulatory scrutiny and reputational risk. Further, the location of pipelines and storage facilities, or generation, transmission, substations and distribution facilities near populated areas, including residential areas, commercial business centers and industrial sites, could increase the level of damages resulting from these risks.

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's and Virginia Power's decommissioning trust funds are insufficient, and they 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.

Sustained declines in natural gas and NGL prices have resulted in, and could result in further, curtailments of third-party producers' drilling programs, delaying the production of volumes of natural gas and NGLs that Dominion and Dominion Gas gather, process, and transport and reducing the value of NGLs retained by Dominion Gas, which may adversely affect Dominion and Dominion Gas' revenues and earnings. Dominion and Dominion Gas obtain their supply of natural gas and NGLs from numerous third-party producers. Most producers are under no obligation to deliver a specific quantity of natural gas or NGLs to Dominion's and Dominion Gas' facilities. A number of other factors could reduce the volumes of natural gas and NGLs available to Dominion's and Dominion Gas' pipelines and other assets. Increased regulation of energy extraction activities could result in reductions in drilling for new natural gas wells, which could decrease the volumes of natural gas supplied to Dominion and Dominion Gas. Producers with direct commodity price exposure face liquidity constraints, which could present a credit risk to Dominion and Dominion Gas. Producers could shift their production activities to regions outside Dominion's and Dominion Gas' footprint. In addition, the extent of natural gas reserves and the rate of production from such reserves may be less than anticipated. If producers were to decrease the supply of natural gas or NGLs to Dominion's and Dominion Gas' systems and facilities for any reason, Dominion and Dominion Gas could experience lower revenues to the extent they are unable to replace the lost volumes on similar terms. In addition, Dominion Gas' revenue from processing and fractionation operations largely results from the sale of commodities at market prices. Dominion Gas receives the wet gas product from producers and may retain the extracted NGLs as compensation for its services. This exposes Dominion Gas to commodity price risk for the value of the spread between the NGL products and natural gas, and relative changes in these prices could adversely impact Dominion Gas' results.

Dominion's merchant power business operates 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 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, including as a result of market supply shortages. 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.

In addition, in the event that any of the merchant generation facilities experience a forced outage, Dominion may not receive the level of revenue it anticipated.

The Companies' financial results can be adversely affected by various factors driving demand for electricity and gas and related services. Technological advances required by federal laws mandate new levels of energy efficiency in end-use devices, including lighting, furnaces and electric heat pumps and could lead to declines in per capita energy consumption. Additionally, certain regulatory and legislative bodies have introduced or are considering requirements and/or incentives to reduce energy consumption by a fixed date. Further, Virginia Power's business model is premised upon the cost efficiency of the production, transmission and distribution of large-scale centralized utility generation. However, advances in distributed generation technologies, such as solar cells, gas microturbines and fuel cells, may make these alternative generation methods competitive with large-scale utility generation, and change how customers acquire or use our services.

Reduced energy demand or significantly slowed growth in demand due to customer adoption of energy efficient technology, conservation, distributed generation, regional economic conditions, or the impact of additional compliance obligations, unless substantially offset through regulatory cost allocations, could adversely impact the value of the Companies' business activities.

Dominion Gas has experienced a decline in demand for certain of its processing services due to competing facilities operating in nearby areas.

Dominion Gas may not be able to maintain, renew or replace its existing portfolio of customer contracts successfully, or on favorable terms. Upon contract expiration, customers may not elect to re-contract with Dominion Gas as a result of a variety of factors, including the amount of competition in the industry, changes in the price of natural gas, their level of satisfaction with Dominion Gas' services, the extent to which Dominion Gas is able to successfully execute its business plans and the effect of the regulatory framework on customer demand. The failure to replace any such customer contracts on similar terms could result in a loss of revenue for Dominion Gas.

Certain of Dominion and Dominion Gas' gas pipeline services are subject to long-term, fixed-price "negotiated rate" contracts that are not subject to adjustment, even if the cost to perform such services exceeds the revenues received from such contracts. Under FERC policy, a regulated service provider and a customer may mutually agree to sign a contract for service at a "negotiated rate" which may be above or below the FERC regulated, cost-based recourse rate for that service. These "negotiated rate" contracts are not generally subject to adjustment for increased costs which could be produced by inflation or other factors relating to the specific facilities being used to perform the services. Any shortfall of revenue as result of these "negotiated rate" contracts could decrease Dominion and Dominion Gas' earnings and cash flows.

Exposure to counterparty performance may adversely affect the Companies' financial results of operations. The Companies 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. For example, some of Dominion's operations are conducted through less than wholly-owned subsidiaries, such as Four Brothers and Three Cedars. In such arrangements, Dominion is dependent on third parties to fund their required share of capital expenditures. Counterparties could fail or delay the performance of their contractual obligations for a number of reasons, including the effect of regulations on their operations. Defaults or failure to perform by customers, suppliers, joint venture partners or other third parties may adversely affect the Companies' financial results.

Dominion will also be exposed to counterparty credit risk relating to the terminal services agreements for the Liquefaction Project. While the counterparties' obligations are supported by parental guarantees and letters of credit, there is no assurance that such credit support would be sufficient to satisfy the obligations in the event of a counterparty default. In addition, if a controversy arises under either agreement resulting in a judgment in Dominion's favor, Dominion may need to seek to enforce a final U.S. court judgment in a foreign tribunal, which could involve a lengthy process.

Market performance and other changes may decrease the value of Dominion's decommissioning trust funds and Dominion's and Dominion Gas' benefit plan assets or increase Dominion's and Dominion Gas' 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 Dominion's and Dominion Gas' pension and other postretirement benefit plans. Dominion and Dominion Gas have 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 and Dominion Gas' pension and other postretirement benefit plans may increase the funding requirements under such plans. Additionally, changes in interest rates will affect the liabilities under Dominion's and Dominion Gas' 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 mortality 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 and Dominion Gas' results of operations, financial condition and/or cash flows could be negatively affected.

The use of derivative instruments could result in financial losses and liquidity constraints. The Companies use derivative instruments, including futures, swaps, forwards, options and FTRs, to manage commodity and financial market risks. In addition, Dominion and Dominion Gas purchase and sell commodity-based contracts for hedging purposes.

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. Final rules for the over-the-counter derivative-related provisions of the Dodd-Frank Act will continue to be established through the ongoing rulemaking process of the applicable regulators, including rules regarding margin requirements for non-cleared swaps. If, as a result of the rulemaking process, the Companies' 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 swaps provisions of the Dodd-Frank Act by the Companies' counterparties could result in increased costs related to the Companies' derivative activities.

Changing rating agency requirements could negatively affect the Companies' 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, the Companies 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 the Companies' credit ratings could result in an increase in borrowing costs, loss of access to certain markets, or both, thus adversely affecting operating results and could require the Companies to post additional collateral in connection with some of its price risk management activities.

An inability to access financial markets could adversely affect the execution of the Companies' business plans. The Companies rely on access to short-term money markets and longer-term capital markets as significant sources of funding and liquidity for business plans with increasing capital expenditure needs, 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 the Companies' 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.

Potential changes in accounting practices may adversely affect the Companies' financial results. The Companies 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 earnings or could increase liabilities.

War, acts and threats of terrorism, intentional acts and other significant events could adversely affect the Companies' operations. The Companies 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, the Companies' infrastructure facilities could be direct targets of, or indirect casualties of, an act of terror. For example, a physical attack on a critical substation in California resulted in serious impacts to the power grid. Furthermore, the physical 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, intentional acts, 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.

Hostile cyber intrusions could severely impair the Companies' operations, lead to the disclosure of confidential information, damage the reputation of the Companies and otherwise have an adverse effect on the Companies' 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. There appears to be an increasing level of activity, sophistication and maturity of threat actors, in particular nation state actors, that wish to disrupt the U.S. bulk power system and the U.S. gas transmission or distribution system. Such parties could view the Companies' computer systems, software or networks as attractive targets for cyber attack. For example, malware has been designed to target software that runs the nation's critical infrastructure such as power transmission grids and gas pipelines. In addition, the Companies' businesses require that they and their vendors 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 cyber 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.

Failure to attract and retain key executive officers and other appropriately qualified employees could have an adverse effect on the Companies' operations. The Companies' business strategy is dependent on their ability to recruit, retain and motivate employees. The Companies' key executive officers are the CEO, CFO and presidents and those responsible for financial, operational, legal, regulatory and accounting functions. Competition for skilled management employees in these areas of the Companies' business operations is high. In addition, certain specialized knowledge is required of the Companies' technical employees for transmission, generation and distribution operations. The Companies' inability to attract and retain these employees could adversely affect their business and future operating results. An aging workforce in the energy industry also necessitates recruiting, retaining and developing the next generation of leadership.

Dominion may be unable to complete the Questar Combination or, in order to do so, the combined company may be required to comply with material restrictions or conditions. On February 1, 2016, Dominion announced the execution of a merger agreement with Questar. Before the Questar Combination may be completed, approval by the shareholders of Questar will have to be obtained. In addition, various filings must be made with various state utility, regulatory, antitrust and other authorities in the U.S. These governmental authorities may impose conditions on the completion, or require changes to the terms, of the transaction, including restrictions or conditions on the business, operations, or financial performance of the combined company following completion of the transaction. Several parties have filed a complaint in court seeking to enjoin the merger. Additional parties may also seek to enjoin the merger in court or challenge regulatory filings. These conditions, changes or challenges could have the effect of delaying completion of the acquisition or imposing additional costs on or limiting the revenues of the combined company following the transaction, which could have a material adverse effect on the financial position, results of operations or cash flows of the combined company and/or cause either Dominion or Questar to abandon the transaction.

If completed, the Questar Combination may not achieve its intended results. Dominion and Questar entered into the merger agreement with the expectation that the transaction would result in various benefits, including, among other things, being accretive to earnings and adding to Dominion's inventory of regulated energy infrastructure assets. Achieving the anticipated benefits of the transaction is subject to a number of uncertainties, including whether the business of Questar is integrated in an efficient and effective manner. Failure to achieve these anticipated benefits could result in increased costs, decreases in the amount of expected revenues generated by the combined company and diversion of management's time and energy, all of which could have an adverse effect on the combined company's financial position, results of operations or cash flows.

Failure to complete the transaction with Questar could negatively impact Dominion's stock price and Dominion's future business and financial results. If the Questar Combination is not completed, Dominion's ongoing business and financial results may be adversely affected and Dominion will be subject to a number of risks, including (i) Dominion may be required, under specified circumstances set forth in the Merger Agreement, to pay Questar a termination fee of $154 million; (ii) Dominion will be required to pay costs relating to the transaction, including legal, accounting, financial advisory, filing and printing costs, whether or not the transaction is completed; and (iii) execution of the Questar Combination (including integration planning) may require substantial commitments of time and resources by our management, which could otherwise have been devoted to other opportunities that may have been beneficial to Dominion.

Dominion could also be subject to litigation related to any failure to complete the transaction with Questar. If the transaction is not completed, these risks may materialize and may adversely affect Dominion's financial position, results of operations or cash flows.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2015, 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 and Dominion Gas share Dominion's 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, 2015; however, by leaving the indenture open, Virginia Power expects to retain the flexibility to issue mortgage bonds in the future. Certain of Dominion's merchant generation facilities are also subject to liens.

Dominion Energy

Dominion and Dominion Gas

East Ohio's gas distribution network is located in Ohio. This network involves approximately 18,900 miles of pipe, exclusive of service lines. The rights-of-way grants for many natural gas pipelines have been obtained from the actual owners 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 Gas has approximately 10,500 miles of gas transmission, gathering and storage pipelines located in the states of Maryland, New York, Ohio, Pennsylvania, Virginia and West Virginia. Dominion Gas also owns NGL processing plants capable of processing over 270,000 mcf per day of natural gas. Hastings is the largest plant and is capable of processing over 180,000 mcf per day of natural gas. Hastings can also fractionate over 580,000 Gals per day of NGLs into marketable products, including propane, isobutane, butane and natural gasoline. NGL operations have storage capacity of 1,226,500 Gals of propane, 109,000 Gals of isobutane, 442,000 Gals of butane, 2,000,000 Gals of natural gasoline and 1,012,500 Gals of mixed NGLs.

Dominion Gas also operates 20 underground gas storage fields located in New York, Ohio, Pennsylvania and West Virginia, with approximately 2,000 storage wells and approximately 399,000 acres of operated leaseholds.

The total designed capacity of the underground storage fields operated by Dominion Gas is approximately 933 bcf. Certain storage fields are jointly-owned and operated by Dominion Gas. The capacity of those fields owned by Dominion Gas' partners totals approximately 224 bcf.

Dominion

Cove Point's LNG facility has an operational peak regasification daily send-out capacity of approximately 1.8 million Dths/day and an aggregate LNG storage capacity of approximately 14.6 bcfe. In addition, Cove Point has a liquefier that has the potential to create approximately 15,000 Dths/day.

The Cove Point Pipeline is a 36-inch diameter underground, interstate natural gas pipeline that extends approximately 88 miles from Cove Point to interconnections with Transcontinental Gas Pipe Line Company, LLC in Fairfax County, Virginia, and with Columbia Gas Transmission, LLC and DTI in Loudoun County, Virginia. In 2009, the original pipeline was expanded to include a 36-inch diameter expansion that extends approximately 48 miles, roughly 75% of which is parallel to the original pipeline.

DCG's interstate natural gas pipeline system in South Carolina and southeastern Georgia is comprised of approximately 1,500 miles of transmission pipeline. DCG's pipeline system is substantially fully subscribed with a contracted pipeline capacity of 765,773 Dths/day. Dominion has 148 compressor stations with approximately 904,000 installed compressor horsepower.

DVP

See Item 1. Business, *General* for details regarding DVP's principal properties, which primarily include transmission and distribution lines.

Dominion Generation

Dominion and Virginia Power generate electricity for sale on a wholesale and a retail level. Dominion and Virginia Power supply electricity demand either from their generation facilities or through purchased power contracts. As of December 31, 2015, Dominion Generation's total utility and merchant generating capacity was approximately 24,300 MW.

The following tables list Dominion Generation's utility and merchant generating units and capability, as of December 31, 2015:

VIRGINIA POWER UTILITY GENERATION[1]

Plant	Location	Net Summer Capability (MW)	Percentage Net Summer Capability
Gas			
Warren County (CC)	Warren County, VA	1,342	
Ladysmith (CT)	Ladysmith, VA	783	
Remington (CT)	Remington, VA	608	
Bear Garden (CC)	Buckingham County, VA	590	
Possum Point (CC)	Dumfries, VA	573	
Chesterfield (CC)	Chester, VA	397	
Elizabeth River (CT)	Chesapeake, VA	348	
Possum Point	Dumfries, VA	316	
Bellemeade (CC)	Richmond, VA	267	
Bremo[2]	Bremo Bluff, VA	227	
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		6,172	31%
Coal			
Mt. Storm	Mt. Storm, WV	1,629	
Chesterfield	Chester, VA	1,267	
Virginia City Hybrid Energy Center	Wise County, VA	610	
Clover	Clover, VA	439[3]	
Yorktown[4]	Yorktown, VA	323	
Mecklenburg	Clarksville, VA	138	
Total Coal		4,406	22
Nuclear			
Surry	Surry, VA	1,676	
North Anna	Mineral, VA	1,672[5]	
Total Nuclear		3,348	17
Oil			
Yorktown	Yorktown, VA	790	
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		2,160	11
Hydro			
Bath County	Warm Springs, VA	1,802[6]	
Gaston	Roanoke Rapids, NC	220	
Roanoke Rapids	Roanoke Rapids, NC	95	
Other	Various	3	
Total Hydro		2,120	11
Biomass			
Pittsylvania	Hurt, VA	83	
Altavista	Altavista, VA	51	
Polyester	Hopewell, VA	51	
Southhampton	Southampton, VA	51	
Total Biomass		236	1
Various			
Mt. Storm (CT)	Mt. Storm, WV	11	—
		18,453	
Power Purchase Agreements		1,569	7
Total Utility Generation		20,022	100%

Note: (CT) denotes combustion turbine and (CC) denotes combined cycle.

(1) The table excludes Virginia Power's Morgans Corner solar facility located in Pasquotank County, NC which has a net summer capacity of 20 MW, as the facility is dedicated to serving a non-jurisdictional customer.

(2) Converted from coal to gas in 2014.

(3) Excludes 50% undivided interest owned by ODEC.

(4) Coal-fired units are expected to be retired at Yorktown as early as 2017 as a result of the issuance of the MATS rule.

(5) Excludes 11.6% undivided interest owned by ODEC.

(6) 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
Nuclear			
Millstone	Waterford, CT	2,001(1)	
Total Nuclear		2,001	46%
Gas			
Fairless (CC)	Fairless Hills, PA	1,196	
Manchester (CC)	Providence, RI	468	
Total Gas		1,664	39
Wind			
Fowler Ridge(2)	Benton County, IN	150(3)	
NedPower(2)	Grant County, WV	132(4)	
Total Wind		282	7
Solar(5)			
Pavant Solar	Holden, UT	50	
Camelot Solar	Mojave, CA	30(6)	
Cottonwood Solar	Kings and Kern counties, CA	23	
Alamo Solar	San Bernardino, CA	20	
Maricopa West Solar	Kern County, CA	20	
Imperial Valley 2 Solar	Imperial, CA	20	
Richland Solar	Jeffersonville, GA	20	
Indy Solar	Indianapolis, IN	19(6)	
Catalina 2 Solar	Kern County, CA	18	
CID Solar	Corcoran, CA	13(6)	
Kansas Solar	Lenmore, CA	13(6)	
Kent South Solar	Lenmore, CA	13(6)	
Old River One Solar	Bakersfield, CA	13(6)	
West Antelope Solar	Lancaster, CA	13(6)	
Adams East Solar	Tranquility, CA	13(6)	
Mulberry Solar	Selmer, TN	11(6)	
Selmer Solar	Selmer, TN	11(6)	
Columbia 2 Solar	Mojave, CA	10(6)	
Azalea Solar	Davisboro, GA	5(6)	
Somers Solar	Somers, CT	3(6)	
Total Solar		338	8
Fuel Cell			
Bridgeport Fuel Cell	Bridgeport, CT	15	
Total Fuel Cell		15	—
Total Merchant Generation		4,300	100%

Note: (CC) denotes combined cycle.
(1) Excludes 6.53% undivided interest in Unit 3 owned by Massachusetts Municipal and Green Mountain.
(2) Subject to a lien securing the facility's debt.
(3) Excludes 50% membership interest owned by BP.
(4) Excludes 50% membership interest owned by Shell.
(5) All solar facilities are alternating current.
(6) Excludes 33% noncontrolling interest owned by Terra Nova Renewable Partners.

Item 3. Legal Proceedings

From time to time, the Companies 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 2016, Virginia Power received a notice of violation from the Virginia Department of Environmental Quality relating to a release of mineral oil from the Crystal City substation. In January 2016, Virginia Power self-reported the discharge and began an extensive cleanup. Virginia Power has assumed the role of responsible party and is continuing to cooperate with ongoing requirements for investigative and corrective action. Virginia Power may enter into a consent order with the Virginia Department of Environmental Quality that includes a penalty. The amount of that penalty cannot be reasonably estimated at this time.

See Notes 13 and 22 to the Consolidated Financial Statements and *Future Issues and Other Matters* in Item 7. 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 (61)	Chairman of the Board of Directors, President and CEO of Dominion from April 2007 to date; Chairman and CEO of Dominion Midstream GP, LLC (the general partner of Dominion Midstream) from March 2014 to date; CEO of Dominion Gas from September 2013 to date and Chairman from March 2014 to date; Chairman and CEO of Virginia Power from February 2006 to date.
Mark F. McGettrick (58)	Executive Vice President and CFO of Dominion from June 2009 to date, Dominion Midstream GP, LLC from March 2014 to date, Virginia Power from June 2009 to date and Dominion Gas from September 2013 to date.
David A. Christian (61)	Executive Vice President and CEO—Energy Infrastructure Group of Dominion from January 2016 to date; President of Dominion Gas from January 2016 to date; Executive Vice President and CEO—Dominion Generation Group of Dominion from February 2013 to December 2015; Executive Vice President of Dominion from May 2011 to February 2013; President and COO of Virginia Power from June 2009 to date; Executive Vice President of Dominion Midstream GP, LLC from January 2016 to date.
Paul D. Koonce (56)	Executive Vice President and CEO—Dominion Generation Group of Dominion from January 2016 to date; Executive Vice President and CEO—Energy Infrastructure Group of Dominion from February 2013 to December 2015; Executive Vice President of Dominion from April 2006 to February 2013; Executive Vice President of Dominion Midstream GP, LLC from March 2014 to December 2015; President and COO of Virginia Power from June 2009 to date; President of Dominion Gas from September 2013 to December 2015.
David A. Heacock (58)	President and CNO of Virginia Power from June 2009 to date.
Robert M. Blue (48)	Senior Vice President— Law, Regulation & Policy of Dominion, Dominion Gas and Dominion Midstream GP, LLC from February 2016 to present; Senior Vice President—Regulation, Law, Energy Solutions and Policy of Dominion and Dominion Gas from May 2015 to January 2016 and Dominion Midstream GP, LLC from July 2015 to January 2016; Senior Vice President—Regulation, Law, Energy Solutions and Policy of Virginia Power from May 2015 to December 2015; President of Virginia Power from January 2016 to date; President of Virginia Power from January 2014 to May 2015; Senior Vice President-Law, Public Policy and Environment of Dominion from January 2011 to December 2013.
Michele L. Cardiff (48)	Vice President, Controller and CAO of Dominion from April 2014 to date; Vice President-Accounting of DRS from January 2014 to March 2014; Vice President, Controller and CAO of Virginia Power from April 2014 to date, Dominion Gas from March 2014 to date, and Dominion Midstream GP, LLC from March 2014 to date; General Auditor of DRS from September 2012 to December 2013; Controller of Virginia Power from June 2009 to August 2012.
Diane Leopold (49)	President of DTI, East Ohio and Dominion Cove Point, Inc. from January 2014 to date; Senior Vice President of DTI from April 2012 to December 2013; Senior Vice President—Business Development & Generation Construction of Virginia Power from April 2009 to March 2012.

(1) Any service listed for Virginia Power, Dominion Midstream GP, LLC, Dominion Gas, DTI, East Ohio, Dominion Cove Point, Inc. 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, 2016, there were approximately 129,000 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 17 and 20 to the Consolidated Financial Statements. Cash dividends were paid quarterly in 2015 and 2014. Quarterly information concerning stock prices and dividends is disclosed in Note 26 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 2015:

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]
10/1/2015-10/31/15	**21,185**	**$69.16**	**N/A**	**19,629,059 shares/$1.18 billion**
11/1/2015-11/30/15	**—**	**$ —**	**N/A**	**19,629,059 shares/$1.18 billion**
12/1/2015-12/31/15	**114,784**	**$67.23**	**N/A**	**19,629,059 shares/$1.18 billion**
Total	**135,969**	**$67.53**	**N/A**	**19,629,059 shares/$1.18 billion**

(1) 21,185 and 114,784 shares were tendered by employees to satisfy tax withholding obligations on vested restricted stock in October and December 2015, respectively.

(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 Note 20 to the Consolidated Financial Statements. Virginia Power paid quarterly cash dividends on its common stock as follows:

(millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
2015	**$149**	**$121**	**$146**	**$ 75**	**$491**
2014	148	121	196	125	590

As discussed in Note 18 to the Consolidated Financial Statements in this report, during 2014, Virginia Power redeemed all shares of each outstanding series of its preferred stock. Effective October 30, 2014, the Virginia Power Board of Directors approved amendments to Virginia Power's Articles of Incorporation to delete references to the redeemed series of preferred stock.

Dominion Gas

All of Dominion Gas' membership interests are owned by Dominion. Restrictions on Dominion Gas' payment of distributions are discussed in Note 20 to the Consolidated Financial Statements. Dominion Gas paid quarterly distributions as follows:

(millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
2015	**$96**	**$68**	**$80**	**$448**	**$692**
2014	78	67	61	140	346

Item 6. Selected Financial Data

DOMINION

Year Ended December 31,	2015	2014[1]	2013[2]	2012[3]	2011[4]
(millions, except per share amounts)					
Operating revenue	**$11,683**	$12,436	$13,120	$12,835	$13,765
Income from continuing operations, net of tax[5]	**1,899**	1,310	1,789	1,427	1,466
Loss from discontinued operations, net of tax[5]	**—**	—	(92)	(1,125)	(58)
Net income attributable to Dominion	**1,899**	1,310	1,697	302	1,408
Income from continuing operations before loss from discontinued operations per common share-basic	**3.21**	2.25	3.09	2.49	2.56
Net income attributable to Dominion per common share-basic	**3.21**	2.25	2.93	0.53	2.46
Income from continuing operations before loss from discontinued operations per common share-diluted	**3.20**	2.24	3.09	2.49	2.55
Net income attributable to Dominion per common share-diluted	**3.20**	2.24	2.93	0.53	2.45
Dividends declared per common share	**2.59**	2.40	2.25	2.11	1.97
Total assets	**58,797**	54,327	50,096	46,838	45,614
Long-term debt	**23,616**	21,805	19,330	16,851	17,394

(1) Includes $248 million of after-tax charges associated with Virginia legislation enacted in April 2014 relating to the development of a third nuclear unit located at North Anna and offshore wind facilities, a $193 million after-tax charge related to Dominion's restructuring of its producer services business and a $174 million after-tax charge associated with the Liability Management Exercise.

(2) Includes a $109 million after-tax charge related to Dominion's restructuring of its producer services business ($76 million) and an impairment of certain natural gas infrastructure assets ($33 million). Also in 2013, Dominion recorded a $92 million after-tax net loss from the discontinued operations of Brayton Point and Kincaid.

(3) Includes a $1.1 billion after-tax loss from discontinued operations, including impairment charges, of Brayton Point and Kincaid and a $303 million after-tax charge primarily resulting from management's decision to cease operations and begin decommissioning Kewaunee in 2013.

(4) Includes 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.

(5) Amounts attributable to Dominion's common shareholders.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

MD&A discusses Dominion's results of operations and general financial condition and Virginia Power's and Dominion Gas' results of operations. MD&A should be read in conjunction with Item 1. Business and the Consolidated Financial Statements in Item 8. Financial Statements and Supplementary Data. Virginia Power and Dominion Gas meet the conditions to file under the reduced disclosure format, and therefore have omitted certain sections of MD&A.

CONTENTS OF MD&A

MD&A consists of the following information:

FORWARD-LOOKING STATEMENTS

This report contains statements concerning the Companies' 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.

The Companies 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, earthquakes, flooding and changes in water temperatures and availability that can cause outages and property damage to facilities;
- Federal, state and local legislative and regulatory developments, including changes in federal and state tax laws and regulations;
- 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;
- Changes in enforcement practices of regulators relating to environmental standards and litigation exposure for remedial activities;
- Changes in regulator implementation of environmental standards and litigation exposure for remedial activities;
- Difficulty in anticipating mitigation requirements associated with environmental and other regulatory approvals;
- 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 at facilities in which the Companies have an ownership interest;
- Fluctuations in energy-related commodity prices and the effect these could have on Dominion's and Dominion Gas' earnings and the Companies' 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;
- Fluctuations in the value of investments held in nuclear decommissioning trusts by Dominion and Virginia Power and in benefit plan trusts by Dominion and Dominion Gas;
- Fluctuations in interest rates;
- 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;
- Risks of operating businesses in regulated industries that are subject to changing regulatory structures;
- Impacts of acquisitions, divestitures, transfers of assets to joint ventures or Dominion Midstream, and retirements of assets based on asset portfolio reviews;
- The expected timing and likelihood of completion of the proposed acquisition of Questar, including the ability to obtain the requisite approvals of Questar's shareholders and the terms and conditions of any required regulatory approvals;
- Receipt of approvals for, and timing of, closing dates for other acquisitions and divestitures;
- The timing and execution of Dominion Midstream's growth strategy;
- Changes in rules for RTOs and ISOs in which Dominion and Virginia Power participate, including changes in rate designs, changes in FERC's interpretation of market rules 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;
- Changes in demand for the Companies' services, including industrial, commercial and residential growth or decline in the Companies' service areas, changes in supplies of natural gas delivered to Dominion and Dominion Gas' pipeline and

processing systems, failure to maintain or replace customer contracts on favorable terms, changes in customer growth or usage patterns, including as a result of energy conservation programs, the availability of energy efficient devices and the use of distributed generation methods;
- Additional competition in industries in which the Companies operate, including in electric markets in which Dominion's merchant generation facilities operate, and competition in the development, construction and ownership of certain electric transmission facilities in Virginia Power's service territory in connection with FERC Order 1000;
- 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 and Dominion Gas;
- Changes in operating, maintenance and construction costs;
- Timing and receipt of regulatory approvals necessary for planned construction or expansion projects and compliance with conditions associated with such regulatory approvals;
- The inability to complete planned construction, conversion or expansion projects at all, or with the outcomes or within the terms and time frames initially anticipated;
- Adverse outcomes in litigation matters or regulatory proceedings; and
- The impact of operational hazards including adverse developments with respect to pipeline and plant safety or integrity, equipment loss, malfunction or failure, operator error, and other catastrophic events.

Additionally, other risks that could cause actual results to differ from predicted results are set forth in Item 1A. Risk Factors.

The Companies' forward-looking statements are based on beliefs and assumptions using information available at the time the statements are made. The Companies caution the reader not to place undue reliance on their forward-looking statements because the assumptions, beliefs, expectations and projections about future events may, and often do, differ materially from actual results. The Companies undertake no obligation to update any forward-looking statement to reflect developments occurring after the statement is made.

Accounting Matters

Critical Accounting Policies and Estimates

Dominion has 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 its financial condition or results of operations under different conditions or using different assumptions. Dominion has discussed the development, selection and disclosure of each of these policies with the Audit Committee of its Board of Directors.

Accounting for Regulated Operations

The accounting for Dominion's regulated electric and gas operations differs from the accounting for nonregulated operations in that Dominion is required to reflect the effect of rate regulation in its 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 that otherwise would be expensed by nonregulated companies are deferred as regulatory assets. 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.

Dominion evaluates whether or not recovery of its regulatory assets through future rates is probable and makes various assumptions in its analysis. The expectations of future recovery are generally based on orders issued by regulatory commissions, legislation or historical experience, as well as discussions with applicable regulatory authorities and legal counsel. 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 12 and 13 to the Consolidated Financial Statements for additional information.

Asset Retirement Obligations

Dominion recognizes 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, Dominion estimates the fair value of its AROs using present value techniques, in which it makes 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 Dominion revises any assumptions used to calculate the fair value of existing AROs, it adjusts the carrying amount of both the ARO liability and the related long-lived asset for assets that are in service; for assets that have ceased operations, Dominion adjusts the carrying amount of the ARO liability with such changes recognized in income. Dominion accretes the ARO liability to reflect the passage of time. In 2015, Dominion recorded an increase in AROs of $403 million primarily related to future ash pond and landfill closure costs at certain utility generation facilities. See Note 22 to the Consolidated Financial Statements for additional information.

In 2015, 2014 and 2013, Dominion recognized $93 million, $81 million and $86 million, respectively, of accretion, and expects to recognize $99 million in 2016. Dominion records accretion and depreciation associated with utility nuclear decommissioning AROs as an adjustment to the regulatory liability related to its nuclear decommissioning trust.

A significant portion of Dominion's AROs relates to the future decommissioning of its merchant and utility nuclear facilities. These nuclear decommissioning AROs are reported in the Dominion Generation segment. At December 31, 2015, Dominion's nuclear decommissioning AROs totaled $1.5 billion, representing approximately 70% 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 Dominion's nuclear decommissioning obligations.

Dominion obtains 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 its 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, Dominion's cost estimates include cost escalation rates that are applied to the base year costs. Dominion determines 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 critical assumptions.

Primarily as a result of a shift of the delayed planned date on which the DOE was expected to begin accepting spent nuclear fuel, in 2014, Dominion recorded an increase of $95 million to the nuclear decommissioning AROs.

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, 2015, Dominion had $103 million of unrecognized tax benefits. Changes in these unrecognized tax benefits may result from remeasurement of amounts expected to be realized, settlements with tax authorities and expiration of statutes of limitations.

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 evaluates 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. Dominion establishes 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, 2015, Dominion had established $73 million of valuation allowances.

Accounting for Derivative Contracts and Other Instruments at Fair Value

Dominion uses derivative contracts such as futures, swaps, forwards, options and FTRs to manage commodity and financial market risks of its 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 nuclear decommissioning and rabbi and benefit plan trust funds are also subject to fair value accounting. See Notes 6 and 21 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, Dominion considers 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 Dominion believes that observable pricing information is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases, Dominion must estimate prices based on available historical and near-term future price information and use of statistical methods, including regression analysis, that reflect its market assumptions.

Dominion maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Use of Estimates in Goodwill Impairment Testing

As of December 31, 2015, Dominion reported $3.3 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 2015, 2014 and 2013 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. 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 11 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, expectations about operating the long-lived assets and the selection of an appropriate discount rate. When determining whether an asset or asset group has been impaired, management groups assets at the lowest level that has identifiable cash flows. 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, expected fluctuations of prices of commodities sold and consumed and expected proceeds from dispositions. See Note 6 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, mortality rates 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, healthcare cost trend rates and mortality 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;
- Forecasts of an independent investment advisor;
- Forward-looking return expectations derived from the yield on long-term bonds and the expected long-term returns 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, 35% fixed income, 3% real estate and 16% 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 an independent investment advisor 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 8.75% for 2015 and 2014 and 8.50% for 2013. For 2016, the expected long-term rate of return for pension cost assumption is 8.75%. Dominion calculated its other postretirement benefit cost using an expected long-term rate of return on plan assets assumption of 8.50% for 2015 and 2014 and 7.75% for 2013. For 2016, the expected long-term rate of return for other postretirement benefit cost assumption is 8.50%. 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 4.40% in 2015, ranged from 5.20% to 5.30% for pension plans and 5.00% to 5.10% for other postretirement benefit plans in 2014, and ranged from 4.40% to 4.80% in 2013. Dominion selected a discount rate ranging from 4.96% to 4.99% for pension plans and ranging from 4.93% to 4.94% for other postretirement benefit plans for determining its December 31, 2015 projected 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, 2015 was 7.00% and is expected to gradually decrease to 5.00% by 2019 and continue at that rate for years thereafter.

Dominion develops its mortality assumption using plan-specific studies and projects mortality improvement using scales developed by the Society of Actuaries.

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)%	$15	$ 1
Long-term rate of return on plan assets	(0.25)%	16	3
Healthcare cost trend rate	1 %	N/A	21

In addition to the effects on cost, at December 31, 2015, a 0.25% decrease in the discount rate would increase Dominion's projected pension benefit obligation by $212 million and its accumulated postretirement benefit obligation by $40 million, while a 1.00% increase in the healthcare cost trend rate would increase its accumulated postretirement benefit obligation by $157 million.

See Note 21 to the Consolidated Financial Statements for additional information on Dominion's employee benefit plans.

New Accounting Standards

See Note 2 to the Consolidated Financial Statements for a discussion of new accounting standards.

DOMINION

RESULTS OF OPERATIONS

Presented below is a summary of Dominion's consolidated results:

Year Ended December 31,	2015	$ Change	2014	$ Change	2013
(millions, except EPS)					
Net income attributable to Dominion	$1,899	$ 589	$1,310	$ (387)	$1,697
Diluted EPS	3.20	0.96	2.24	(0.69)	2.93

Overview

2015 vs. 2014

Net income attributable to Dominion increased by 45% primarily due to the absence of charges associated with Virginia legislation enacted in April 2014 relating to the development of a third nuclear unit located at North Anna and offshore wind facilities, the absence of losses related to the repositioning of Dominion's producer services business in the first quarter of 2014, and the absence of charges related to Dominion's Liability Management Exercise. See Note 13 to the Consolidated Financial Statements for more information on legislation related to North Anna and offshore wind facilities. See *Liquidity and Capital Resources* for more information on the Liability Management Exercise.

2014 vs. 2013

Net income attributable to Dominion decreased by 23% primarily due to charges associated with Virginia legislation enacted in April 2014 relating to the development of a third nuclear unit located at North Anna and offshore wind facilities, charges associated with Dominion's Liability Management Exercise, and the repositioning of Dominion's producer services business, which was completed in the first quarter of 2014. See Note 13 to the Consolidated Financial Statements for more information on legislation related to North Anna and offshore wind facilities. See *Liquidity and Capital Resources* for more information on the Liability Management Exercise. These decreases were partially offset by an increase in investment tax credits received, primarily from new solar projects.

Analysis of Consolidated Operations

Presented below are selected amounts related to Dominion's results of operations:

Year Ended December 31,	2015	$ Change	2014	$ Change	2013
(millions)					
Operating Revenue	$11,683	$(753)	$12,436	$(684)	$13,120
Electric fuel and other energy-related purchases	2,725	(675)	3,400	(485)	3,885
Purchased electric capacity	330	(31)	361	3	358
Purchased gas	551	(804)	1,355	24	1,331
Net Revenue	8,077	757	7,320	(226)	7,546
Other operations and maintenance	2,595	(170)	2,765	306	2,459
Depreciation, depletion and amortization	1,395	103	1,292	84	1,208
Other taxes	551	9	542	(21)	563
Other income	196	(54)	250	(15)	265
Interest and related charges	904	(289)	1,193	316	877
Income tax expense	905	453	452	(440)	892
Loss from discontinued operations	—	—	—	92	(92)

An analysis of Dominion's results of operations follows:

2015 vs. 2014

Net revenue increased 10%, primarily reflecting:

- The absence of losses related to the repositioning of Dominion's producer services business in the first quarter of 2014, reflecting the termination of natural gas trading and certain energy marketing activities ($313 million);
- A $159 million increase from electric utility operations, primarily reflecting:
  - An increase from rate adjustment clauses ($225 million);
  - An increase in sales to retail customers, primarily due to a net increase in cooling degree days ($38 million); and
  - A decrease in capacity related expenses ($33 million); partially offset by
  - An $85 million write-off of deferred fuel costs associated with Virginia legislation enacted in February 2015;

- A decrease in sales to customers due to the effect of changes in customer usage and other factors ($24 million); and
- A decrease due to a charge based on the 2015 Biennial Review Order to refund revenues to customers ($20 million).

- The absence of losses related to the retail electric energy marketing business which was sold in the first quarter of 2014 ($129 million);
- A $77 million increase from merchant generation operations, primarily due to increased generation output reflecting the absence of planned outages at certain merchant generation facilities ($83 million) and additional solar generating facilities placed into service ($53 million), partially offset by lower realized prices ($58 million);
- A $38 million increase from regulated natural gas distribution operations, primarily due to an increase in rate adjustment clause revenue related to low income assistance programs ($12 million), an increase in AMR and PIR program revenues ($24 million) and various expansion projects placed into service ($22 million); partially offset by a decrease in gathering revenues ($9 million); and
- A $30 million increase from regulated natural gas transmission operations, primarily reflecting:
  - A $61 million increase in gas transportation and storage activities, primarily due to the addition of DCG ($62 million), decreased fuel costs ($24 million) and various expansion projects placed into service ($24 million), partially offset by decreased regulated gas sales ($46 million); and
  - A $46 million net increase primarily due to services performed for Atlantic Coast Pipeline and Blue Racer; partially offset by
  - A $61 million decrease from NGL activities, primarily due to decreased prices.

Other operations and maintenance decreased 6%, primarily reflecting:

- The absence of charges associated with Virginia legislation enacted in April 2014 relating to the development of a third nuclear unit located at North Anna and offshore wind facilities ($370 million);
- An increase in gains from agreements to convey shale development rights underneath several natural gas storage fields ($63 million);
- A $97 million decrease in planned outage costs primarily due to a decrease in scheduled outage days at certain merchant generation facilities ($59 million) and non-nuclear utility generation facilities ($38 million); and
- A $22 million decrease in charges related to future ash pond and landfill closure costs at certain utility generation facilities.

These decreases were partially offset by:

- The absence of a gain on the sale of Dominion's electric retail energy marketing business in March 2014 ($100 million), net of a $31 million write-off of goodwill;
- An $80 million increase in certain electric transmission-related expenditures. These expenses are primarily recovered through state and FERC rates and do not impact net income;
- The absence of gains on the sale of assets to Blue Racer ($59 million);
- A $53 million increase in utility nuclear refueling outage costs primarily due to the amortization of outage costs that were previously deferred pursuant to Virginia legislation enacted in April 2014;
- A $46 million net increase due to services performed for Atlantic Coast Pipeline and Blue Racer. These expenses are billed to these entities and do not significantly impact net income; and
- A $22 million increase due to the acquisition of DCG.

Other income decreased 22%, primarily reflecting lower tax recoveries associated with contributions in aid of construction ($17 million), a decrease in interest income related to income taxes ($12 million), and lower net realized gains on nuclear decommissioning trust funds ($11 million).

Interest and related charges decreased 24%, primarily as a result of the absence of charges associated with Dominion's Liability Management Exercise in 2014.

Income tax expense increased 100%, primarily reflecting higher pre-tax income.

2014 vs. 2013

Net revenue decreased 3%, primarily reflecting:

- A $263 million decrease from retail energy marketing operations, primarily due to the sale of the retail electric business in March 2014; and
- A $195 million decrease primarily related to the repositioning of Dominion's producer services business which was completed in the first quarter of 2014, reflecting the termination of natural gas trading and certain energy marketing activities.

These decreases were partially offset by:

- A $171 million increase from electric utility operations, primarily reflecting:
  - An increase from rate adjustment clauses at electric utility operations ($132 million); and
  - An increase in sales from electric utility operations primarily due to an increase in heating degree days ($34 million);
- A $46 million increase in gas transportation and storage activities and other revenues, largely due to various expansion projects being placed into service; and
- A $35 million increase in merchant generation margins, primarily due to higher realized prices ($120 million), partially offset by lower generation output due to the decommissioning of Kewaunee beginning in May 2013 ($95 million).

Other operations and maintenance increased 12%, primarily reflecting:

- $370 million in charges associated with Virginia legislation enacted in April 2014 relating to the development of a third nuclear unit located at North Anna and offshore wind facilities;
- A $135 million increase in planned outage costs at certain merchant generation facilities and at certain non-nuclear utility facilities; and
- A $121 million charge related to a settlement offer to incur future ash pond closure costs at certain utility generation facilities.

These increases were partially offset by:
- A gain on the sale of Dominion's electric retail energy marketing business in March 2014 ($100 million), net of a $31 million write-off of goodwill;
- A $67 million decrease primarily due to the deferral of utility nuclear outage costs beginning in the second quarter of 2014, pursuant to the Virginia legislation enacted in April 2014;
- The absence of a $65 million charge primarily reflecting impairment charges recorded in 2013 for certain natural gas infrastructure assets; and
- A decrease in bad debt expense at regulated natural gas distribution operations primarily related to low-income assistance programs ($53 million). These bad debt expenses are recovered through rates and do not impact net income.

Interest and related charges increased 36%, primarily due to charges associated with Dominion's Liability Management Exercise in 2014 ($284 million) and higher long-term debt interest expense resulting from debt issuances in 2014 ($44 million).

Income tax expense decreased 49%, primarily reflecting lower pre-tax income ($350 million) and the impact of federal renewable energy investment tax credits ($105 million).

Loss from discontinued operations reflects the sale of Brayton Point and Kincaid in 2013.

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 EPS growth, a growing dividend and to maintain a stable credit profile. Dominion expects 80% to 90% of earnings from its primary operating segments to come from regulated and long-term contracted businesses.

In 2016, Dominion is expected to experience an increase in net income on a per share basis as compared to 2015. Dominion's anticipated 2016 results reflect the following significant factors:
- A return to normal weather in its electric utility operations;
- Growth in weather-normalized electric utility sales of approximately 1%;
- Construction and operation of growth projects in electric utility operations and associated rate adjustment clause revenue;
- The absence of a write-off of deferred fuel costs associated with Virginia legislation enacted in February 2015 and decreased charges related to future ash pond and landfill closure costs at certain utility generation facilities;
- A lower effective tax rate, driven primarily by additional investment tax credits;
- Construction and operation of growth projects in gas transmission and distribution; partially offset by
- An increase in depreciation, depletion, and amortization;
- Higher operating and maintenance expenses; and
- Share dilution.

Additionally, in 2016, Dominion expects to focus on meeting new and developing environmental requirements, including by making investments in utility solar generation, particularly in Virginia.

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,	2015		2014		2013	
	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	**$ 490**	**$ 0.82**	$ 502	$ 0.86	$ 475	$ 0.82
Dominion Generation[1]	**1,120**	**1.89**	1,061	1.81	963	1.66
Dominion Energy[1]	**680**	**1.15**	717	1.23	711	1.23
Primary operating segments	**2,290**	**3.86**	2,280	3.90	2,149	3.71
Corporate and Other	**(391)**	**(0.66)**	(970)	(1.66)	(452)	(0.78)
Consolidated	**$1,899**	**$ 3.20**	$1,310	$ 2.24	$1,697	$ 2.93

(1) Amounts have been recast to reflect nonregulated retail energy marketing operations in the Dominion Energy segment.

DVP

Presented below are operating statistics related to DVP's operations:

Year Ended December 31,	2015	% Change	2014	% Change	2013
Electricity delivered (million MWh)	**83.9**	**—%**	83.5	1%	82.4
Degree days:					
Cooling	**1,849**	**13**	1,638	—	1,645
Heating	**3,416**	**(10)**	3,793	4	3,651
Average electric distribution customer accounts (thousands)[1]	**2,525**	**1**	2,500	1	2,475

(1) Period average.

Presented below, on an after-tax basis, are the key factors impacting DVP's net income contribution:

2015 vs. 2014

	Increase (Decrease)	
	Amount	**EPS**
(millions, except EPS)		
Regulated electric sales:		
Weather	**$ 5**	**$ 0.01**
Other	**(4)**	**—**
FERC transmission equity return	**36**	**0.06**
Tax recoveries on contribution in aid of construction	**(10)**	**(0.02)**
Depreciation and amortization	**(9)**	**(0.02)**
Other operations and maintenance	**(12)**	**(0.02)**
AFUDC equity return	**(6)**	**(0.01)**
Interest expense	**(5)**	**(0.01)**
Other	**(7)**	**(0.01)**
Share dilution	**—**	**(0.02)**
Change in net income contribution	**$(12)**	**$(0.04)**

2014 VS. 2013

	Increase (Decrease)	
	Amount	EPS
(millions, except EPS)		
Regulated electric sales:		
Weather	$ 8	$ 0.01
Other	(1)	—
FERC transmission equity return	27	0.04
Storm damage and service restoration	13	0.02
Depreciation and amortization	(8)	(0.01)
Other	(12)	(0.02)
Change in net income contribution	$ 27	$ 0.04

Dominion Generation

Presented below are operating statistics related to Dominion Generation's operations:

Year Ended December 31,	2015	% Change	2014	% Change	2013
Electricity supplied (million MWh):					
Utility	**85.2**	**2%**	83.9	1%	82.8
Merchant[1]	**26.9**	**8**	25.0	(6)	26.6
Degree days (electric utility service area):					
Cooling	**1,849**	**13**	1,638	—	1,645
Heating	**3,416**	**(10)**	3,793	4	3,651

(1) Excludes 7.6 million MWh for 2013 related to Kewaunee, Brayton Point, Kincaid, State Line power station, Salem Harbor power station and Dominion's equity method investment in Elwood. There are no exclusions related to these stations in 2014 or 2015.

Presented below, on an after-tax basis, are the key factors impacting Dominion Generation's net income contribution:

2015 VS. 2014

	Increase (Decrease)	
	Amount	EPS
(millions, except EPS)		
Merchant generation margin	**$ 53**	**$ 0.09**
Regulated electric sales:		
Weather	**19**	**0.03**
Other	**(13)**	**(0.02)**
Rate adjustment clause equity return	**20**	**0.03**
PJM ancillary services	**(15)**	**(0.02)**
Outage costs	**26**	**0.05**
Depreciation and amortization	**(32)**	**(0.05)**
Capacity related expenses	**20**	**0.03**
Other	**(19)**	**(0.03)**
Share dilution	**—**	**(0.03)**
Change in net income contribution	**$ 59**	**$ 0.08**

2014 VS. 2013

	Increase (Decrease)	
	Amount	EPS
(millions, except EPS)		
Merchant generation margin	$ 64	0.11
Regulated electric sales:		
Weather	13	0.02
Other	(7)	(0.01)
Rate adjustment clause equity return	(8)	(0.01)
PJM ancillary services	24	0.04
Renewable energy investment tax credits	97	0.17
Outage costs	(40)	(0.07)
AFUDC equity return	(17)	(0.03)
Salaries and benefits	(11)	(0.03)
Other	(17)	(0.04)
Change in net income contribution	$ 98	$ 0.15

Dominion Energy

Presented below are selected operating statistics related to Dominion Energy's operations.

Year Ended December 31,	2015	% Change	2014	% Change	2013
Gas distribution throughput (bcf):					
Sales	**27**	**(16)%**	32	10%	29
Transportation	**470**	**33**	353	26	281
Heating degree days	**5,666**	**(10)**	6,330	8	5,875
Average gas distribution customer accounts (thousands)[1]:					
Sales	**240**	**(2)**	244	(1)	246
Transportation	**1,057**	**—**	1,052	—	1,049
Average retail energy marketing customer accounts (thousands)[1]	**1,296**	**1**	1,283[2]	(39)	2,119

(1) Period average.
(2) Excludes 511 thousand average retail electric energy marketing customer accounts due to the sale of this business in March 2014.

Presented below, on an after-tax basis, are the key factors impacting Dominion Energy's net income contribution:

2015 VS. 2014

	Increase (Decrease)	
	Amount	EPS
(millions, except EPS)		
Gas distribution margin:		
Weather	**$ (5)**	**$(0.01)**
Rate adjustment clauses	**16**	**0.03**
Other	**9**	**0.02**
Assignment of shale development rights	**33**	**0.06**
Depreciation and amortization	**(12)**	**(0.02)**
Blue Racer	**(39)[1]**	**(0.07)**
Noncontrolling interest[2]	**(13)**	**(0.02)**
Retail energy marketing operations	**(11)**	**(0.02)**
Other	**(15)**	**(0.04)**
Share dilution	**—**	**(0.01)**
Change in net income contribution	**$(37)**	**$(0.08)**

(1) Primarily represents absence of a gain from the sale of the Northern System.
(2) Represents the portion of earnings attributable to Dominion Midstream's public unitholders.

2014 vs. 2013

	Increase (Decrease)	
	Amount	EPS
(millions, except EPS)		
Gas distribution margin:		
Weather	$ 4	$ 0.01
Rate adjustment clauses	15	0.02
Other	5	0.01
Assignment of shale development rights	31	0.05
Depreciation and amortization	(8)	(0.01)
Blue Racer[1]	(1)	—
Retail energy marketing operations[2]	(20)	(0.03)
Other	(20)	(0.03)
Share dilution	—	(0.02)
Change in net income contribution	$ 6	$ —

(1) Includes a $24 million decrease in gains from the sale of assets.
(2) Excludes earnings from Retail electric energy marketing, which was sold in March 2014.

Corporate and Other

Presented below are the Corporate and Other segment's after-tax results:

Year Ended December 31,	2015	2014	2013
(millions, except EPS amounts)			
Specific items attributable to operating segments	**$ (136)**	$ (544)	$ (184)
Specific items attributable to Corporate and Other segment	**(5)**	(149)	—
Total specific items	**(141)**	(693)	(184)
Other corporate operations	**(250)**	(277)	(268)
Total net expense	**$ (391)**	$ (970)	$ (452)
EPS impact	**$(0.66)**	$(1.66)	$(0.78)

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 those segments' performance or allocating resources among the segments. See Note 25 to the Consolidated Financial Statements for discussion of these items in more detail. Corporate and other also includes specific items attributable to the Corporate and Other segment. In 2014, this primarily included $174 million in after-tax charges associated with Dominion's Liability Management Exercise.

Virginia Power

Results of Operations

Presented below is a summary of Virginia Power's consolidated results:

Year Ended December 31,	2015	$ Change	2014	$ Change	2013
(millions)					
Net Income	**$1,087**	**$229**	$858	$(280)	$1,138

Overview

2015 vs. 2014

Net income increased by 27% primarily due to the absence of charges associated with Virginia legislation enacted in April 2014 relating to the development of a third nuclear unit located at North Anna and offshore wind facilities.

2014 vs. 2013

Net income decreased by 25% primarily due to charges associated with Virginia legislation enacted in April 2014 relating to the development of a third nuclear unit located at North Anna and offshore wind facilities.

Analysis of Consolidated Operations

Presented below are selected amounts related to Virginia Power's results of operations:

Year Ended December 31,	2015	$ Change	2014	$ Change	2013
(millions)					
Operating Revenue	**$7,622**	**$ 43**	$7,579	$ 284	$7,295
Electric fuel and other energy-related purchases	**2,320**	**(86)**	2,406	102	2,304
Purchased electric capacity	**330**	**(30)**	360	2	358
Net Revenue	**4,972**	**159**	4,813	180	4,633
Other operations and maintenance	**1,634**	**(282)**	1,916	465	1,451
Depreciation and amortization	**953**	**38**	915	62	853
Other taxes	**264**	**6**	258	9	249
Other income	**68**	**(25)**	93	7	86
Interest and related charges	**443**	**32**	411	42	369
Income tax expense	**659**	**111**	548	(111)	659

An analysis of Virginia Power's results of operations follows:

2015 vs. 2014

Net revenue increased 3%, primarily reflecting:

- An increase from rate adjustment clauses ($225 million);
- An increase in sales to retail customers, primarily due to a net increase in cooling degree days ($38 million); and
- A decrease in capacity related expenses ($33 million); partially offset by
- An $85 million write-off of deferred fuel costs associated with Virginia legislation enacted in February 2015;
- A decrease in sales to customers due to the effect of changes in customer usage and other factors ($24 million); and
- A decrease due to a charge based on the 2015 Biennial Review Order to refund revenues to customers ($20 million).

Other operations and maintenance decreased 15%, primarily reflecting:

- The absence of $370 million in charges associated with Virginia legislation enacted in April 2014 relating to the development of a third nuclear unit located at North Anna and offshore wind facilities; and
- A $38 million decrease in planned outage costs primarily due to a decrease in scheduled outage days at certain non-nuclear utility generation facilities.

These decreases were partially offset by:

- An $80 million increase in certain electric transmission-related expenditures. These expenses are primarily recovered through state and FERC rates and do not impact net income; and
- A $53 million increase in utility nuclear refueling outage costs primarily due to the amortization of outage costs that were previously deferred pursuant to Virginia legislation enacted in April 2014.

Other income decreased 27%, primarily reflecting lower tax recoveries associated with contributions in aid of construction.

Income tax expense increased 20%, primarily reflecting higher pre-tax income.

2014 vs. 2013

Net revenue increased 4%, primarily reflecting increases from rate adjustment clauses ($132 million) and sales to customers due to an increase in heating degree days ($34 million).

Other operations and maintenance increased 32%, primarily reflecting:

- $370 million in charges associated with Virginia legislation enacted in April 2014 relating to the development of a third nuclear unit located at North Anna and offshore wind facilities; and
- A $121 million charge related to a settlement offer to incur future ash pond closure costs at certain generation facilities.

Interest and related charges increased 11%, primarily due to higher long-term debt interest expense resulting from debt issuances in August 2013 and February 2014.

Income tax expense decreased 17%, primarily reflecting lower pre-tax income.

Dominion Gas

Results of Operations

Presented below is a summary of Dominion Gas' consolidated results:

Year Ended December 31,	2015	$ Change	2014	$ Change	2013
(millions)					
Net Income	**$457**	**$(55)**	$512	$51	$461

Overview

2015 vs. 2014

Net income decreased by 11% primarily due to the absence of gains on the indirect sale of assets to Blue Racer, a decrease in income from NGL activities and higher interest expense, partially offset by increased gains from agreements to convey shale development rights underneath several natural gas storage fields.

2014 vs. 2013

Net income increased by 11% primarily due to the absence of impairment charges for certain natural gas infrastructure assets and increased gains due to assignments of Marcellus acreage, partially offset by decreased gains on sales of assets to related parties.

Analysis of Consolidated Operations

Presented below are selected amounts related to Dominion Gas' results of operations:

Year Ended December 31,	2015	$ Change	2014	$ Change	2013
(millions)					
Operating Revenue	**$1,716**	**$(182)**	$1,898	$(39)	$1,937
Purchased gas	**133**	**(182)**	315	(8)	323
Other energy-related purchases	**21**	**(19)**	40	(53)	93
Net Revenue	**1,562**	**19**	1,543	22	1,521
Other operations and maintenance	**390**	**52**	338	(85)	423
Depreciation and amortization	**217**	**20**	197	9	188
Other taxes	**166**	**9**	157	9	148
Other income	**24**	**2**	22	(6)	28
Interest and related charges	**73**	**46**	27	(1)	28
Income tax expense	**283**	**(51)**	334	33	301

An analysis of Dominion Gas' results of operations follows:

2015 vs. 2014

Net revenue increased 1%, primarily reflecting:

- A $43 million increase from regulated natural gas distribution operations, primarily due to an increase in AMR and PIR program revenues ($24 million) and various expansion projects placed into service ($22 million); partially offset by
- A $27 million decrease from regulated natural gas transmission operations, primarily reflecting:
  - A $62 million decrease from NGL activities, primarily due to decreased prices; partially offset by
  - A $2 million increase in gas transportation and storage activities, primarily due to decreased fuel costs ($24 million) and various expansion projects placed into service ($24 million), partially offset by decreased regulated gas sales ($46 million); and
  - A $33 million net increase in other revenue primarily due to services performed for Atlantic Coast Pipeline and Blue Racer ($47 million), partially offset by a decrease in nonregulated gas sales ($8 million) and decreased farmout revenues ($6 million).

Other operations and maintenance increased 15%, primarily reflecting:

- A $47 million net increase due to services performed for Atlantic Coast Pipeline and Blue Racer. These expenses are billed to these entities and do not significantly impact net income; and
- The absence of gains on the sale of assets to Blue Racer ($59 million); partially offset by
- An increase in gains from agreements to convey shale development rights underneath several natural gas storage fields ($63 million).

Depreciation and amortization increased 10% primarily due to various expansion projects placed into service.

Interest and related charges increased $46 million, primarily due to higher long-term debt interest expense resulting from debt issuances in December 2014.

Income tax expense decreased 15% primarily reflecting lower pre-tax income.

2014 vs. 2013

Other operations and maintenance *decreased 20%, primarily reflecting:*

- The absence of impairment charges related to certain natural gas infrastructure assets ($55 million);
- A decrease in bad debt expense at regulated natural gas distribution operations primarily related to low income assistance programs ($53 million). These bad debt expenses are recovered through rates and do not impact net income; and
- An increase in gains associated with assignments of Marcellus acreage ($42 million); partially offset by
- Decreased gains on the sale of assets to related parties ($43 million).

Income tax expense increased 11% primarily reflecting higher pre-tax income.

Liquidity and Capital Resources

Dominion depends on both internal and external sources of liquidity to provide working capital and as a bridge to long-term debt financings. 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, 2015, Dominion had $932 million of unused capacity under its credit facilities. See additional discussion below under *Credit Facilities and Short-Term Debt.*

A summary of Dominion's cash flows is presented below:

Year Ended December 31,	2015	2014	2013
(millions)			
Cash and cash equivalents at beginning of year	$ 318	$ 316	$ 248
Cash flows provided by (used in):			
Operating activities	4,475	3,439	3,433
Investing activities	(6,503)	(5,181)	(3,458)
Financing activities	2,317	1,744	93
Net increase in cash and cash equivalents	289	2	68
Cash and cash equivalents at end of year	$ 607	$ 318	$ 316

Operating Cash Flows

Net cash provided by Dominion's operating activities increased $1.0 billion, primarily due to the absence of losses related to the repositioning of Dominion's producer services business in 2014, higher deferred fuel cost recoveries in its Virginia jurisdiction, higher revenue from rate adjustment clauses, lower outage costs and the absence of losses related to the retail electric energy marketing business in 2014.

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 December 2015, Dominion's Board of Directors affirmed the dividend policy it set in February 2015 targeting a payout ratio of 70-75%, and established an annual dividend rate for 2016 of $2.80 per share of common stock, an 8.1% increase over the 2015 rate. Dividends are subject to declaration by the Board of Directors. In January 2016, Dominion's Board of Directors declared dividends payable in March 2016 of 70 cents per share of common stock.

Dominion's 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, 2015 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)	$103	$48	$ 55
Non-investment grade(2)	2	—	2
No external ratings:			
Internally rated-investment grade(3)	14	—	14
Internally rated-non-investment grade(4)	30	—	30
Total	$149	$48	$101

(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 45% of the total net credit exposure.

(2) The five largest counterparty exposures, combined, for this category represented approximately 2% of the total net credit exposure.

(3) The five largest counterparty exposures, combined, for this category represented approximately 14% of the total net credit exposure.

(4) The five largest counterparty exposures, combined, for this category represented approximately 20% of the total net credit exposure.

Investing Cash Flows

In 2015, net cash used in Dominion's investing activities increased $1.3 billion, primarily due to Dominion's acquisition of DCG in 2015, an increase in acquisitions of solar development projects in 2015, and the absence of proceeds from the sale of Dominion's electric retail energy marketing business in 2014.

Financing Cash Flows and Liquidity

Dominion relies on capital markets as significant sources of funding for capital requirements not satisfied by cash provided by its operations. As discussed in *Credit Ratings,* Dominion's 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.

Dominion 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 Dominion to use automatic shelf registration statements to register any offering of securities, other than those for exchange offers or business combination transactions.

In 2015, net cash provided by Dominion's financing activities increased $573 million, primarily due to the issuance of common stock through an at-the-market program, proceeds from the sale of interest in merchant solar projects and the absence of subsidiary preferred stock redemption in 2014, partially offset by the absence of proceeds from the issuance of Dominion Midstream common units in 2014.

Liability Management

During 2014, Dominion elected to redeem certain debt and preferred securities prior to their stated maturities. Proceeds from the issuance of lower-cost senior and enhanced junior subordinated notes were used to fund the redemption payments. See Note 17 to the Consolidated Financial Statements for descriptions of these redemptions.

From time to time, Dominion may reduce its outstanding debt and level of interest expense through redemption of debt securities prior to maturity and repurchases in the open market, in privately negotiated transactions, through tender offers or otherwise.

Credit Facilities and Short-term Debt

Dominion uses 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 January 2016, Dominion expanded its short-term funding resources through a $1.0 billion increase to one of its joint revolving credit facility limits. 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, Dominion is required to provide collateral to counterparties under some circumstances. Under certain collateral arrangements, Dominion 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, Dominion may 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 Dominion 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's commercial paper and letters of credit outstanding, as well as capacity available under credit facilities, were as follows:

December 31, 2015	Facility Limit	Outstanding Commercial Paper	Outstanding Letters of Credit	Facility Capacity Available
(millions)				
Joint revolving credit facility(1)(2)	**$4,000**	**$3,353**	**$—**	**$647**
Joint revolving credit facility(1)	**500**	**156**	**59**	**285**
Total	**$4,500**	**$3,509**(3)	**$59**	**$932**

(1) These credit facilities mature in April 2019, and can be used to support bank borrowings and the issuance of commercial paper, as well as to support up to a combined $2.0 billion of letters of credit.

(2) In January 2016, this facility limit was increased from $4.0 billion to $5.0 billion.

(3) The weighted-average interest rate of the outstanding commercial paper supported by Dominion's credit facilities was 0.62% at December 31, 2015.

Short-term Notes

In November 2014, Dominion issued $400 million of private placement short-term notes that matured and were repaid in November 2015 and bore interest at a variable rate. The proceeds were used for general corporate purposes.

In November 2015, Dominion issued $400 million of private placement short-term notes that mature in May 2016 and bear interest at a variable rate. In December 2015, Dominion issued an additional $200 million of the variable rate short-term notes that mature in May 2016. The proceeds were used for general corporate purposes.

In February 2016, Dominion purchased and cancelled $100 million of the variable rate short-term notes that would have otherwise matured in May 2016 using the proceeds from the February 2016 issuance of senior notes that mature in 2018. As a result, at December 31, 2015, $100 million of the notes were included in long-term debt in the Consolidated Balance Sheets.

Long-term Debt

During 2015, Dominion issued the following long-term debt:

Type	Principal	Rate	Maturity
	(millions)		
Senior notes	**$ 500**	**1.90%**	**2018**
Senior notes	**700**	**2.80%**	**2020**
Senior notes	**350**	**3.10%**	**2025**
Senior notes	**650**	**3.90%**	**2025**
Senior notes	**350**	**4.20%**	**2045**
Total notes issued	**$2,550**		

In August 2015, Virginia Power remarketed five series of tax-exempt bonds, with an aggregate outstanding principal of $412 million to new investors. Two of the bonds will bear interest at a coupon rate of 1.75% until May 2019 after which they will bear interest at a market rate to be determined at that time. Three of the bonds will bear interest at a coupon rate of 2.15% until September 2020 after which they will bear interest at a market rate to be determined at that time. Previously, interest on all of the remarketed bonds was variable and reset monthly. This remarketing was accounted for as a debt extinguishment with the previous investors.

During 2015, Dominion repaid and repurchased $892 million of long-term debt.

Issuance of Common Stock and Other Equity Securities

Dominion maintains Dominion Direct® and a number of employee savings plans through which contributions may be invested in Dominion's common stock. These shares may either be newly issued or purchased on the open market with proceeds contributed to these plans. In January 2014, Dominion began purchasing its common stock on the open market for these plans. In April 2014, Dominion began issuing new common shares for these direct stock purchase plans.

During 2015, Dominion issued 4.2 million shares of common stock totaling $295 million through employee savings plans, direct stock purchase and dividend reinvestment plans and other employee and director benefit plans. Dominion received cash proceeds of $284 million from the issuance of 4.1 million of such shares through Dominion Direct® and employee savings plans.

During 2015, Dominion issued 6.8 million shares of common stock and received cash proceeds of $499 million, net of fees and commissions paid of $3 million, through an at-the-market program and a registered underwritten public offering. See Note 19 to the Consolidated Financial Statements for a description of the at-the-market program and public offering.

During 2016, Dominion plans to issue shares for employee savings plans, direct stock purchase and dividend reinvestment plans, stock purchase contracts and to finance the Questar Combination. See Note 17 to the Consolidated Financial Statements for a description of common stock to be issued by Dominion for stock purchase contracts.

Repurchase of Common Stock

Dominion did not repurchase any shares in 2015 and does not plan to repurchase shares during 2016, except for shares tendered by employees to satisfy tax withholding obligations on vested restricted stock, which does not count against its stock repurchase authorization.

Purchase of Dominion Midstream Units

In September 2015, Dominion initiated a program to purchase from the market up to $50 million of common units representing limited partner interests in Dominion Midstream. The common units may be acquired by Dominion over the 12 month period following commencement of the program at the discretion of management. Through December 31, 2015, Dominion purchased approximately 887,000 common units for $25 million. In the first quarter of 2016, Dominion purchased approximately 377,000 additional common units for approximately $10 million. At February 23, 2016, Dominion still has the ability to purchase up to $15 million of common units under the program.

Proposed Acquisition of Questar

Under the terms of the Questar Combination announced in February 2016, Dominion has agreed to pay Questar shareholders $25 per share, totaling approximately $4.4 billion as well as assume Questar's outstanding debt, currently approximately $1.6 billion, which is expected to remain outstanding following the merger. Additionally, Dominion entered into agreements with several of its lending banks pursuant to which they have committed to provide temporary debt financing consisting of a $3.9 billion acquisition facility. Dominion intends to permanently finance the transaction in a manner that supports its existing credit ratings targets by issuing a combination of common stock, mandatory convertibles (including RSNs) and debt at Dominion and indirectly through an issuance of common units at Dominion Midstream, the proceeds of which will be applied to pay Dominion for certain assets of Questar, which are expected to be contributed to Dominion Midstream. Subject to receipt of Questar shareholder and any required regulatory approvals and meeting closing conditions, Dominion targets closing by the end of 2016.

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 believes that its current credit ratings provide sufficient access to the capital markets. However, disruptions in the banking and capital markets not specifically related to Dominion may affect its ability to access these funding sources or cause an increase in the return required by investors. Dominion's credit ratings affect its liquidity, cost of borrowing under credit facilities and collateral posting requirements under commodity contracts, as well as the rates at which it is able to offer its 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 are affected by its 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.

In November 2014, Standard & Poor's changed Dominion's rating outlook to negative from stable. In February 2016, Standard & Poor's lowered the following ratings for Dominion: issuer to BBB+ from A-, senior unsecured debt securities to BBB from BBB+ and junior/remarketable subordinated debt securities to BBB- from BBB. In addition, Standard & Poor's affirmed Dominion's commercial paper rating of A-2 and revised its outlook to stable from negative.

Credit ratings as of February 23, 2016 follow:

	Fitch	Moody's	Standard & Poor's
Dominion			
Issuer	BBB+	Baa2	BBB+
Senior unsecured debt securities	BBB+	Baa2	BBB
Junior/remarketable subordinated debt securities	BBB-	Baa3	BBB-
Commercial paper	F2	P-2	A-2

As of February 23, 2016, Fitch, Moody's and Standard & Poor's maintained a stable outlook for their respective ratings of Dominion.

A downgrade in an individual company's credit rating does not necessarily restrict its ability to raise short-term and long-term financing as long as its credit rating remains investment grade, but it could result in an increase in the cost of borrowing. Dominion works closely with Fitch, Moody's and Standard & Poor's with the objective of achieving its targeted credit ratings. Dominion may find it necessary to modify its business plan 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 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.

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 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 is required to pay annual commitment fees to maintain its credit facilities. In addition, Dominion's credit agreements contain various terms and conditions that could affect its ability to borrow under these facilities. They include maximum debt to total capital ratios and cross-default provisions.

As of December 31, 2015, 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%**	**61%**

(1) Indebtedness as defined by the bank agreements excludes junior subordinated and remarketable subordinated notes reflected as long-term debt as well as AOCI reflected as equity in the Consolidated Balance Sheets.

If Dominion or any of its material subsidiaries fails to make payment on various debt obligations in excess of $100 million, the lenders could require the defaulting company, if it is a borrower under Dominion's credit facilities, to accelerate its repayment of any outstanding borrowings and the lenders could terminate their commitments, if any, to lend funds to that company under the credit facilities. In addition, if the defaulting company is Virginia Power, Dominion's obligations to repay any outstanding borrowing under the credit facilities could also be accelerated and the lenders' commitments to Dominion could terminate.

Dominion executed RCCs in connection with its issuance of the following hybrid securities:

- June 2006 hybrids;
- September 2006 hybrids; and
- June 2009 hybrids.

In October 2014, Dominion redeemed all of the June 2009 hybrids. The redemption was conducted in compliance with the RCC. See Note 17 to the Consolidated Financial Statements for additional information, including terms of the RCCs.

At December 31, 2015, 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**

Dominion monitors these debt covenants on a regular basis in order to ensure that events of default will not occur. As of December 31, 2015, there have been no events of default under or changes to Dominion's debt covenants.

Dividend Restrictions

Certain agreements associated with Dominion's credit facilities contain restrictions on the ratio of debt to total capitalization. These limitations did not restrict Dominion's ability to pay dividends or receive dividends from its subsidiaries at December 31, 2015.

See Note 17 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 and equity units, initially in the form of corporate units, which information is incorporated herein by reference.

Future Cash Payments for Contractual Obligations and Planned Capital Expenditures

Contractual Obligations

Dominion is party to numerous contracts and arrangements obligating it 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 is a party as of December 31, 2015. 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 current liabilities will be paid in cash in 2016.

	2016	2017-2018	2019-2020	2021 and thereafter	Total
(millions)					
Long-term debt(1)	**$1,926**	**$3,279**	**$4,250**	**$16,018**	**$25,473**
Interest payments(2)	**1,071**	**1,863**	**1,579**	**11,719**	**16,232**
Leases(3)	**67**	**116**	**68**	**153**	**404**
Purchase obligations(4):					
Purchased electric capacity for utility operations	**249**	**261**	**117**	**46**	**673**
Fuel commitments for utility operations	**1,183**	**1,270**	**523**	**1,645**	**4,621**
Fuel commitments for nonregulated operations	**94**	**165**	**87**	**159**	**505**
Pipeline transportation and storage	**202**	**351**	**306**	**1,237**	**2,096**
Other(5)	**1,884**	**157**	**15**	**6**	**2,062**
Other long-term liabilities(6):					
Other contractual obligations(7)	**120**	**81**	**15**	**10**	**226**
Total cash payments	**$6,796**	**$7,543**	**$6,960**	**$30,993**	**$52,292**

(1) Based on stated maturity dates rather than the earlier redemption dates that could be elected by instrument holders. In February 2016, Dominion purchased and cancelled $100 million of variable rate short-term notes that would have otherwise matured in May 2016 using the proceeds from the February 2016 issuance of senior notes that mature in 2018. As a result, at December 31, 2015, $100 million of the notes were included in long-term debt in the Consolidated Balance Sheets.

(2) Includes interest payments over the terms of the debt and payments on related stock purchase contracts. Interest is calculated using the applicable interest rate or forward interest rate curve at December 31, 2015 and outstanding principal for each instrument with the terms ending at each instrument's stated maturity. See Note 17 to the Consolidated Financial Statements. Does not reflect Dominion's ability to defer interest and stock purchase contract payments on junior subordinated notes or RSNs and equity units, initially in the form of Corporate Units.

(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) Includes capital, operations, and maintenance commitments.

(6) Excludes regulatory liabilities, AROs and employee benefit plan obligations, which are not contractually fixed as to timing and amount. See Notes 12, 14 and 21 to the Consolidated Financial Statements. Due to uncertainty about the timing and amounts that will ultimately be paid, $67 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 5 to the Consolidated Financial Statements.

(7) Includes interest rate swap agreements.

Planned Capital Expenditures

Dominion's planned capital expenditures are expected to total approximately $6.9 billion, $4.9 billion and $4.3 billion in 2016, 2017 and 2018, respectively. Dominion's planned expenditures include construction and expansion of electric generation and natural gas transmission and storage facilities, construction improvements and expansion of electric transmission and distribution assets, purchases of nuclear fuel, the construction of the Liquefaction Project and funding of Dominion's portion of the Atlantic Coast Pipeline Project.

Dominion expects to fund its 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 Board of Directors.

See *DVP*, *Dominion Generation* and *Dominion Energy-Properties* in Item 1. Business for a discussion of Dominion's expansion plans.

These estimates are based on a capital expenditures plan reviewed and endorsed by Dominion's Board of Directors in late 2015 and are subject to continuing review and adjustment and actual capital expenditures may vary from these estimates. Dominion 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 22 to the Consolidated Financial Statements for additional information, which information is incorporated herein by reference.

Future Issues and Other Matters

See Item 1. Business and Notes 13 and 22 to the Consolidated Financial Statements for additional information on various environmental, regulatory, legal and other matters that may impact future results of operations, financial condition and/or cash flows.

Environmental Matters

Dominion is 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 $190 million, $192 million and $182 million of expenses (including depreciation) during 2015, 2014, and 2013 respectively, in connection with environmental protection and monitoring activities, excluding charges related to ash pond and landfill closure costs, and expects these expenses to be approximately $186 million and $187 million in 2016 and 2017, respectively. In addition, capital expenditures related to environmental controls were $59 million, $101 million, and $64 million for 2015, 2014 and 2013, respectively. These expenditures are expected to be approximately $85 million and $113 million for 2016 and 2017, 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, delegated 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 the Companies' facilities are subject to the CAA's permitting and other requirements.

In August 2015, the EPA issued final carbon standards for existing fossil fuel power plants. Known as the Clean Power Plan, the rule uses a set of measures for reducing emissions from existing sources that includes efficiency improvements at coal plants, displacing coal-fired generation with increased utilization of natural gas combined cycle units and expanding renewable resources. The new rule requires states to impose standards of performance limits for existing fossil fuel-fired electric generating units or equivalent statewide intensity-based or mass-based CO_2 binding goals or limits. States are required to submit interim plans to the EPA by September 2016 identifying how they will comply with the rule, with final plans due by September 2018. The EPA also proposed a federal plan and model trading rules that, when finalized, states can adopt or that would be put in place if, in response to the final guidelines, a state either does not submit a state plan or its plan is not approved by the EPA. Virginia Power's most recent integrated resources plan filed in July 2015 includes four alternative plans that represent plausible compliance strategies with the rule as proposed, and which include additional coal unit retirements and additional low or zero-carbon resources. The final rule has been challenged in the U.S. Court of Appeals for the D.C. Circuit. In February 2016, the U.S. Supreme Court issued a stay of the Clean Power Plan until the disposition of the petitions challenging the rule now before the Court of Appeals, and, if such petitions are filed in the future, before the U.S. Supreme Court. Dominion does not know whether these legal challenges will impact the submittal deadlines for the state implementation plans. Subsequent to the stay, Virginia has announced that it will continue development of a state plan. Unless the rule survives the court challenges and until the state plans are developed and the EPA approves the plans, Dominion cannot predict the potential financial statement impacts but believes the potential expenditures to comply could be material.

In December 2012, the EPA issued a final rule that set a more stringent annual air quality standard for fine particulate matter. The EPA issued final attainment/nonattainment designations in January 2015. Until states develop their implementation plans, Dominion cannot determine whether or how facilities located in areas designated nonattainment for the standard will be impacted, but does not expect such impacts to be material.

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 Dominion operates. Until the states have developed implementation plans for these standards, the impact on Dominion's facilities that emit NO_X and SO_2 is uncertain. Additionally, the impact of permit limits for implementing NAAQS on Dominion's facilities is uncertain at this time.

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. Dominion anticipates that the emission reductions achieved through compliance with other CAA-required programs will generally address this rule.

In December 2015, the EPA published a proposed revision to CSAPR. The proposal substantially reduces the CSAPR Phase II ozone season NO_X emission caps in 23 states including Virginia, West Virginia and North Carolina, relative to the Phase II caps under the current CSAPR rule, that would take effect beginning with the 2017 ozone season. The proposed reductions in state ozone season NO_X caps would in turn reduce, by approximately 55% overall, the number of allowances Dominion electric generating units will receive under the CSAPR ozone season NO_X program beginning with the 2017 May - September ozone season. In addition, the EPA is proposing to discount the use of banked Phase I allowances for compliance in Phase II by applying either a 2:1 or 4:1 surrender ratio. Until the proposal is finalized, Dominion is unable to predict with certainty the impact to future CSAPR ozone season allowance streams and to what extent the rule may require additional controls. The EPA expects to issue a final revision to CSAPR in August 2016.

In April 2014, the Pennsylvania Department of Environmental Protection issued proposed regulations to reduce NO_X and VOC emissions from combustion sources. The regulations are expected to be finalized in the second quarter of 2016. To comply with the regulations, Dominion Gas anticipates installing emission control systems on existing engines at several compressor stations in Pennsylvania. Until the regulations are finalized, Dominion Gas cannot estimate the potential impacts on results of operations, financial condition, and/or cash flows related to this matter.

Climate Change

In December 2015, the Paris Agreement was formally adopted under the United Nations Framework Convention on Climate Change. The accord establishes a universal framework for addressing GHG emissions involving actions by all nations through the concept of nationally determined contributions in which each nation defines the GHG commitment it can make and sets in place a process for increasing those commitments every five years. It also contains a global goal of holding the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels and to aim to reach global peaking of GHG emissions as soon as possible.

A key element of the initial U.S. nationally determined contributions of achieving a 26% to 28% reduction below 2005 levels by 2025 is the implementation of the Clean Power Plan, which establishes interim emission reduction targets for fossil fuel-fired electric generating units over the period 2022 through

2029 with final targets to be achieved by 2030. The EPA estimates that the Clean Power Plan will result in a nationwide reduction in CO_2 emissions from fossil fuel-fired electric generating units of 32% from 2005 levels by 2030.

Dodd-Frank Act

The Dodd-Frank Act was enacted into law in July 2010 in an effort to improve regulation of financial markets. The CEA, as amended by Title VII of the Dodd-Frank Act, requires certain over-the counter derivatives, or swaps, to be cleared through a derivatives clearing organization and, if the swap is subject to a clearing requirement, to be executed on a designated contract market or swap execution facility. Non-financial entities that use swaps to hedge or mitigate commercial risk, often referred to as end users, may elect the end-user exception to the CEA's clearing requirements. Dominion has elected to exempt its swaps from the CEA's clearing requirements. The CFTC may continue to adopt final rules and implement provisions of the Dodd-Frank Act through its ongoing rulemaking process, including rules regarding margin requirements for non-cleared swaps. If, as a result of the rulemaking process, Dominion's derivative activities are not exempted from clearing, exchange trading or margin requirements, it could be subject to higher costs due to decreased market liquidity or increased margin payments. In addition, Dominion's swap dealer counterparties may attempt to pass-through additional trading costs in connection with the implementation of, and compliance with, Title VII of the Dodd-Frank Act. Due to the ongoing rulemaking process, Dominion is currently unable to assess the potential impact of the Dodd-Frank Act's derivative-related provisions on its financial condition, results of operations or cash flows.

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 the Companies.

Market Risk Sensitive Instruments and Risk Management

The Companies' 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 and Dominion's and Dominion Gas' natural gas procurement and marketing 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 and future issuances of debt. In addition, the Companies 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% 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 and Dominion Gas primarily holds commodity-based financial derivative instruments held for non-trading purposes associated with purchases and sales of natural gas and other energy-related products.

The repositioning of Dominion's producer services business was completed in the first quarter of 2014. This, combined with Dominion's sale of its electric retail energy marketing business, has reduced Dominion's commodity price risk exposure.

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% increase in commodity prices of Dominion's commodity-based financial derivative instruments would have resulted in a decrease in fair value of $62 million and $101 million as of December 31, 2015 and 2014, respectively. The decline in sensitivity is largely due to decreased commodity derivative activity and lower commodity prices.

A hypothetical 10% increase in commodity prices would not have resulted in a material change in the fair value of Virginia Power's commodity-based financial derivatives as of December 31, 2015 or 2014.

A hypothetical 10% increase in commodity prices of Dominion Gas' commodity-based financial derivative instruments would have resulted in a decrease in fair value of $5 million and $2 million as of December 31, 2015 and 2014, respectively. The increase in sensitivity is largely due to an increase in commodity derivative volume.

The impact of a change in energy commodity prices on the Companies' 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

The Companies 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 variable rate debt and interest rate swaps designated under fair value hedging and outstanding for the Companies, a hypothetical 10% increase in market interest rates would not have resulted in a material change in annual earnings at December 31, 2015 or 2014.

The Companies may also use forward-starting interest rate swaps and interest rate lock agreements as anticipatory hedges. As of December 31, 2015, Dominion, Virginia Power and Dominion Gas had \$4.6 billion, \$2.0 billion and \$250 million, 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 \$71 million, \$52 million and \$2 million, respectively, in the fair value of Dominion's, Virginia Power's and Dominion Gas' interest rate derivatives at December 31, 2015. As of December 31, 2014, Dominion, Virginia Power and Dominion Gas had \$4.1 billion, \$1.5 billion and \$250 million, 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 \$46 million, \$25 million and \$2 million, respectively, in the fair value of Dominion's, Virginia Power's and Dominion Gas' interest rate derivatives at December 31, 2014.

The impact of a change in interest rates on the Companies' interest rate-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 gains and/or losses from interest rate derivative instruments used for hedging purposes, to the extent realized, will generally be offset by recognition of the hedged transaction.

Investment Price Risk

Dominion and Virginia Power are subject to investment price risk due to securities held as investments in nuclear 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 \$184 million and \$176 million in 2015 and 2014, 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. Dominion recorded, in AOCI and regulatory liabilities, a net decrease in unrealized gains of \$157 million in 2015, and a net increase in unrealized gains of \$172 million in 2014.

Virginia Power recognized net realized gains (including investment income) on nuclear decommissioning trust investments of \$88 million and \$77 million in 2015 and 2014, 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. Virginia Power recorded, in AOCI and regulatory liabilities, a net decrease in unrealized gains of \$76 million in 2015, and a net increase in unrealized gains of \$87 million in 2014.

Dominion sponsors pension and other postretirement employee benefit plans that hold investments in trusts to fund employee benefit payments. Virginia Power and Dominion Gas employees participate in these plans. Dominion's pension and other postretirement plan assets experienced aggregate actual losses of \$72 million in 2015 and aggregate actual returns of \$706 million in 2014, versus expected returns of \$648 million and \$610 million, respectively. Dominion Gas' pension and other postretirement plan assets for employees represented by collective bargaining units experienced aggregate actual losses of \$13 million in 2015 and aggregate actual returns of \$157 million in 2014, versus expected returns of \$150 million and \$138 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 net periodic cost recognized for such employee benefit plans and will be included in the determination of the amount of cash to be contributed to the employee benefit plans. 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 \$16 million and \$15 million as of December 31, 2015 and 2014, respectively, for pension benefits and \$3 million as of both December 31, 2015 and 2014, for other postretirement benefits. A hypothetical 0.25% decrease in the assumed long-term rates of return on Dominion Gas' plan assets, for employees represented by collective bargaining units, would result in an increase in net periodic cost of \$4 million as of both December 31, 2015 and 2014 for pension benefits and \$1 million as of both December 31, 2015 and 2014, for other postretirement benefits.

Risk Management Policies

The Companies 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 and Dominion Gas. 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 the Companies' December 31, 2015 provision for credit losses, management believes that it is unlikely that a material adverse effect on the Companies' 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, 2015 and 2014, and the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of Dominion's management. Our responsibility is to express an opinion on the 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, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

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, 2015, based on the criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2016 expressed an unqualified opinion on Dominion's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Richmond, Virginia
February 26, 2016

Dominion Resources, Inc.
Consolidated Statements of Income

Year Ended December 31,	2015	2014	2013
(millions, except per share amounts)			
Operating Revenue	**$11,683**	$12,436	$13,120
Operating Expenses			
Electric fuel and other energy-related purchases	**2,725**	3,400	3,885
Purchased electric capacity	**330**	361	358
Purchased gas	**551**	1,355	1,331
Other operations and maintenance	**2,595**	2,765	2,459
Depreciation, depletion and amortization	**1,395**	1,292	1,208
Other taxes	**551**	542	563
Total operating expenses	**8,147**	9,715	9,804
Income from operations	**3,536**	2,721	3,316
Other income	**196**	250	265
Interest and related charges	**904**	1,193	877
Income from continuing operations including noncontrolling interests before income taxes	**2,828**	1,778	2,704
Income tax expense	**905**	452	892
Income from continuing operations including noncontrolling interests	**1,923**	1,326	1,812
Loss from discontinued operations[1]	**—**	—	(92)
Net income including noncontrolling interests	**1,923**	1,326	1,720
Noncontrolling interests	**24**	16	23
Net income attributable to Dominion	**1,899**	1,310	1,697
Amounts attributable to Dominion:			
Income from continuing operations, net of tax	**1,899**	1,310	1,789
Loss from discontinued operations, net of tax	**—**	—	(92)
Net income attributable to Dominion	**1,899**	1,310	1,697
Earnings Per Common Share-Basic:			
Income from continuing operations	**$ 3.21**	$ 2.25	$ 3.09
Loss from discontinued operations	**—**	—	(0.16)
Net income attributable to Dominion	**$ 3.21**	$ 2.25	$ 2.93
Earnings Per Common Share-Diluted:			
Income from continuing operations	**$ 3.20**	$ 2.24	$ 3.09
Loss from discontinued operations	**—**	—	(0.16)
Net income attributable to Dominion	**$ 3.20**	$ 2.24	$ 2.93
Dividends declared per common share	**$ 2.59**	$ 2.40	$ 2.25

(1) Includes income tax benefit of $43 million in 2013.

The accompanying notes are an integral part of Dominion's Consolidated Financial Statements.