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Dominion Resources, Inc.
Consolidated Statements of Comprehensive Income

Year Ended December 31,	2015	2014	2013
(millions)			
Net income including noncontrolling interests	**$1,923**	$1,326	$1,720
Other comprehensive income (loss), net of taxes:			
Net deferred gains (losses) on derivatives-hedging activities, net of $(74), $(20) and $161 tax	**110**	17	(243)
Changes in unrealized net gains on investment securities, net of $23, $(59) and $(136) tax	**6**	128	203
Changes in net unrecognized pension and other postretirement benefit costs, net of $29, $189 and $(341) tax	**(66)**	(305)	516
Amounts reclassified to net income:			
Net derivative (gains) losses-hedging activities, net of $68, $(59) and $(53) tax	**(108)**	93	77
Net realized gains on investment securities, net of $29, $33 and $35 tax	**(50)**	(54)	(55)
Net pension and other postretirement benefit costs, net of $(35), $(24) and $(39) tax	**51**	33	55
Changes in other comprehensive loss from equity method investees, net of $1, $3 and $—tax	**(1)**	(4)	—
Total other comprehensive income (loss)	**(58)**	(92)	553
Comprehensive income including noncontrolling interests	**1,865**	1,234	2,273
Comprehensive income attributable to noncontrolling interests	**24**	16	23
Comprehensive income attributable to Dominion	**$1,841**	$1,218	$2,250

The accompanying notes are an integral part of Dominion's Consolidated Financial Statements.

Dominion Resources, Inc.
Consolidated Balance Sheets

At December 31,	2015	2014
(millions)		
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 607**	$ 318
Customer receivables (less allowance for doubtful accounts of $32 and $34)	**1,200**	1,514
Other receivables (less allowance for doubtful accounts of $2 and $3)	**169**	119
Inventories:		
Materials and supplies	**902**	923
Fossil fuel	**381**	413
Gas stored	**65**	74
Derivative assets	**255**	536
Margin deposit assets	**16**	287
Prepayments	**198**	167
Deferred income taxes	**—**	800
Regulatory assets	**351**	347
Other	**47**	117
Total current assets	**4,191**	5,615
Investments		
Nuclear decommissioning trust funds	**4,183**	4,196
Investment in equity method affiliates	**1,320**	1,081
Other	**271**	284
Total investments	**5,774**	5,561
Property, Plant and Equipment		
Property, plant and equipment	**57,776**	51,406
Accumulated depreciation, depletion and amortization	**(16,222)**	(15,136)
Total property, plant and equipment, net	**41,554**	36,270
Deferred Charges and Other Assets		
Goodwill	**3,294**	3,044
Pension and other postretirement benefit assets	**943**	956
Intangible assets, net	**570**	570
Regulatory assets	**1,865**	1,642
Other	**606**	669
Total deferred charges and other assets	**7,278**	6,881
Total assets	**$ 58,797**	$ 54,327

At December 31,	2015	2014
(millions)		

LIABILITIES AND EQUITY

Current Liabilities		
Securities due within one year	**$ 1,826**	$ 1,375
Short-term debt	**3,509**	2,775
Accounts payable	**726**	952
Accrued interest, payroll and taxes	**515**	566
Derivative liabilities	**312**	591
Other[1]	**1,232**	939
Total current liabilities	**8,120**	7,198
Long-Term Debt		
Long-term debt	**20,172**	18,348
Junior subordinated notes	**1,358**	1,374
Remarketable subordinated notes	**2,086**	2,083
Total long-term debt	**23,616**	21,805
Deferred Credits and Other Liabilities		
Deferred income taxes and investment tax credits	**7,414**	7,444
Asset retirement obligations	**1,887**	1,633
Pension and other postretirement benefit liabilities	**1,199**	1,296
Regulatory liabilities	**2,285**	1,991
Other	**674**	1,003
Total deferred credits and other liabilities	**13,459**	13,367
Total liabilities	**45,195**	42,370
Commitments and Contingencies (see Note 22)		
Equity		
Common stock-no par[2]	**6,680**	5,876
Retained earnings	**6,458**	6,095
Accumulated other comprehensive loss	**(474)**	(416)
Total common shareholders' equity	**12,664**	11,555
Noncontrolling interests	**938**	402
Total equity	**13,602**	11,957
Total liabilities and equity	**$ 58,797**	$ 54,327

(1) See Note 3 for amounts attributable to related parties.
(2) 1 billion shares authorized; 596 million shares and 585 million shares outstanding at December 31, 2015 and 2014, respectively.

The accompanying notes are an integral part of Dominion's Consolidated Financial Statements.

Dominion Resources, Inc.
Consolidated Statements of Equity

(millions)	Common Stock Shares	Common Stock Amount	Dominion Shareholders Retained Earnings	Dominion Shareholders Accumulated Other Comprehensive Income (Loss)	Total Common Shareholders' Equity	Noncontrolling Interests	Total Equity
December 31, 2012	576	$5,655	$5,790	$(877)	$10,568	$ 57	$10,625
Net income including noncontrolling interests			1,714		1,714	6	1,720
Issuance of stock-employee and direct stock purchase plans	4	278			278		278
Stock awards (net of change in unearned compensation)		12			12		12
Other stock issuances[1]	1	7			7		7
Present value of stock purchase contract payments related to RSNs[2]		(154)	(2)		(156)		(156)
Fairless lease buyout		(15)			(15)	(57)	(72)
Dividends			(1,319)[3]		(1,319)	(6)	(1,325)
Other comprehensive income, net of tax				553	553		553
December 31, 2013	581	5,783	6,183	(324)	11,642	—	11,642
Net income including noncontrolling interests			1,323		1,323	3	1,326
Issuance of Dominion Midstream common units, net of offering costs					—	392	392
Issuance of stock-employee and direct stock purchase plans	3	205			205		205
Stock awards (net of change in unearned compensation)		14			14		14
Other stock issuances[4]	1	14			14		14
Present value of stock purchase contract payments related to RSNs[2]		(143)			(143)		(143)
Dividends			(1,411)[3]		(1,411)		(1,411)
Other comprehensive loss, net of tax				(92)	(92)		(92)
Other		3			3	7	10
December 31, 2014	585	5,876	6,095	(416)	11,555	402	11,957
Net income including noncontrolling interests			**1,899**		**1,899**	**24**	**1,923**
Dominion Midstream's acquisition of interest in Iroquois					**—**	**216**	**216**
Acquisition of Four Brothers and Three Cedars					**—**	**47**	**47**
Contributions from SunEdison to Four Brothers and Three Cedars					**—**	**103**	**103**
Sale of interest in merchant solar projects		**26**			**26**	**179**	**205**
Purchase of Dominion Midstream common units		**(6)**			**(6)**	**(19)**	**(25)**
Issuance of common stock	**11**	**786**			**786**		**786**
Stock awards (net of change in unearned compensation)		**13**			**13**		**13**
Dividends			**(1,536)**		**(1,536)**		**(1,536)**
Dominion Midstream distributions					**—**	**(16)**	**(16)**
Other comprehensive loss, net of tax				**(58)**	**(58)**		**(58)**
Other		**(15)**			**(15)**	**2**	**(13)**
December 31, 2015	**596**	**$6,680**	**$6,458**	**$(474)**	**$12,664**	**$938**	**$13,602**

(1) Primarily includes $28 million in shares issued in excess of principal amounts related to converted securities, net of reclassification from other paid-in capital. See Note 17 for further information on convertible securities.
(2) See Note 17 for further information.
(3) Includes subsidiary preferred dividends related to noncontrolling interests of $13 million and $17 million in 2014 and 2013, respectively.
(4) Contains shares issued in excess of principal amounts related to converted securities. See Note 17 for further information on convertible securities.

The accompanying notes are an integral part of Dominion's Consolidated Financial Statements

Dominion Resources, Inc.
Consolidated Statements of Cash Flows

Year Ended December 31,	2015	2014	2013
(millions)			
Operating Activities			
Net income including noncontrolling interests	$ 1,923	$ 1,326	$ 1,720
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operating activities:			
Depreciation, depletion and amortization (including nuclear fuel)	1,669	1,560	1,390
Deferred income taxes and investment tax credits	854	449	737
Gains on the sale of assets and businesses	(123)	(220)	(122)
Charges associated with North Anna and offshore wind legislation	—	374	—
Charges associated with Liability Management Exercise	—	284	—
Charges associated with future ash pond and landfill closure costs	99	121	—
Other adjustments	(42)	(113)	(86)
Changes in:			
Accounts receivable	294	131	(98)
Inventories	(26)	(43)	(29)
Deferred fuel and purchased gas costs, net	94	(180)	102
Prepayments	(25)	24	123
Accounts payable	(199)	(202)	50
Accrued interest, payroll and taxes	(52)	(41)	(27)
Margin deposit assets and liabilities	237	361	(414)
Other operating assets and liabilities	(228)	(392)	87
Net cash provided by operating activities	4,475	3,439	3,433
Investing Activities			
Plant construction and other property additions (including nuclear fuel)	(5,575)	(5,345)	(4,065)
Acquisition of solar development projects	(418)	(206)	(39)
Acquisition of DCG	(497)	—	—
Proceeds from sales of securities	1,340	1,235	1,476
Purchases of securities	(1,326)	(1,241)	(1,493)
Proceeds from the sale of Brayton Point, Kincaid and equity method investment in Elwood	—	—	465
Proceeds from the sale of electric retail energy marketing business	—	187	—
Proceeds from Blue Racer	—	85	160
Proceeds from assignments of shale development rights	79	60	18
Other	(106)	44	20
Net cash used in investing activities	(6,503)	(5,181)	(3,458)
Financing Activities			
Issuance (repayment) of short-term debt, net	734	848	(485)
Issuance of short-term notes	600	400	400
Repayment of short-term notes	(400)	(400)	(400)
Issuance and remarketing of long-term debt	2,962	6,085	4,135
Repayment and repurchase of long-term debt, including redemption premiums	(892)	(3,993)	(1,245)
Repayment of junior subordinated notes	—	—	(258)
Acquisition of Juniper noncontrolling interest in Fairless	—	—	(923)
Net proceeds from issuance of Dominion Midstream common units	—	392	—
Contributions from SunEdison to Four Brothers and Three Cedars	103	—	—
Proceeds from sale of interest in merchant solar projects	184	—	—
Subsidiary preferred stock redemption	—	(259)	—
Issuance of common stock	786	205	278
Common dividend payments	(1,536)	(1,398)	(1,302)
Subsidiary preferred dividend payments	—	(11)	(17)
Other	(224)	(125)	(90)
Net cash provided by financing activities	2,317	1,744	93
Increase in cash and cash equivalents	289	2	68
Cash and cash equivalents at beginning of year	318	316	248
Cash and cash equivalents at end of year	$ 607	$ 318	$ 316
Supplemental Cash Flow Information			
Cash paid during the year for:			
Interest and related charges, excluding capitalized amounts	$ 843	$ 889	$ 852
Income taxes	75	72	56
Significant noncash investing activities:[1]			
Accrued capital expenditures	478	315	375
Dominion Midstream's acquisition of a noncontrolling partnership interest in Iroquois in exchange for issuance of Dominion Midstream common units	216	—	—

[1] *See Note 3 for noncash activities related to the acquisition of Four Brothers and Three Cedars.*

The accompanying notes are an integral part of Dominion's Consolidated Financial Statements.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholder of
Virginia Electric and Power Company
Richmond, Virginia

We have audited the accompanying consolidated balance sheets of Virginia Electric and Power Company (a wholly-owned subsidiary of Dominion Resources, Inc.) and subsidiaries ("Virginia Power") as of December 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, common shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of Virginia Power'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. Virginia Power is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Virginia Power's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Virginia Electric and Power Company 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.

/s/ Deloitte & Touche LLP

Richmond, Virginia
February 26, 2016

Virginia Electric and Power Company
Consolidated Statements of Income

Year Ended December 31,	2015	2014	2013
(millions)			
Operating Revenue[1]	**$7,622**	$7,579	$7,295
Operating Expenses			
Electric fuel and other energy-related purchases[1]	**2,320**	2,406	2,304
Purchased electric capacity	**330**	360	358
Other operations and maintenance:			
Affiliated suppliers	**279**	286	290
Other	**1,355**	1,630	1,161
Depreciation and amortization	**953**	915	853
Other taxes	**264**	258	249
Total operating expenses	**5,501**	5,855	5,215
Income from operations	**2,121**	1,724	2,080
Other income	**68**	93	86
Interest and related charges	**443**	411	369
Income from operations before income tax expense	**1,746**	1,406	1,797
Income tax expense	**659**	548	659
Net Income	**1,087**	858	1,138
Preferred dividends[2]	**—**	13	17
Balance available for common stock	**$1,087**	$ 845	$1,121

(1) See Note 24 for amounts attributable to affiliates.
(2) Includes $2 million associated with the write-off of issuance expenses related to the redemption of Virginia Power's preferred stock in 2014. See Note 18 for additional information.

The accompanying notes are an integral part of Virginia Power's Consolidated Financial Statements.

Virginia Electric and Power Company
Consolidated Statements of Comprehensive Income

Year Ended December 31,	**2015**	2014	2013
(millions)			
Net income	**$1,087**	$858	$1,138
Other comprehensive income (loss), net of taxes:			
Net deferred gains (losses) on derivatives-hedging activities, net of $2, $2 and $(3) tax	**(1)**	(4)	6
Changes in unrealized net gains (losses) on nuclear decommissioning trust funds, net of $1, $(9) and $(13) tax	**(4)**	15	20
Amounts reclassified to net income:			
Net derivative (gains) losses-hedging activities, net of $—, $2 and $— tax	**1**	(3)	—
Net realized gains on nuclear decommissioning trust funds, net of $4, $4 and $2 tax	**(6)**	(6)	(3)
Other comprehensive income (loss)	**(10)**	2	23
Comprehensive income	**$1,077**	$860	$1,161

The accompanying notes are an integral part of Virginia Power's Consolidated Financial Statements.

Virginia Electric and Power Company
Consolidated Balance Sheets

At December 31,	2015	2014
(millions)		
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 18**	$ 15
Customer receivables (less allowance for doubtful accounts of $27 and $25)	**822**	986
Other receivables (less allowance for doubtful accounts of $1 in both periods)	**109**	64
Affiliated receivables	**296**	1
Inventories (average cost method):		
Materials and supplies	**502**	455
Fossil fuel	**371**	398
Prepayments(1)	**38**	252
Regulatory assets	**326**	298
Deferred income taxes	**—**	6
Other(1)	**22**	76
Total current assets	**2,504**	2,551
Investments		
Nuclear decommissioning trust funds	**1,945**	1,930
Other	**3**	4
Total investments	**1,948**	1,934
Property, Plant and Equipment		
Property, plant and equipment	**37,639**	35,180
Accumulated depreciation and amortization	**(11,708)**	(11,080)
Total property, plant and equipment, net	**25,931**	24,100
Deferred Charges and Other Assets		
Intangible assets, net	**213**	205
Regulatory assets	**667**	439
Other(1)	**359**	280
Total deferred charges and other assets	**1,239**	924
Total assets	**$ 31,622**	$ 29,509

(1) See Note 24 for amounts attributable to affiliates.

At December 31,	2015	2014
(millions)		
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
Securities due within one year	**$ 476**	$ 211
Short-term debt	**1,656**	1,361
Accounts payable	**366**	458
Payables to affiliates	**73**	92
Affiliated current borrowings	**376**	427
Accrued interest, payroll and taxes(1)	**190**	199
Derivative liabilities(1)	**80**	60
Customer deposits	**119**	107
Asset retirement obligations	**143**	7
Regulatory liabilities	**35**	90
Other	**216**	264
Total current liabilities	**3,730**	3,276
Long-Term Debt	**8,949**	8,726
Deferred Credits and Other Liabilities		
Deferred income taxes and investment tax credits	**4,654**	4,415
Asset retirement obligations	**1,104**	848
Regulatory liabilities	**1,929**	1,683
Pension and other postretirement benefit liabilities(1)	**316**	219
Other(1)	**299**	287
Total deferred credits and other liabilities	**8,302**	7,452
Total liabilities	**20,981**	19,454
Commitments and Contingencies (see Note 22)		
Common Shareholder's Equity		
Common stock-no par(2)	**5,738**	5,738
Other paid-in capital	**1,113**	1,113
Retained earnings	**3,750**	3,154
Accumulated other comprehensive income	**40**	50
Total common shareholder's equity	**10,641**	10,055
Total liabilities and shareholder's equity	**$31,622**	$29,509

(1) See Note 24 for amounts attributable to affiliates.
(2) 500,000 shares authorized; 274,723 shares outstanding at December 31, 2015 and 2014.

The accompanying notes are an integral part of Virginia Power's Consolidated Financial Statements.

Virginia Electric and Power Company
Consolidated Statements of Common Shareholder's Equity

	Common Stock		Other Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount				
(millions, except for shares)	(thousands)					
Balance at December 31, 2012	275	$5,738	$1,113	$2,357	$ 25	$ 9,233
Net income				1,138		1,138
Dividends				(596)		(596)
Other comprehensive income, net of tax					23	23
Balance at December 31, 2013	275	5,738	1,113	2,899	48	9,798
Net income				858		858
Dividends				(603)		(603)
Other comprehensive income, net of tax					2	2
Balance at December 31, 2014	275	5,738	1,113	3,154	50	10,055
Net income				**1,087**		**1,087**
Dividends				**(491)**		**(491)**
Other comprehensive loss, net of tax					**(10)**	**(10)**
Balance at December 31, 2015	**275**	**$5,738**	**$1,113**	**$3,750**	**$ 40**	**$10,641**

The accompanying notes are an integral part of Virginia Power's Consolidated Financial Statements.

Virginia Electric and Power Company
Consolidated Statements of Cash Flows

Year Ended December 31,	2015	2014	2013
(millions)			
Operating Activities			
Net income	**$ 1,087**	$ 858	$ 1,138
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization (including nuclear fuel)	**1,121**	1,090	1,016
Deferred income taxes and investment tax credits, net	**251**	396	240
Charges associated with North Anna and offshore wind legislation	**—**	374	—
Charges associated with future ash pond and landfill closure costs	**99**	121	—
Other adjustments	**(27)**	(35)	(68)
Changes in:			
Accounts receivable	**128**	(27)	(124)
Affiliated accounts receivable and payable	**(314)**	23	3
Inventories	**(20)**	(45)	(19)
Prepayments	**214**	(220)	(9)
Deferred fuel expenses, net	**64**	(191)	93
Accounts payable	**(75)**	5	15
Accrued interest, payroll and taxes	**(9)**	(19)	14
Other operating assets and liabilities	**36**	(82)	30
Net cash provided by operating activities	**2,555**	2,248	2,329
Investing Activities			
Plant construction and other property additions	**(2,474)**	(2,911)	(2,394)
Purchases of nuclear fuel	**(172)**	(196)	(139)
Acquisition of solar development project	**(43)**	—	—
Purchases of securities	**(651)**	(574)	(603)
Proceeds from sales of securities	**639**	549	572
Other	**(87)**	(2)	(37)
Net cash used in investing activities	**(2,788)**	(3,134)	(2,601)
Financing Activities			
Issuance (repayment) of short-term debt, net	**295**	519	(151)
Issuance (repayment) of affiliated current borrowings, net	**(51)**	330	(338)
Issuance and remarketing of long-term debt	**1,112**	950	1,835
Repayment of long-term debt	**(625)**	(61)	(470)
Preferred stock redemption	**—**	(259)	—
Common dividend payments to parent	**(491)**	(590)	(579)
Preferred dividend payments	**—**	(11)	(17)
Other	**(4)**	7	(20)
Net cash provided by financing activities	**236**	885	260
Increase (decrease) in cash and cash equivalents	**3**	(1)	(12)
Cash and cash equivalents at beginning of year	**15**	16	28
Cash and cash equivalents at end of year	**$ 18**	$ 15	$ 16
Supplemental Cash Flow Information			
Cash paid during the year for:			
Interest and related charges, excluding capitalized amounts	**$ 422**	$ 383	$ 328
Income taxes	**517**	386	427
Significant noncash investing activities:			
Accrued capital expenditures	**169**	181	276

The accompanying notes are an integral part of Virginia Power's Consolidated Financial Statements.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors of
Dominion Gas Holdings, LLC
Richmond, Virginia

We have audited the accompanying consolidated balance sheets of Dominion Gas Holdings, LLC (a wholly-owned subsidiary of Dominion Resources, Inc.) and subsidiaries ("Dominion Gas") 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 Gas' 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. Dominion Gas is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dominion Gas' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Gas Holdings, LLC 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.

/s/ Deloitte & Touche LLP

Richmond, Virginia
February 26, 2016

Dominion Gas Holdings, LLC
Consolidated Statements of Income

Year Ended December 31,	2015	2014	2013
(millions)			
Operating Revenue[1]	**$1,716**	$1,898	$1,937
Operating Expenses			
Purchased gas[1]	**133**	315	323
Other energy-related purchases	**21**	40	93
Other operations and maintenance:			
Affiliated suppliers	**64**	64	70
Other[2]	**326**	274	353
Depreciation and amortization	**217**	197	188
Other taxes	**166**	157	148
Total operating expenses	**927**	1,047	1,175
Income from operations	**789**	851	762
Other income	**24**	22	28
Interest and related charges[1]	**73**	27	28
Income from operations before income tax expense	**740**	846	762
Income tax expense	**283**	334	301
Net Income	**$ 457**	$ 512	$ 461

(1) See Note 24 for amounts attributable to related parties.
(2) Includes gains on the sales of assets to related parties of $59 million and $122 million in 2014 and 2013, respectively. See Note 9 for more information.

The accompanying notes are an integral part of Dominion Gas' Consolidated Financial Statements.

Dominion Gas Holdings, LLC
Consolidated Statements of Comprehensive Income

Year Ended December 31,	**2015**	2014	2013
(millions)			
Net income	**$457**	$512	$461
Other comprehensive income (loss), net of taxes:			
Net deferred gains (losses) on derivatives-hedging activities, net of $(4), $19 and $(27) tax	**6**	(31)	39
Changes in unrecognized pension costs, net of $13, $6 and $(18) tax	**(20)**	(10)	26
Amounts reclassified to net income:			
Net derivative (gains) losses-hedging activities, net of $3, $(5) and $(5) tax	**(3)**	8	11
Net pension and other postretirement benefit costs, net of $(3), $(3) and $(4) tax	**4**	5	6
Other comprehensive income (loss)	**(13)**	(28)	82
Comprehensive income	**$444**	$484	$543

The accompanying notes are an integral part of Dominion Gas' Consolidated Financial Statements.

Dominion Gas Holdings, LLC
Consolidated Balance Sheets

At December 31,	2015	2014
(millions)		
ASSETS		
Current Assets		
Cash and cash equivalents	$ 13	$ 9
Customer receivables (less allowance for doubtful accounts of $1 and $4)(1)	219	322
Other receivables (less allowance for doubtful accounts of $2 and $1)(1)	7	19
Affiliated receivables	98	12
Inventories:		
Materials and supplies	54	53
Gas stored	24	12
Prepayments(1)	88	166
Regulatory assets	23	38
Deferred income taxes	—	96
Other(1)	40	83
Total current assets	566	810
Investments	104	108
Property, Plant and Equipment		
Property, plant and equipment	9,693	8,902
Accumulated depreciation and amortization	(2,690)	(2,538)
Total property, plant and equipment, net	7,003	6,364
Deferred Charges and Other Assets		
Goodwill	542	542
Intangible assets, net	83	79
Regulatory assets	449	379
Pension and other postretirement benefit assets(1)	1,510	1,486
Other(1)	74	80
Total deferred charges and other assets	2,658	2,566
Total assets	$10,331	$ 9,848

(1) See Note 24 for amounts attributable to related parties.

At December 31,	2015	2014
(millions)		

LIABILITIES AND EQUITY

Current Liabilities		
Securities due within one year	**$ 400**	$ —
Short-term debt	**391**	—
Accounts payable	**201**	247
Payables to affiliates	**22**	41
Affiliated current borrowings	**95**	384
Accrued interest, payroll and taxes[1]	**183**	194
Regulatory liabilities	**55**	75
Other[1]	**128**	97
Total current liabilities	**1,475**	1,038
Long-Term Debt	**2,892**	2,594
Deferred Credits and Other Liabilities		
Deferred income taxes and investment tax credits	**2,214**	2,158
Regulatory liabilities	**201**	192
Other[1]	**231**	300
Total deferred credits and other liabilities	**2,646**	2,650
Total liabilities	**7,013**	6,282
Commitments and Contingencies (see Note 22)		
Equity		
Membership interests	**3,417**	3,652
Accumulated other comprehensive loss	**(99)**	(86)
Total equity	**3,318**	3,566
Total liabilities and equity	**$10,331**	$9,848

(1) See Note 24 for amounts attributable to related parties.

The accompanying notes are an integral part of Dominion Gas' Consolidated Financial Statements.

Dominion Gas Holdings, LLC
Consolidated Statements of Equity

	Membership Interests	Accumulated Other Comprehensive Income (Loss)	Total
(millions)			
Balance at December 31, 2012	$3,416	$(140)	$3,276
Net income	461		461
Equity contribution from parent	6		6
Distributions	(398)		(398)
Other comprehensive income, net of tax		82	82
Balance at December 31, 2013	3,485	(58)	3,427
Net income	512		512
Equity contribution from parent	1		1
Distributions	(346)		(346)
Other comprehensive loss, net of tax		(28)	(28)
Balance at December 31, 2014	3,652	(86)	3,566
Net income	**457**		**457**
Distributions	**(692)**		**(692)**
Other comprehensive loss, net of tax		**(13)**	**(13)**
Balance at December 31, 2015	**$3,417**	**$ (99)**	**$3,318**

The accompanying notes are an integral part of Dominion Gas' Consolidated Financial Statements.

Dominion Gas Holdings, LLC
Consolidated Statements of Cash Flows

Year Ended December 31,	2015	2014	2013
(millions)			
Operating Activities			
Net income	**$ 457**	$ 512	$ 461
Adjustments to reconcile net income to net cash provided by operating activities:			
Gains on sales of assets	**(123)**	(124)	(122)
Depreciation and amortization	**217**	197	188
Deferred income taxes and investment tax credits, net	**163**	216	102
Other adjustments	**16**	2	(3)
Changes in:			
Accounts receivable	**115**	(42)	(17)
Affiliated receivables	**(86)**	(1)	2
Inventories	**(13)**	(2)	—
Prepayments	**99**	(99)	13
Accounts payable	**(51)**	(35)	62
Payables to affiliates	**(19)**	(4)	8
Accrued interest, payroll and taxes	**(11)**	(15)	48
Other operating assets and liabilities	**(136)**	(134)	(44)
Net cash provided by operating activities	**628**	471	698
Investing Activities			
Plant construction and other property additions	**(795)**	(719)	(650)
Proceeds from sale of assets to an affiliate	**—**	47	113
Proceeds from Blue Racer	**—**	1	78
Proceeds from assignments of shale development rights	**79**	60	18
Advances to affiliate, net	**—**	—	(5)
Other	**(11)**	(5)	(14)
Net cash used in investing activities	**(727)**	(616)	(460)
Financing Activities			
Issuance of short-term debt, net	**391**	—	—
Repayment of affiliated current borrowings, net	**(289)**	(892)	(545)
Repayment and acquisition of affiliated long-term debt	**—**	—	(569)
Issuance of long-term debt	**700**	1,400	1,200
Distribution payments to parent	**(692)**	(346)	(318)
Other	**(7)**	(16)	(10)
Net cash provided by (used in) financing activities	**103**	146	(242)
Increase (decrease) in cash and cash equivalents	**4**	1	(4)
Cash and cash equivalents at beginning of year	**9**	8	12
Cash and cash equivalents at end of year	**$ 13**	$ 9	$ 8
Supplemental Cash Flow Information			
Cash paid during the year for:			
Interest and related charges, excluding capitalized amounts	**$ 70**	$ 23	$ 31
Income taxes	**98**	266	148
Significant noncash investing and financing activities:			
Accrued capital expenditures	**57**	35	42
Extinguishment of affiliated long-term debt in exchange for assets sold to affiliate	**—**	67	—
Distribution of non-cash asset (account receivable) to parent	**—**	—	80
Proceeds from sale of assets to affiliate not yet received	**—**	—	30

The accompanying notes are an integral part of Dominion Gas' Consolidated Financial Statements.

Note 1. Nature of Operations

Dominion, headquartered in Richmond, Virginia, is one of the nation's largest producers and transporters of energy. Dominion's operations are conducted through various subsidiaries, including Virginia Power and Dominion Gas. Virginia Power is a regulated public utility that generates, transmits and distributes electricity for sale in Virginia and northeastern North Carolina. Virginia Power is a member of PJM, an RTO, and its electric transmission facilities are integrated into the PJM wholesale electricity markets. All of Virginia Power's stock is owned by Dominion. Dominion Gas is a holding company that conducts 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. All of Dominion Gas' membership interests are held by Dominion.

Dominion's operations also include an LNG import, transport and storage facility in Maryland, a preferred equity interest in which was contributed to Dominion Midstream in 2014, an equity investment in Atlantic Coast Pipeline and regulated gas transportation and distribution operations in West Virginia. Dominion's nonregulated operations include merchant generation, energy marketing and price risk management activities, retail energy marketing operations and an equity investment in Blue Racer.

In October 2014, Dominion Midstream launched its initial public offering of 20,125,000 common units representing limited partner interests at a price of $21 per unit, which included an over-allotment option to purchase an additional 2,625,000 common units at the initial offering price, which was exercised in full by the underwriters. Dominion received $392 million in net proceeds from the sale of the units, after deducting underwriting discounts, structuring fees and estimated offering expenses. 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. The public's ownership interest in Dominion Midstream is reflected as non-controlling interest in Dominion's Consolidated Financial Statements.

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 Notes 3 and 25. In addition, Corporate and Other includes specific items attributable to Dominion's operating segments that are not included in profit measures evaluated by executive management in assessing the segments' performance or allocating resources among the segments.

Virginia Power manages its daily operations through two primary operating segments: DVP and Dominion Generation. It also reports a Corporate and Other segment that primarily includes specific items attributable to its operating segments that are not included in profit measures evaluated by executive management in assessing the segments' performance or allocating resources among the segments.

Dominion Gas manages its daily operations through one 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 and the effect of certain items recorded at Dominion Gas as a result of the recognition of Dominion's basis in the net assets contributed.

See Note 25 for further discussion of the Companies' operating segments.

Note 2. Significant Accounting Policies

General

The Companies make certain estimates and assumptions in preparing their Consolidated Financial Statements in accordance with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and cash flows for the periods presented. Actual results may differ from those estimates.

The Companies' Consolidated Financial Statements include, after eliminating intercompany transactions and balances, the accounts of their respective majority-owned subsidiaries and non-wholly-owned entities in which they have a controlling financial interest. For certain partnership structures, income is allocated based on the liquidation value of the underlying contractual arrangements. SunEdison's ownership interest in Four Brothers and Three Cedars, as well as Terra Nova Renewable Partners' 33% interest in certain of Dominion's merchant solar projects, is reflected as noncontrolling interest in Dominion's Consolidated Financial Statements. See Note 3 for further information on transactions with SunEdison.

The Companies report certain contracts, instruments and investments at fair value. See Note 6 for further information on fair value measurements.

Dominion maintains pension and other postretirement benefit plans. Virginia Power and Dominion Gas participate in certain of these plans. See Note 21 for further information on these plans.

Certain amounts in the 2014 and 2013 Consolidated Financial Statements and footnotes have been reclassified to conform to the 2015 presentation for comparative purposes. The reclassifications did not affect the Companies' net income, total assets, liabilities, equity or cash flows.

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

Operating Revenue

Operating revenue is recorded on the basis of services rendered, commodities delivered or contracts settled and includes amounts yet to be billed to customers. Dominion and Virginia Power collect sales, consumption and consumer utility taxes and Dominion Gas collects sales taxes; however, these amounts are excluded from revenue. Dominion's customer receivables at December 31, 2015 and 2014 included $462 million and $564 million, respectively, of accrued unbilled revenue based on estimated amounts of electricity and natural gas delivered but not yet billed to its utility customers. Virginia Power's customer receivables at December 31, 2015 and 2014 included $333 million and $407 million, respectively, of accrued unbilled revenue based on estimated amounts of electricity delivered but not yet billed to its customers. Dominion Gas' customer receivables at December 31, 2015 and 2014 included $98 million and $127 million, respectively, of accrued unbilled revenue based on estimated amounts of natural gas delivered but not yet billed to its customers.

The primary types of sales and service activities reported as operating revenue for Dominion are as follows:

- **Regulated electric sales** consist primarily of state-regulated retail electric sales, and federally-regulated wholesale electric sales and electric transmission services;
- **Nonregulated electric sales** consist primarily of sales of electricity at market-based rates and contracted fixed rates, and associated derivative activity;
- **Regulated gas sales** consist primarily of state- and FERC-regulated natural gas sales and related distribution services;
- **Nonregulated gas sales** consist primarily of sales of natural gas production at market-based rates and contracted fixed prices, sales of gas purchased from third parties, gas trading and marketing revenue and associated derivative activity;
- **Gas transportation and storage** consists primarily of FERC-regulated sales of gathering, transmission, distribution and storage services. Also included are state-regulated gas distribution charges to retail distribution service customers opting for alternate suppliers; and
- **Other revenue** consists primarily of sales of NGL production and condensate, extracted products and associated derivative activity. Other revenue also includes miscellaneous service revenue from electric and gas distribution operations, and gas processing and handling revenue.

The primary types of sales and service activities reported as operating revenue for Virginia Power are as follows:

- **Regulated electric sales** consist primarily of state-regulated retail electric sales and federally-regulated wholesale electric sales and electric transmission services; and
- **Other revenue** consists primarily of miscellaneous service revenue from electric distribution operations and miscellaneous revenue from generation operations, including sales of capacity and other commodities.

The primary types of sales and service activities reported as operating revenue for Dominion Gas are as follows:

- **Regulated gas sales** consist primarily of state- and FERC-regulated natural gas sales and related distribution services;
- **Nonregulated gas sales** consist primarily of sales of natural gas production at market-based rates and contracted fixed prices and sales of gas purchased from third parties. Revenue from sales of gas production is recognized based on actual volumes of gas sold to purchasers and is reported net of royalties;
- **Gas transportation and storage** consists primarily of FERC-regulated sales of gathering, transmission and storage services. Also included are state-regulated gas distribution charges to retail distribution service customers opting for alternate suppliers;
- **NGL revenue** consists primarily of sales of NGL production and condensate, extracted products and associated derivative activity; and
- **Other revenue** consists primarily of miscellaneous service revenue, gas processing and handling revenue.

Electric Fuel, Purchased Energy and Purchased Gas-Deferred Costs

Where permitted by regulatory authorities, the differences between Dominion's and Virginia Power's actual electric fuel and purchased energy expenses and Dominion's and Dominion Gas' purchased gas expenses and the related levels of recovery for these expenses in current rates are deferred and matched against recoveries in future periods. The deferral of costs in excess of current period fuel rate recovery is recognized as a regulatory asset, while rate recovery in excess of current period fuel expenses is recognized as a regulatory liability.

Of the cost of fuel used in electric generation and energy purchases to serve utility customers, approximately 84% is currently subject to deferred fuel accounting, while substantially all of the remaining amount is subject to recovery through similar mechanisms.

Virtually all of Dominion Gas', Cove Point's and Hope's natural gas purchases are either subject to deferral accounting or are recovered from the customer in the same accounting period as the sale.

Income Taxes

A consolidated federal income tax return is filed for Dominion and its subsidiaries, including Virginia Power and Dominion Gas' subsidiaries. In addition, where applicable, combined income tax returns for Dominion and its subsidiaries are filed in various states; otherwise, separate state income tax returns are filed.

Although Dominion Gas is disregarded for income tax purposes, a provision for income taxes is recognized to reflect the inclusion of its business activities in the tax returns of its parent, Dominion. Virginia Power and Dominion Gas participate in intercompany tax sharing agreements with Dominion and its subsidiaries. Current income taxes are based on taxable income or loss and credits determined on a separate company basis.

Under the agreements, if a subsidiary incurs a tax loss or earns a credit, recognition of current income tax benefits is limited to refunds of prior year taxes obtained by the carryback of the net operating loss or credit or to the extent the tax loss or credit is absorbed by the taxable income of other Dominion consolidated group members. Otherwise, the net operating loss or credit is carried forward and is recognized as a deferred tax asset until realized.

Accounting for income taxes involves an asset and liability approach. Deferred income tax assets and liabilities are provided, representing future effects on income taxes for temporary differences between the bases of assets and liabilities for financial reporting and tax purposes. Accordingly, deferred taxes are recognized for the future consequences of different treatments used for the reporting of transactions in financial accounting and income tax returns. The Companies establish a valuation allowance when it is more-likely-than-not that all, or a portion, of a deferred tax asset will not be realized. Where the treatment of temporary differences is different for rate-regulated operations, a regulatory asset is recognized if it is probable that future revenues will be provided for the payment of deferred tax liabilities.

The Companies recognize positions taken, or expected to be taken, in income tax returns that are more-likely-than-not to be realized, assuming that the position will be examined by tax authorities with full knowledge of all relevant information.

If it is not more-likely-than-not that a tax position, or some portion thereof, will be sustained, the related tax benefits are not recognized in the financial statements. Unrecognized tax benefits may result in an increase in income taxes payable, a reduction of income tax refunds receivable or changes in deferred taxes. Also, when uncertainty about the deductibility of an amount is limited to the timing of such deductibility, the increase in income taxes payable (or reduction in tax refunds receivable) is accompanied by a decrease in deferred tax liabilities. Except when such amounts are presented net with amounts receivable from or amounts prepaid to tax authorities, noncurrent income taxes payable related to unrecognized tax benefits are classified in other deferred credits and other liabilities on the Consolidated Balance Sheets and current payables are included in accrued interest, payroll and taxes on the Consolidated Balance Sheets.

The Companies recognize interest on underpayments and overpayments of income taxes in interest expense and other income, respectively. Penalties are also recognized in other income.

Dominion's, Virginia Power's and Dominion Gas' interest and penalties were immaterial in 2015, 2014 and 2013.

At December 31, 2015, Virginia Power's Consolidated Balance Sheet included a $296 million affiliated receivable, representing current year excess federal income tax payments expected to be refunded, $9 million of federal income taxes payable for prior years, less than $1 million of state income taxes payable, $10 million of state income taxes receivable, $14 million of noncurrent state income taxes receivable and $2 million of noncurrent state income taxes payable.

At December 31, 2014, Virginia Power's Consolidated Balance Sheet included $225 million of federal and state income taxes receivable, $13 million of noncurrent state income taxes receivable and $38 million of noncurrent federal and state income taxes payable. In March 2015, Virginia Power received a $229 million refund of its 2014 federal income tax payments.

At December 31, 2015, Dominion Gas' Consolidated Balance Sheet included $91 million of affiliated receivables, representing current year excess federal income tax payments expected to be refunded and the benefit of utilizing a subsidiary's tax loss to offset taxable income in Dominion's consolidated tax return to be filed in 2016, less than $1 million of state income taxes payable, $4 million of state income taxes receivable and $22 million of noncurrent state income taxes payable.

At December 31, 2014, Dominion Gas' Consolidated Balance Sheet included $96 million of federal and state income taxes receivable, $14 million of state income taxes payable, $7 million of noncurrent state income taxes payable and $20 million noncurrent state income taxes receivable. In March 2015, Dominion Gas received a $93 million refund of its 2014 federal income tax payments.

Investment tax credits are recognized by nonregulated operations in the year qualifying property is placed in service. For regulated operations, investment tax credits are deferred and amortized over the service lives of the properties giving rise to the credits. Production tax credits are recognized as energy is generated and sold.

Cash and Cash Equivalents

Current banking arrangements generally do not require checks to be funded until they are presented for payment. The following table illustrates the checks outstanding but not yet presented for payment and recorded in accounts payable for the Companies:

Year Ended December 31,	2015	2014
(millions)		
Dominion	**$27**	$42
Virginia Power	**11**	20
Dominion Gas	**7**	9

For purposes of the Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand, cash in banks and temporary investments purchased with an original maturity of three months or less.

Derivative Instruments

Dominion and Virginia Power use derivative instruments such as futures, swaps, forwards, options and FTRs to manage the commodity and financial market risks of their business operations. Dominion Gas uses derivative instruments such as physical and financial forwards, futures and swaps to manage commodity price and interest rate risks.

All derivatives, except those for which an exception applies, are required to be reported in the Consolidated Balance Sheets at fair value. Derivative contracts representing unrealized gain positions and purchased options are reported as derivative assets. Derivative contracts representing unrealized losses and options sold are reported as derivative liabilities. One of the exceptions to fair value accounting, normal purchases and normal sales, may be elected when the contract satisfies certain criteria, including a requirement that physical delivery of the underlying commodity is probable. Expenses and revenues resulting from deliveries under normal purchase contracts and normal sales contracts, respectively, are included in earnings at the time of contract performance.

The Companies do not offset amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral against amounts recognized for derivative instruments executed with the same counterparty under the same master netting arrangement. Dominion had margin assets of $16 million and $287 million associated with cash collateral at December 31, 2015 and 2014, respectively. Dominion's margin liabilities associated with cash collateral at December 31, 2015 were immaterial. Dominion had margin liabilities of $34 million associated with cash collateral at December 31, 2014. Virginia Power did not have any margin assets associated with cash collateral at December 31, 2015. Virginia Power had margin assets of $6 million associated with cash collateral at December 31 2014. Virginia Power did not have any margin liabilities associated with cash collateral at December 31, 2015 or 2014. Dominion Gas did not have any margin assets or liabilities related to cash collateral at December 31, 2015 or 2014. See Note 7 for further information about derivatives.

To manage price risk, Dominion and Virginia Power hold certain derivative instruments that are not designated as hedges for accounting purposes. However, to the extent Dominion and Virginia Power do not hold offsetting positions for such derivatives, they believe these instruments represent economic hedges that mitigate their exposure to fluctuations in commodity prices and interest rates. As part of Dominion's strategy to market energy and manage related risks, it formerly managed a portfolio of commodity-based financial derivative instruments held for trading purposes. Dominion used established policies and procedures to manage the risks associated with price fluctuations in these energy commodities and used various derivative instruments to reduce risk by creating offsetting market positions. In the second quarter of 2013, Dominion commenced a repositioning of its producer services business. The repositioning was completed in the first quarter of 2014 and resulted in the termination of natural gas trading and certain energy marketing activities.

Statement of Income Presentation:

- **Derivatives Held for Trading Purposes:** All income statement activity, including amounts realized upon settlement, is presented in operating revenue on a net basis.
- **Derivatives Not Held for Trading Purposes:** All income statement activity, including amounts realized upon settlement, is presented in operating revenue, operating expenses or interest and related charges based on the nature of the underlying risk.

In Virginia Power's generation operations, changes in the fair value of derivative instruments result in the recognition of regulatory assets or regulatory liabilities for jurisdictions subject to cost-based rate regulation. Realized gains or losses on the derivative instruments are generally recognized when the related transactions impact earnings.

DERIVATIVE INSTRUMENTS DESIGNATED AS HEDGING INSTRUMENTS

The Companies designate a portion of their derivative instruments as either cash flow or fair value hedges for accounting purposes. For all derivatives designated as hedges, the Companies formally document the relationship between the hedging instrument and the hedged item, as well as the risk management objective and the strategy for using the hedging instrument. The Companies assess whether the hedging relationship between the derivative and the hedged item is highly effective at offsetting changes in cash flows or fair values both at the inception of the hedging relationship and on an ongoing basis. Any change in the fair value of the derivative that is not effective at offsetting changes in the cash flows or fair values of the hedged item is recognized currently in earnings. Also, the Companies may elect to exclude certain gains or losses on hedging instruments from the assessment of hedge effectiveness, such as gains or losses attributable to changes in the time value of options or changes in the difference between spot prices and forward prices, thus requiring that such changes be recorded currently in earnings. Hedge accounting is discontinued prospectively for derivatives that cease to be highly effective hedges. For derivative instruments that are accounted for as fair value hedges or cash flow hedges, the cash flows from the derivatives and from the related hedged items are classified in operating cash flows.

Cash Flow Hedges—A majority of the Companies' hedge strategies represents cash flow hedges of the variable price risk associated with the purchase and sale of electricity, natural gas, NGLs and other energy-related products. The Companies also use interest rate swaps to hedge their exposure to variable interest rates on long-term debt. For transactions in which the Companies are hedging the variability of cash flows, changes in the fair value of the derivatives are reported in AOCI, to the extent they are effective at offsetting changes in the hedged item. Any derivative gains or losses reported in AOCI are reclassified to earnings when the forecasted item is included in earnings, or earlier, if it becomes probable that the forecasted transaction will not occur. For cash flow hedge transactions, hedge accounting is discontinued if the occurrence of the forecasted transaction is no longer probable.

Dominion entered into interest rate derivative instruments to hedge its forecasted interest payments related to planned debt issuances in 2013 and 2014. These interest rate derivatives were designated by Dominion as cash flow hedges in 2012 and 2013, prior to the formation of Dominion Gas. For the purposes of the Dominion Gas financial statements, the derivative balances, AOCI balance, and any income statement impact related to these interest rate derivative instruments entered into by Dominion have been, and will continue to be, included in the Dominion Gas' Consolidated Financial Statements as the forecasted interest payments related to the debt issuances now occur at Dominion Gas.

Fair Value Hedges—Dominion also uses fair value hedges to mitigate the fixed price exposure inherent in certain firm commodity commitments and commodity inventory. In addition, Dominion and Virginia Power have designated interest rate swaps as fair value hedges on certain fixed rate long-term debt to manage interest rate exposure. For fair value hedge transactions, changes in the fair value of the derivative are generally offset currently in earnings by the recognition of changes in the hedged item's fair value. Derivative gains and losses from the hedged item are reclassified to earnings when the hedged item is included in earnings, or earlier, if the hedged item no longer qualifies for hedge accounting. Hedge accounting is discontinued if the hedged item no longer qualifies for hedge accounting. See Note 6 for further information about fair value measurements and associated valuation methods for derivatives. See Note 7 for further information on derivatives.

Property, Plant and Equipment

Property, plant and equipment is recorded at lower of original cost or fair value, if impaired. Capitalized costs include labor, materials and other direct and indirect costs such as asset retirement costs, capitalized interest and, for certain operations subject to cost-of-service rate regulation, AFUDC and overhead costs. The cost of repairs and maintenance, including minor additions and replacements, is generally charged to expense as it is incurred.

In 2015, 2014 and 2013, Dominion capitalized interest costs and AFUDC to property, plant and equipment of $100 million, $80 million and $66 million, respectively. In 2015, 2014 and 2013, Virginia Power capitalized AFUDC to property, plant and equipment of $30 million, $39 million and $33 million, respectively. In 2015, 2014 and 2013, Dominion Gas capitalized AFUDC to property, plant and equipment of $1 million, $1 million and $5 million, respectively.

Under Virginia law, certain Virginia jurisdictional projects qualify for current recovery of AFUDC through rate adjustment clauses. AFUDC on these projects is calculated and recorded as a regulatory asset and is not capitalized to property, plant and equipment. In 2015, 2014 and 2013, Virginia Power recorded $19 million, $8 million and $32 million of AFUDC related to these projects, respectively.

For property subject to cost-of-service rate regulation, including Virginia Power electric distribution, electric transmission, and generation property, Dominion Gas natural gas distribution and transmission property, and for certain Dominion natural gas property, the undepreciated cost of such property, less salvage value, is generally charged to accumulated depreciation at retirement. Cost of removal collections from utility customers not representing AROs are recorded as regulatory liabilities. For property subject to cost-of-service rate regulation that will be abandoned significantly before the end of its useful life, the net carrying value is reclassified from plant-in-service when it becomes probable it will be abandoned.

For property that is not subject to cost-of-service rate regulation, including nonutility property, cost of removal not associated with AROs is charged to expense as incurred. The Companies also record gains and losses upon retirement based upon the difference between the proceeds received, if any, and the property's net book value at the retirement date.

Depreciation of property, plant and equipment is computed on the straight-line method based on projected service lives. The Companies' average composite depreciation rates on utility property, plant and equipment are as follows:

Year Ended December 31,	2015	2014	2013
(percent)			
Dominion			
Generation	**2.78**	2.66	2.71
Transmission	**2.42**	2.38	2.36
Distribution	**3.11**	3.12	3.13
Storage	**2.42**	2.39	2.43
Gas gathering and processing	**3.19**	2.81	2.39
General and other	**3.67**	3.62	3.82
Virginia Power			
Generation	**2.78**	2.66	2.71
Transmission	**2.33**	2.34	2.28
Distribution	**3.33**	3.34	3.33
General and other	**3.40**	3.29	3.51
Dominion Gas			
Transmission	**2.46**	2.40	2.43
Distribution	**2.45**	2.47	2.50
Storage	**2.44**	2.40	2.43
Gas gathering and processing	**3.20**	2.82	2.39
General and other	**4.72**	5.77	5.93

In 2013, Virginia Power revised its depreciation rates to reflect the results of a new depreciation study. This change resulted in an increase of $19 million ($12 million after-tax) in depreciation and amortization expense in Virginia Power's Consolidated Statements of Income.

In 2014, Virginia Power also made a one-time adjustment to depreciation expense as ordered by the Virginia Commission. This adjustment resulted in an increase of $38 million ($23 million after-tax) in depreciation and amortization expense in Virginia Power's Consolidated Statements of Income.

In 2013, Dominion Gas revised the depreciation rates for East Ohio to reflect the results of a new depreciation study. This change resulted in a decrease of $8 million ($5 million after-tax) in depreciation and amortization expense in Dominion Gas' Consolidated Statements of Income.

Dominion's nonutility property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Asset	Estimated Useful Lives
Merchant generation-nuclear	**44 years**
Merchant generation-other	**15 - 36 years**
General and other	**5 - 59 years**

Depreciation and amortization related to Virginia Power's and Dominion Gas' nonutility property, plant and equipment and E&P properties was immaterial for the years ended December 31, 2015, 2014 and 2013.

Nuclear fuel used in electric generation is amortized over its estimated service life on a units-of-production basis. Dominion and Virginia Power report the amortization of nuclear fuel in electric fuel and other energy-related purchases expense in their Consolidated Statements of Income and in depreciation and amortization in their Consolidated Statements of Cash Flows.

Long-Lived and Intangible Assets

The Companies perform an evaluation for impairment whenever events or changes in circumstances indicate that the carrying amount of long-lived assets or intangible assets with finite lives may not be recoverable. A long-lived or intangible asset is written down to fair value if the sum of its expected future undiscounted cash flows is less than its carrying amount. Intangible assets with finite lives are amortized over their estimated useful lives. See Note 6 for a discussion of impairments related to certain long-lived assets.

Regulatory Assets and Liabilities

The accounting for Dominion's and Dominion Gas' regulated gas and Virginia Power's regulated electric operations differs from the accounting for nonregulated operations in that they are required to reflect the effect of rate regulation in their Consolidated Financial Statements. For regulated businesses subject to federal or state cost-of-service rate regulation, regulatory practices that assign costs to accounting periods may differ from accounting methods generally applied by nonregulated companies. When it is probable that regulators will permit the recovery of current costs through future rates charged to customers, these costs 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.

The Companies evaluate whether or not recovery of their regulatory assets through future rates is probable and make various assumptions in their analyses. The expectations of future recovery are generally based on orders issued by regulatory commissions, 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.

Asset Retirement Obligations

The Companies recognize AROs at fair value as incurred or when sufficient information becomes available to determine a reasonable estimate of the fair value of future retirement activities to be performed. These amounts are generally capitalized as costs of the related tangible long-lived assets. Since relevant market information is not available, fair value is estimated using discounted cash flow analyses. At least annually, the Companies evaluate the key assumptions underlying their AROs including estimates of the amounts and timing of future cash flows associated with retirement activities. AROs are adjusted when significant changes in these assumptions are identified. Dominion and Dominion Gas report accretion of AROs and depreciation on asset retirement costs associated with their natural gas pipeline and storage well assets as an adjustment to the related regulatory liabilities when revenue is recoverable from customers for AROs. Virginia Power reports accretion of AROs and depreciation on asset retirement costs associated with decommissioning its nuclear power stations as an adjustment to the regulatory liability for certain jurisdictions. Additionally, Virginia Power reports accretion of AROs and depreciation on asset retirement costs associated with certain prospective rider projects as an adjustment to the regulatory asset for certain jurisdictions. Accretion of all other AROs and depreciation of all other asset retirement costs are reported in other operations and maintenance expense and depreciation expense, respectively, in the Consolidated Statements of Income.

Debt Issuance Costs

The Companies defer and amortize debt issuance costs and debt premiums or discounts over the expected lives of the respective debt issues, considering maturity dates and, if applicable, redemption rights held by others. Deferred debt issuance costs are recorded as an asset and classified in other current assets and other deferred charges and other assets in the Consolidated Balance Sheets. Amortization of the issuance costs is reported as interest expense. Unamortized costs associated with redemptions of debt securities prior to stated maturity dates are generally recognized and recorded in interest expense immediately. Effective January 2016, deferred debt issuance costs will be recorded as a reduction in long-term debt in the Consolidated Balance Sheets. As permitted by regulatory authorities, gains or losses resulting from the refinancing of debt allocable to utility operations subject to cost-based rate regulation are deferred and amortized over the lives of the new issuances.

Investments

Marketable Equity and Debt Securities

Dominion accounts for and classifies investments in marketable equity and debt securities as trading or available-for-sale securities. Virginia Power classifies investments in marketable equity and debt securities as available-for-sale securities.

- *Trading securities* include marketable equity and debt securities held by Dominion in rabbi trusts associated with certain deferred compensation plans. These securities are reported in other investments in the Consolidated Balance Sheets at fair value with net realized and unrealized gains and losses included in other income in the Consolidated Statements of Income.
- *Available-for-sale securities* include all other marketable equity and debt securities, primarily comprised of securities held in the nuclear decommissioning trusts. These investments are reported at fair value in nuclear decommissioning trust funds in the Consolidated Balance Sheets. Net realized and unrealized gains and losses (including any other-than-temporary impairments) on investments held in Virginia Power's nuclear decommissioning trusts are recorded to a regulatory liability for certain jurisdictions subject to cost-based regulation. For all other available-for-sale securities, including those held in Dominion's merchant generation nuclear decommissioning trusts, net realized gains and losses (including any other-than-temporary impairments) are included in other income and unrealized gains and losses are reported as a component of AOCI, after-tax.

In determining realized gains and losses for marketable equity and debt securities, the cost basis of the security is based on the specific identification method.

Non-Marketable Investments

The Companies account for illiquid and privately held securities for which market prices or quotations are not readily available under either the equity or cost method. Non-marketable investments include:

- *Equity method investments* when the Companies have the ability to exercise significant influence, but not control, over the investee. Dominion's investments are included in investments in equity method affiliates and Virginia Power's investments are included in other investments in their Consolidated Balance Sheets. The Companies record equity method adjustments in other income in the Consolidated Statements of Income including: their proportionate share of investee income or loss, gains or losses resulting from investee capital transactions, amortization of certain differences between the carrying value and the equity in the net assets of the investee at the date of investment and other adjustments required by the equity method.
- *Cost method investments* when Dominion and Virginia Power do not have the ability to exercise significant influence over the investee. Dominion's and Virginia Power's investments are included in other investments and nuclear decommissioning trust funds.

Other-Than-Temporary Impairment

Dominion and Virginia Power periodically review their investments to determine whether a decline in fair value should be considered other-than-temporary. If a decline in fair value of any security is determined to be other-than-temporary, the security is written down to its fair value at the end of the reporting period.

Decommissioning Trust Investments—Special Considerations

- The recognition provisions of the FASB's other-than-temporary impairment guidance apply only to debt securities classified as available-for-sale or held-to-maturity, while the presentation and disclosure requirements apply to both debt and equity securities.
- *Debt Securities*—Using information obtained from their nuclear decommissioning trust fixed-income investment managers, Dominion and Virginia Power record in earnings any unrealized loss for a debt security when the manager intends to sell the debt security or it is more-likely-than-not that the manager will have to sell the debt security before recovery of its fair value up to its cost basis. If that is not the case, but the debt security is deemed to have experienced a credit loss, Dominion and Virginia Power record the credit loss in earnings and any remaining portion of the unrealized

loss in AOCI. Credit losses are evaluated primarily by considering the credit ratings of the issuer, prior instances of non-performance by the issuer and other factors.

- *Equity securities and other investments*—Dominion's and Virginia Power's method of assessing other-than-temporary declines requires demonstrating the ability to hold individual securities for a period of time sufficient to allow for the anticipated recovery in their market value prior to the consideration of the other criteria mentioned above. Since Dominion and Virginia Power have limited ability to oversee the day-to-day management of nuclear decommissioning trust fund investments, they do not have the ability to ensure investments are held through an anticipated recovery period. Accordingly, they consider all equity and other securities as well as non-marketable investments held in nuclear decommissioning trusts with market values below their cost bases to be other-than-temporarily impaired.

Inventories

Materials and supplies and fossil fuel inventories are valued primarily using the weighted-average cost method. Stored gas inventory for Dominion Gas used in East Ohio gas distribution operations is valued using the LIFO method. Under the LIFO method, stored gas inventory was valued at $24 million and $12 million at December 31, 2015 and December 31, 2014, respectively. Based on the average price of gas purchased during 2015 and 2014, the cost of replacing the current portion of stored gas inventory exceeded the amount stated on a LIFO basis by $109 million and $98 million, respectively. Stored gas inventory for Dominion held by Hope and certain nonregulated gas operations is valued using the weighted-average cost method.

Gas Imbalances

Natural gas imbalances occur when the physical amount of natural gas delivered from, or received by, a pipeline system or storage facility differs from the contractual amount of natural gas delivered or received. Dominion and Dominion Gas value these imbalances due to, or from, shippers and operators at an appropriate index price at period end, subject to the terms of its tariff for regulated entities. Imbalances are primarily settled in-kind. Imbalances due to Dominion and Dominion Gas from other parties are reported in other current assets and imbalances that Dominion and Dominion Gas owe to other parties are reported in other current liabilities in the Consolidated Balance Sheets.

Goodwill

Dominion and Dominion Gas evaluate goodwill for impairment annually as of April 1 and whenever 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.

New Accounting Standards

In May 2014, the FASB issued revised accounting guidance for revenue recognition from contracts with customers. The core principle of this revised accounting guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this update also require disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. For the Companies, the revised accounting guidance is effective for interim and annual periods beginning January 1, 2018. The Companies are currently in the preliminary stages of evaluating the impact of this guidance on their results of operations and overall liquidity. The Companies plan to complete their preliminary assessment, which includes a subset of representative contracts, in 2016. Once their initial evaluation is complete, the Companies will expand the scope of their assessment to include all contracts with customers. Other than increased disclosures, the impacts of the revised accounting guidance to the results of operations and cash flows of the Companies cannot be determined until their assessment process is complete.

In November 2015, the FASB issued revised accounting guidance to simplify the presentation of deferred income taxes. This update requires that deferred tax liabilities and assets be classified as noncurrent in the Consolidated Balance Sheet. The Companies have adopted this guidance on a prospective basis for the period ended December 31, 2015. For prior periods, the Companies have presented deferred taxes in either the current or noncurrent sections of the Consolidated Balance Sheets based on the classification of the related financial accounting assets or liabilities, or, for items such as operating loss carryforwards, the period in which the deferred taxes were expected to reverse.

In January 2016, the FASB issued revised accounting guidance for the recognition, measurement, presentation and disclosure of financial instruments. Most notably the update revises the accounting for equity securities, except for those accounted for under the equity method of accounting or resulting in consolidation, by requiring equity securities to be measured at fair value with the changes in fair value recognized in net income. However, an entity may measure equity investments that do not have a readily determinable fair value at cost minus impairment, if any, plus changes from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The guidance also simplifies the impairment assessment of equity investments without readily determinable fair values, revises the presentation of financial assets and liabilities and amends certain disclosure requirements associated with the fair value of financial instruments. The guidance is effective for the Companies' interim and annual reporting periods beginning January 1, 2018, with a cumulative-effect adjustment to the balance sheet. Amendments related to equity securities without readily determinable fair values are to be applied prospectively to such investments that exist as of the date of adoption. The Companies are currently evaluating the impact the adoption of the standard will have on their consolidated financial statements and disclosures.

In February 2016, the FASB issued revised accounting guidance for the recognition, measurement, presentation and disclosure of leasing arrangements. The update requires the recognition of lease assets and liabilities for those leases currently classified as operating leases while also refining the definition of a lease. In addition, lessees will be required to disclose key information about the amount, timing, and uncertainty of cash flows arising from leasing arrangements. The guidance is effective for the Companies' interim and annual reporting periods beginning January 1, 2019, although it can be early adopted, with a modified retrospective approach for leases that commenced prior to the date of adoption. The Companies are currently evaluating the impact the adoption of the standard will have on their consolidated financial statements and disclosures.

NOTE 3. ACQUISITIONS AND DISPOSITIONS

DOMINION

PROPOSED ACQUISITION OF QUESTAR

Pursuant to the terms of the Questar Combination announced in February 2016, upon closing, each share of Questar common stock issued and outstanding immediately prior to the closing will be converted automatically into the right to receive $25 in cash per share, or approximately $4.4 billion in total. In addition, Questar's debt, which currently totals approximately $1.6 billion is expected to remain outstanding. 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.

The transaction requires approval of Questar's shareholders and clearance from the Federal Trade Commission under the Hart-Scott-Rodino Act. Questar and Dominion also will file for review and approval, as required, from the Utah Public Service Commission and the Wyoming Public Service Commission, and provide information regarding the transaction to the Idaho Public Utilities Commission. In February 2016, the Federal Trade Commission granted antitrust approval of the Questar Combination under the Hart-Scott-Rodino Act. The Questar Combination contains certain termination rights for both Dominion and Questar, and provides that, upon termination of the Questar Combination under specified circumstances, Dominion would be required to pay a termination fee of $154 million to Questar and Questar would be required to pay Dominion a termination fee of $99 million. Subject to receipt of Questar shareholder and any required regulatory approvals and meeting closing conditions, Dominion targets closing by the end of 2016.

WHOLLY-OWNED MERCHANT SOLAR PROJECTS

Acquisitions

The following table presents significant completed acquisitions of wholly-owned merchant solar projects by Dominion in 2014 and 2015. Long-term power purchase, interconnection and operation and maintenance agreements have been executed for all of the projects. Dominion has claimed and/or expects to claim federal investment tax credits on the projects. These projects are included in the Dominion Generation operating segment.

Completed Acquisition Date	Seller	Number of Projects	Project Location	Project Name(s)	Initial Acquisition Cost (millions)(1)	Project Cost (millions)(2)	Date of Commercial Operations	MW Capacity
March 2014	Recurrent Energy Development Holdings, LLC	6	California	Camelot, Kansas, Kent South, Old River One, Adams East, Columbia 2	$ 50	$428	Fourth quarter 2014	139
November 2014	CSI Project Holdco, LLC	1	California	West Antelope	79	79	November 2014	20
December 2014	EDF Renewable Development, Inc.	1	California	CID	71	71	January 2015	20
April 2015	**EC&R NA Solar PV, LLC**	**1**	**California**	**Alamo**	**66**	**66**	**May 2015**	**20**
April 2015	**EDF Renewable Development, Inc.**	**3**	**California**	**Cottonwood(3)**	**106**	**106**	**May 2015**	**24**
June 2015	**EDF Renewable Development, Inc.**	**1**	**California**	**Catalina 2**	**68**	**68**	**July 2015**	**18**
July 2015	**SunPeak Solar, LLC**	**1**	**California**	**Imperial Valley 2**	**42**	**71**	**August 2015**	**20**
November 2015	**EC&R NA Solar PV, LLC**	**1**	**California**	**Maricopa West**	**65**	**65**	**December 2015**	**20**
November 2015	**Community Energy, Inc.**	**1**	**Virginia**	**Eastern Shore Solar**	**34**	**212**	**October 2016**	**80**

(1) The purchase price was primarily allocated to Property, Plant and Equipment.
(2) Includes acquisition cost.
(3) One of the projects, Marin Carport, is expected to begin commercial operations in 2016.

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 currently 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. SunEdison subsequently sold its interest in these projects to Terra Nova Renewable Partners. SunEdison has a future option to buy all or a portion of Dominion's remaining 67% ownership in the projects upon the occurrence of certain events, none of which had occurred as of December 31, 2015 nor are expected to occur in 2016.

Non-Wholly-Owned Merchant Solar Projects

Acquisitions of Four Brothers and Three Cedars

In June 2015, Dominion acquired 50% of the units in Four Brothers from SunEdison for $64 million of consideration, consisting of $2 million in cash and a $62 million payable. As of December 31, 2015, a $43 million payable is included in other current liabilities in Dominion's Consolidated Balance Sheets. 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. Dominion is obligated to contribute $445 million of capital to fund the construction of the projects and had contributed $138 million through December 31, 2015. 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, consisting of $6 million in cash and a $37 million payable. As of December 31, 2015, a $29 million payable is included in other current liabilities in Dominion's Consolidated Balance Sheets. 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. Dominion is obligated to contribute $276 million of capital to fund the construction of the projects and had contributed $60 million through December 31, 2015. The facilities are expected to begin commercial operations in the third quarter of 2016, generating approximately 210 MW.

Long-term power purchase, interconnection and operation and maintenance agreements have been executed for both Four Brothers and Three Cedars. Dominion expects to claim 99% of the federal investment tax credits on the projects.

Dominion owns 50% of the voting interests in Four Brothers and Three Cedars and has a controlling financial interest over the entities through its rights to control operations. The allocation of the $64 million purchase price for Four Brothers resulted in $89 million of property, plant and equipment and $25 million of noncontrolling interest. The allocation of the $43 million purchase price for Three Cedars resulted in $65 million of property, plant and equipment and $22 million of noncontrolling interest. The noncontrolling interest for each entity was measured at fair value using the discounted cash flow method, with the primary components of the valuation being future cash flows (both incoming and outgoing) and the discount rate. Dominion determined its discount rate based on the cost of capital a utility-scale investor would expect, as well as the cost of capital an individual project developer could achieve via a combination of non-recourse project financing and outside equity partners. The acquired assets of Four Brothers and Three Cedars are included in the Dominion Generation operating segment.

Four Brothers and Three Cedars have entered into agreements with SunEdison to provide administrative and support services in connection with the construction of the projects, operation and maintenance of the facilities, and administrative and technical management services of the solar facilities. In addition, Dominion has entered into contracts with SunEdison to provide services related to construction project management and oversight. Costs related to services to be provided under these agreements were immaterial for the year ended December 31, 2015. Subsequent to Dominion's acquisition of Four Brothers and Three Cedars through December 31, 2015, SunEdison made contributions to Four Brothers and Three Cedars of $103 million in aggregate, which are reflected as noncontrolling interests in the Consolidated Balance Sheets.

In December 2015, SunEdison entered an agreement to sell its interest in Four Brothers and Three Cedars through the sale of Four Brothers Holdings, LLC, Granite Mountain Renewables, LLC and Iron Springs Renewables, LLC to DESRI.

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, which owns and operates a 416-mile, FERC-regulated natural gas transmission pipeline in New York and Connecticut. In exchange for this partnership interest, Dominion Midstream issued 8.6 million common units representing limited partnership interests in Dominion Midstream (6.8 million common units to NG for its 20.4% interest and 1.8 million common units to NJNR for its 5.53% interest). The investment was recorded at $216 million based on the value of Dominion Midstream's common units at closing. These common units are reflected as noncontrolling interest in Dominion's Consolidated Financial Statements. Dominion Midstream's noncontrolling partnership interest is reflected in the Dominion Energy operating segment. In addition to this acquisition, Dominion Gas currently holds a 24.72% noncontrolling partnership interest in Iroquois. Dominion Midstream and Dominion Gas each account for their interest in Iroquois as an equity method investment. See Notes 9 and 15 for more information regarding Iroquois.

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. DCG owns and operates nearly 1,500 miles of FERC-regulated interstate natural gas pipeline in South Carolina and southeastern Georgia. This acquisition supports Dominion's natural gas expansion into the southeastern U.S. The allocation of the purchase price resulted in $277 million of net property, plant and equipment, $250 million of goodwill, of which approximately $225 million is expected to be deductible for income tax purposes, and $38 million of regulatory liabilities. The goodwill reflects the value associated with enhancing Dominion's regulated gas position, economic value attributable to future expansion projects as well as increased opportunities for synergies. The acquired assets of DCG are included in the Dominion Energy operating segment.

On March 24, 2015, DCG converted to a limited liability company under the laws of South Carolina and changed its name from Carolina Gas Transmission Corporation to DCG. On April 1, 2015, Dominion contributed 100% of the issued and outstanding membership interests of DCG to Dominion Midstream in exchange for total consideration of $501 million, as adjusted for working capital. Total consideration to Dominion consisted of the issuance of a two-year, $301 million senior unsecured promissory note payable by Dominion Midstream at an annual interest rate of 0.6%, and 5,112,139 common units, valued at $200 million, representing limited partner interests in Dominion Midstream. The number of units was based on the volume weighted average trading price of Dominion Midstream's common units for the ten trading days prior to April 1, 2015, or $39.12 per unit. Since Dominion consolidates Dominion Midstream for financial reporting purposes, this transaction was eliminated upon consolidation and did not impact Dominion's financial position or cash flows.

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 resulted in a gain, subject to post-closing adjustments, of $100 million ($57 million after-tax) net of a $31 million write-off of goodwill, and is included in other operations and maintenance expense in Dominion's Consolidated Statements of Income. The sale of the electric retail energy marketing business did not qualify for discontinued operations classification.

SALE OF ILLINOIS GAS CONTRACTS

In June 2013, Dominion completed the sale of Illinois Gas Contracts. The sales price was $32 million, subject to post-closing adjustments. The sale resulted in a gain of $29 million ($18 million after-tax) net of a $3 million write-off of goodwill, and is included in other operations and maintenance expense in Dominion's Consolidated Statement of Income. The sale of Illinois Gas Contracts did not qualify for discontinued operations classification as it is not considered a component under applicable accounting guidance.

SALE OF BRAYTON POINT, KINCAID AND EQUITY METHOD INVESTMENT IN ELWOOD

In March 2013, Dominion entered into an agreement with Energy Capital Partners to sell Brayton Point, Kincaid, and its equity method investment in Elwood.

In the first and second quarters of 2013, Brayton Point's and Kincaid's assets and liabilities to be disposed were classified as held for sale and adjusted to their estimated fair value less cost to sell, resulting in impairment charges totaling $48 million ($28 million after-tax), which are included in discontinued operations in Dominion's Consolidated Statements of Income. In both periods, Dominion used the market approach to estimate the fair value of Brayton Point's and Kincaid's long-lived assets. These were considered Level 2 fair value measurements given that they were based on the agreed-upon sales price.

Dominion's 50% interest in Elwood was an equity method investment and therefore, in accordance with applicable accounting guidance, the carrying amount of this investment was not classified as held for sale nor were the equity earnings from this investment reported as discontinued operations.

In August 2013, Dominion completed the sale and received proceeds of $465 million, net of transaction costs. The sale resulted in a $35 million ($25 million after-tax) gain attributable to its equity method investment in Elwood, which is included in other income in Dominion's Consolidated Statement of Income, which was partially offset by a $17 million ($18 million after-tax) loss attributable to Brayton Point and Kincaid, which includes a $16 million write-off of goodwill and is reflected in loss from discontinued operations in Dominion's Consolidated Statement of Income.

The following table presents selected information regarding the results of operations of Brayton Point and Kincaid, which are reported as discontinued operations in Dominion's Consolidated Statements of Income:

Year Ended December 31,	2013
(millions)	
Operating revenue	$ 304
Loss before income taxes	(135)(1)

(1) Includes $64 million of charges related to the defeasance of Brayton Point debt and the early redemption of Kincaid debt in 2013.

Virginia Power

ACQUISITION OF SOLAR PROJECT

In December 2015, Virginia Power completed the acquisition of 100% of a solar development project in North Carolina from Morgans Corner for $47 million, all of which was allocated to property, plant and equipment. The project was placed into service in December 2015 with a total cost of $49 million, including the initial acquisition cost. The project generates approximately 20 MW. The output generated by the project will be used to meet a ten year non-jurisdictional supply agreement with the U.S. Navy, which has the unilateral option to extend for an additional ten years. In October 2015, the North Carolina Commission granted the transfer of the existing CPCN from Morgans Corner to Virginia Power. The acquired asset is included in the Virginia Power Generation operating segment.

Dominion and Dominion Gas

BLUE RACER

See Note 9 for a discussion of transactions related to Blue Racer.

ASSIGNMENTS OF SHALE DEVELOPMENT RIGHTS

See Note 10 for a discussion of assignments of shale development rights.

Note 4. Operating Revenue

The Companies' operating revenue consists of the following:

Year Ended December 31,	**2015**	2014	2013
(millions)			
Dominion			
Electric sales:			
Regulated	**$ 7,482**	$ 7,460	$ 7,193
Nonregulated	**1,488**	1,839	2,511
Gas sales:			
Regulated	**218**	334	323
Nonregulated	**471**	751	930
Gas transportation and storage	**1,616**	1,543	1,535
Other	**408**	509	628
Total operating revenue	**$11,683**	$12,436	$13,120
Virginia Power			
Regulated electric sales	**$ 7,482**	$ 7,460	$ 7,193
Other	**140**	119	102
Total operating revenue	**$ 7,622**	$ 7,579	$ 7,295
Dominion Gas			
Gas sales:			
Regulated	**$ 122**	$ 209	$ 202
Nonregulated	**10**	26	32
Gas transportation and storage	**1,366**	1,353	1,338
NGL revenue	**93**	212	292
Other	**125**	98	73
Total operating revenue	**$ 1,716**	$ 1,898	$ 1,937

Note 5. 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. The Companies are routinely audited by federal and state tax authorities. 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.

In December 2015, U.S. federal legislation was enacted, providing an extension of the 50% bonus depreciation allowance for qualifying expenditures incurred in 2015, 2016 and 2017, and a phasing down of the allowance to 40% in 2018 and 30% in 2019 and expiration thereafter. In addition, the legislation extends the 30% investment tax credit for qualifying expenditures incurred through 2019 and provides a phase down of the credit to 26% in 2020, 22% in 2021 and 10% in 2022 and thereafter. U.S. federal legislation had also been enacted in December 2014 to delay the expiration of the bonus depreciation allowance, but only for one year, so that it was available for qualifying expenditures incurred during 2014.

Continuing Operations

Details of income tax expense for continuing operations including noncontrolling interests were as follows:

	Dominion			Virginia Power			Dominion Gas		
Year Ended December 31,	**2015**	2014	2013	**2015**	2014	2013	**2015**	2014	2013
(millions)									
Current:									
Federal	**$ (24)**	$ (11)	$317	**$316**	$ 85	$357	**$ 90**	$ 86	$158
State	**75**	14	110	**92**	67	62	**30**	32	41
Total current expense	**51**	3	427	**408**	152	419	**120**	118	199
Deferred:									
Federal									
Taxes before operating loss carryforwards and investment tax credits	**384**	956	563	**154**	381	224	**156**	192	92
Tax utilization (benefit) of operating loss carryforwards	**539**	(352)	(18)	**96**	—	—	**6**	—	—
Investment tax credits	**(134)**	(152)	(48)	**(11)**	—	—	**—**	—	—
State	**66**	(2)	(31)	**13**	16	17	**1**	24	10
Total deferred expense	**855**	450	466	**252**	397	241	**163**	216	102
Amortization of deferred investment tax credits	**(1)**	(1)	(1)	**(1)**	(1)	(1)	**—**	—	—
Total income tax expense	**$ 905**	$ 452	$892	**$659**	$548	$659	**$283**	$334	$301

In 2015, Dominion's current federal income tax benefit includes the recognition of a $20 million benefit related to a carryback to be filed for nuclear decommissioning expenditures included in its 2014 net operating loss.

For continuing operations including noncontrolling interests, the statutory U.S. federal income tax rate reconciles to the Companies' effective income tax rate as follows:

	Dominion			Virginia Power			Dominion Gas		
Year Ended December 31,	**2015**	2014	2013	**2015**	2014	2013	**2015**	2014	2013
U.S. statutory rate	**35.0%**	35.0%	35.0%	**35.0%**	35.0%	35.0%	**35.0%**	35.0%	35.0%
Increases (reductions) resulting from:									
State taxes, net of federal benefit	**3.7**	—	2.1	**3.9**	3.8	3.1	**2.7**	4.4	4.3
Investment tax credits	**(4.7)**	(8.6)	(1.8)	**(0.6)**	—	—	—	—	—
Production tax credits	**(0.8)**	(1.2)	(0.6)	**(0.6)**	(0.6)	(0.2)	—	—	—
Valuation allowances	**(0.3)**	0.7	(0.1)	—	—	—	—	—	—
AFUDC - equity	**(0.3)**	—	(0.6)	**(0.6)**	—	(0.8)	**0.2**	—	(0.1)
Employee stock ownership plan deduction	**(0.6)**	(0.9)	(0.6)	—	—	—	—	—	—
Other, net	—	0.4	(0.4)	**0.6**	0.8	(0.4)	**0.3**	0.1	0.3
Effective tax rate	**32.0%**	25.4%	33.0%	**37.7%**	39.0%	36.7%	**38.2%**	39.5%	39.5%

Dominion's effective tax rate in 2014 reflects the recognition of state tax credits and previously unrecognized tax benefits due to the expiration of statutes of limitations. Dominion Gas' effective tax rate in 2015 reflects a benefit resulting from the impact of changes in the allocation of income among states on existing deferred taxes.

The Companies' deferred income taxes consist of the following:

	Dominion		Virginia Power		Dominion Gas	
At December 31,	**2015**	2014	**2015**	2014	**2015**	2014
(millions)						
Deferred income taxes:						
Total deferred income tax assets	**$ 1,152**	$ 2,023	**$ 164**	$ 500	**$ 129**	$ 227
Total deferred income tax liabilities	**8,552**	8,663	**4,805**	4,915	**2,343**	2,289
Total net deferred income tax liabilities	**$ 7,400**	$ 6,640	**$4,641**	$4,415	**$2,214**	$2,062
Total deferred income taxes:						
Plant and equipment, primarily depreciation method and basis differences	**$ 6,299**	$ 5,895	**$4,133**	$3,965	**$1,541**	$1,417
Nuclear decommissioning	**1,158**	1,241	**378**	474	—	—
Deferred state income taxes	**646**	659	**302**	299	**205**	207
Federal benefit of deferred state income taxes	**(226)**	(231)	**(106)**	(105)	**(72)**	(72)
Deferred fuel, purchased energy and gas costs	**(1)**	27	**(3)**	18	**1**	7
Pension benefits	**291**	272	**(99)**	(77)	**613**	567
Other postretirement benefits	**(15)**	(17)	**30**	13	**(7)**	(12)
Loss and credit carryforwards	**(1,004)**	(1,434)	**(53)**	(116)	**(4)**	(10)
Valuation allowances	**73**	87	—	—	—	—
Partnership basis differences	**367**	304	—	—	**41**	42
Other	**(188)**	(163)	**59**	(56)	**(104)**	(84)
Total net deferred income tax liabilities	**$ 7,400**	$ 6,640	**$4,641**	$4,415	**$2,214**	$2,062

At December 31, 2015, Dominion had the following deductible loss and credit carryforwards:

- Federal loss carryforwards of $594 million that expire if unutilized during the period 2021 through 2034;
- Federal investment tax credits of $407 million that expire if unutilized during the period 2033 through 2035;
- Federal production and other tax credits of $89 million that expire if unutilized during the period 2031 through 2035;
- State loss carryforwards of $1.6 billion that expire if unutilized during the period 2018 through 2034. A valuation allowance on $1.1 billion of these carryforwards has been established;
- State minimum tax credits of $145 million that do not expire; and
- State investment tax credits of $40 million that expire if unutilized during the period 2019 through 2024.

At December 31, 2015, Virginia Power had the following deductible loss and credit carryforwards:

- Federal loss carryforwards of $7 million that expire if unutilized during the period 2031 through 2034;
- Federal investment, production and other tax credits of $38 million that expire if unutilized during the period 2031 through 2035; and
- State investment tax credits of $9 million that expire if unutilized by 2024.

At December 31, 2015, Dominion Gas had federal loss carryforwards of $10 million that expire if unutilized during the period 2031 through 2034 and no credit carryforwards.

A reconciliation of changes in the Companies' unrecognized tax benefits follows:

	Dominion			Virginia Power			Dominion Gas		
	2015	2014	2013	**2015**	2014	2013	**2015**	2014	2013
(millions)									
Balance at January 1	**$145**	$222	$293	**$ 36**	$ 39	$ 57	**$29**	$29	$30
Increases-prior period positions	**2**	24	17	**—**	2	12	**—**	—	—
Decreases-prior period positions	**(40)**	(26)	(99)	**(25)**	(16)	(42)	**—**	—	(1)
Increases-current period positions	**8**	16	30	**1**	11	14	**—**	—	—
Decreases-current period positions	**—**	—	(5)	**—**	—	—	**—**	—	—
Settlements with tax authorities	**(5)**	—	(2)	**—**	—	(2)	**—**	—	—
Expiration of statutes of limitations	**(7)**	(91)	(12)	**—**	—	—	**—**	—	—
Balance at December 31	**$103**	$145	$222	**$ 12**	$ 36	$ 39	**$29**	$29	$29

Certain unrecognized tax benefits, or portions thereof, if recognized, would affect the effective tax rate. 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. For Dominion and its subsidiaries, these unrecognized tax benefits were $69 million, $77 million and $126 million at December 31, 2015, 2014 and 2013, respectively. For Dominion, the change in these unrecognized tax benefits decreased income tax expense by $6 million, $47 million and $29 million in 2015, 2014 and 2013, respectively. For Virginia Power, these unrecognized tax benefits were $8 million at December 31, 2015, 2014 and 2013. For Virginia Power, the change in these unrecognized tax benefits affected income tax expense by less than $1 million in both 2015 and 2014, and increased income tax expense by $4 million in 2013. For Dominion Gas, these unrecognized tax benefits were $19 million at December 31, 2015, 2014 and 2013. For Dominion Gas, the change in these unrecognized tax benefits affected income tax expense by less than $1 million in 2015, 2014 and 2013.

The IRS examination of tax years 2008, 2009, 2010 and 2011 concluded in late 2013, resulting in a payment of $46 million, and an adjustment to a refund previously received by Dominion for its carryback of 2008 losses to 2007. The loss carryback, as adjusted, was submitted to the U.S. Congressional Joint Committee on Taxation for review. Early in 2014, Dominion received notification that the matter had been resolved with no further adjustments.

Effective for its 2014 tax year, Dominion was accepted into the CAP. Through the CAP, Dominion has the opportunity to resolve complex tax matters with the IRS before filing its federal income tax returns, thus achieving certainty for such tax return filing positions agreed to by the IRS. Under a Pre-CAP plan, the IRS audit of tax years 2012 and 2013 began in early 2014 and concluded in late 2015. The IRS audit of CAP tax year 2014 also began in 2014. The IRS issued a partial acceptance letter in late 2015 and completed its post-filing review of the 2014 tax year in early 2016. The IRS audit of CAP tax year 2015 began in 2015. Accordingly, Dominion's earliest tax year remaining open for federal examination is 2015.

It is reasonably possible that settlement negotiations and expiration of statutes of limitations could result in a decrease in unrecognized tax benefits in 2016 by up to $30 million for Dominion and $22 million for Dominion Gas. If such changes were to occur, other than revisions of the accrual for interest on tax underpayments and overpayments, earnings could increase by up to $15 million for Dominion and $10 million for Dominion Gas.

Otherwise, with regard to 2015 and prior years, Dominion and Dominion Gas cannot estimate the range of reasonably possible changes to unrecognized tax benefits that may occur in 2016.

After considering the possibility of potential changes in the status of its remaining unrecognized tax benefits, Virginia Power has concluded that no significant changes are reasonably possible to occur in 2016.

For each of the major states in which Dominion operates, the earliest tax year remaining open for examination is as follows:

State	Earliest Open Tax Year
Pennsylvania(1)	**2010**
Connecticut	**2012**
Virginia(2)	**2012**
West Virginia(1)	**2012**
New York(1)	**2007**

(1) Considered a major state for Dominion Gas' operations.
(2) Considered a major state for Virginia Power's operations.

The Companies are also obligated to report adjustments resulting from IRS settlements to state tax authorities. In addition, if Dominion utilizes operating losses or tax credits generated in years for which the statute of limitations has expired, such amounts are generally subject to examination.

Discontinued Operations

Details of income tax expense for Dominion's discontinued operations were as follows:

Year Ended December 31,	2013
(millions)	
Current:	
Federal	$(274)
State	(41)
Total current benefit	(315)
Deferred:	
Federal	232
State	40
Total deferred expense	272
Total income tax benefit	$ (43)

Dominion's effective tax rate for 2013 reflects the impact of goodwill written off in the sale of Kincaid and Brayton Point that is not deductible for tax purposes.

NOTE 6. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. However, the use of a mid-market pricing convention (the mid-point between bid and ask prices) is permitted. Fair values are based on assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques and the inputs to valuations. This includes not only the credit standing of counterparties involved and the impact of credit enhancements but also the impact of the Companies' own nonperformance risk on their liabilities. Fair value measurements assume that the transaction occurs in the principal market for the asset or liability (the market with the most volume and activity for the asset or liability from the perspective of the reporting entity), or in the absence of a principal market, the most advantageous market for the asset or liability (the market in which the reporting entity would be able to maximize the amount received or minimize the amount paid). Dominion and Virginia Power apply fair value measurements to certain assets and liabilities including commodity and interest rate derivative instruments, and nuclear decommissioning trust and other investments including those held in Dominion's rabbi, pension and other postretirement benefit plan trusts, in accordance with the requirements described above. Dominion Gas applies fair value measurements to certain assets and liabilities including commodity and interest rate derivative instruments and investments held in pension and other postretirement benefit plan trusts, in accordance with the requirements described above. The Companies apply credit adjustments to their derivative fair values in accordance with the requirements described above. These credit adjustments are currently not material to the derivative fair values.

Inputs and Assumptions

The Companies maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Fair value is based on actively-quoted market prices, if available. In the absence of actively-quoted market prices, price information is sought from external sources, including broker quotes and industry publications. When evaluating pricing information provided by brokers and other pricing services, the Companies consider whether the broker is willing and able to trade at the quoted price, if the broker quotes are based on an active market or an inactive market and the extent to which brokers are utilizing a particular model if pricing is not readily available. If pricing information from external sources is not available, or if the Companies believe that observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases the Companies must estimate prices based on available historical and near-term future price information and certain statistical methods, including regression analysis, that reflect their market assumptions.

The Companies' commodity derivative valuations are prepared by Dominion's ERM department. The ERM department creates daily mark-to-market valuations for the Companies' derivative transactions using computer-based statistical models. The inputs that go into the market valuations are transactional information stored in the systems of record and market pricing information that resides in data warehouse databases. The majority of forward prices are automatically uploaded into the data warehouse databases from various third-party sources. Inputs obtained from third-party sources are evaluated for reliability considering the reputation, independence, market presence, and methodology used by the third-party. If forward prices are not available from third-party sources, then the ERM department models the forward prices based on other available market data. A team consisting of risk management and risk quantitative analysts meets each business day to assess the validity of market prices and mark-to-market valuations. During this meeting, the changes in mark-to-market valuations from period to period are examined and qualified against historical expectations. If any discrepancies are identified during this process, the mark-to-market valuations or the market pricing information is evaluated further and adjusted, if necessary.

For options and contracts with option-like characteristics where observable pricing information is not available from external sources, Dominion and Virginia Power generally use a modified Black-Scholes Model that considers time value, the volatility of the underlying commodities and other relevant assumptions when estimating fair value. Dominion and Virginia Power use other option models under special circumstances, including a Spread Approximation Model when contracts include different commodities or commodity locations and a Swing Option Model when contracts allow either the buyer or seller the ability to exercise within a range of quantities. For contracts with unique characteristics, the Companies may estimate fair value using a discounted cash flow approach deemed appropriate in the circumstances and applied consistently from period to period. For individual contracts, the use of different valuation models or assumptions could have a significant effect on the contract's estimated fair value.

The inputs and assumptions used in measuring fair value include the following:

For commodity derivative contracts:

- Forward commodity prices
- Transaction prices
- Price volatility
- Price correlation
- Volumes
- Commodity location
- Interest rates
- Credit quality of counterparties and the Companies
- Credit enhancements
- Time value

For interest rate derivative contracts:
- Interest rate curves
- Credit quality of counterparties and the Companies
- Volumes
- Credit enhancements
- Time value

For investments:
- Quoted securities prices and indices
- Securities trading information including volume and restrictions
- Maturity
- Interest rates
- Credit quality
- NAV (for alternative investments and common/collective trust funds)

The Companies regularly evaluate and validate the inputs used to estimate fair value by a number of methods, including review and verification of models, as well as various market price verification procedures such as the use of pricing services and multiple broker quotes to support the market price of the various commodities and investments in which the Companies transact.

Levels

The Companies also utilize the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1—Quoted prices (unadjusted) in active markets for identical assets and liabilities that they have the ability to access at the measurement date. Instruments categorized in Level 1 primarily consist of financial instruments such as certain exchange-traded derivatives, and exchange-listed equities, mutual funds and certain Treasury securities held in nuclear decommissioning trust funds for Dominion and Virginia Power, benefit plan trust funds for Dominion and Dominion Gas, and rabbi trust funds for Dominion.
- Level 2—Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from observable market data by correlation or other means. Instruments categorized in Level 2 primarily include commodity forwards and swaps, interest rate swaps, restricted cash equivalents, and certain Treasury securities, money market funds, common/collective trust funds, and corporate, state and municipal debt securities held in nuclear decommissioning trust funds for Dominion and Virginia Power, benefit plan trust funds for Dominion and Dominion Gas, and rabbi trust funds for Dominion.
- Level 3—Unobservable inputs for the asset or liability, including situations where there is little, if any, market activity for the asset or liability. Instruments categorized in Level 3 for the Companies consist of long-dated commodity derivatives, FTRs, natural gas peaking options and other modeled commodity derivatives. Additional instruments categorized in Level 3 for Dominion and Dominion Gas include alternative investments, consisting of investments in partnerships, joint ventures and other alternative investments, held in benefit plan trust funds.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. In these cases, the lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

For derivative contracts, the Companies recognize transfers among Level 1, Level 2 and Level 3 based on fair values as of the first day of the month in which the transfer occurs. Transfers out of Level 3 represent assets and liabilities that were previously classified as Level 3 for which the inputs became observable for classification in either Level 1 or Level 2. Because the activity and liquidity of commodity markets vary substantially between regions and time periods, the availability of observable inputs for substantially the full term and value of the Companies' over-the-counter derivative contracts is subject to change.

Level 3 Valuations

Fair value measurements are categorized as Level 3 when price or other inputs that are considered to be unobservable are significant to their valuations. Long-dated commodity derivatives are generally based on unobservable inputs due to the length of time to settlement and the absence of market activity and are therefore categorized as Level 3. FTRs are categorized as Level 3 fair value measurements because the only relevant pricing available comes from ISO auctions, which are generally not considered to be liquid markets. Other modeled commodity derivatives have unobservable inputs in their valuation, mostly due to non- transparent and illiquid markets. Alternative investments are categorized as Level 3 due to the absence of quoted market prices, illiquidity and the long-term nature of these assets. These investments are generally valued using NAV based on the proportionate share of the fair value as determined by reference to the most recent audited fair value financial statements or fair value statements provided by the investment manager adjusted for any significant events occurring between the investment manager's and the Companies' measurement date.

The Companies enter into certain physical and financial forwards, futures, options and swaps, which are considered Level 3 as they have one or more inputs that are not observable and are significant to the valuation. The discounted cash flow method is used to value Level 3 physical and financial forwards and futures contracts. An option model is used to value Level 3 physical and financial options. The discounted cash flow model for forwards and futures calculates mark-to-market valuations based on forward market prices, original transaction prices, volumes, risk-free rate of return, and credit spreads. The option model calculates mark-to-market valuations using variations of the Black-Scholes option model. The inputs into the models are the forward market prices, implied price volatilities, risk-free rate of return, the option expiration dates, the option strike prices, the original sales prices, and volumes. For Level 3 fair value measurements, forward market prices, credit spreads and implied price volatilities are considered unobservable. The unobservable inputs are developed and substantiated using historical information, available market data, third-party data, and statistical analysis. Periodically, inputs to valuation models are reviewed and revised as needed, based on historical information, updated market data, market liquidity and relationships, and changes in third-party pricing sources.

The following table presents Dominion's quantitative information about Level 3 fair value measurements at December 31, 2015. The range and weighted average are presented in dollars for market price inputs and percentages for price volatility and credit spreads.

	Fair Value (millions)	Valuation Techniques	Unobservable Input	Range	Weighted Average[1]
Assets:					
Physical and Financial Forwards and Futures:					
Natural Gas[2]	$ 97	Discounted Cash Flow	Market Price (per Dth)[4]	(2) - 8	(1)
			Credit Spread[5]	1% - 6%	3%
Liquids[3]	4	Discounted Cash Flow	Market Price (per Gal)[4]	0 - 2	1
FTRs	9	Discounted Cash Flow	Market Price (per MWh)[4]	(2) - 14	1
Physical and Financial Options:					
Natural Gas	4	Option Model	Market Price (per Dth)[4]	2 - 3	3
			Price Volatility[6]	25% - 58%	37%
Total assets	$114				
Liabilities:					
Physical and Financial Forwards and Futures:					
Natural Gas[2]	$ 9	Discounted Cash Flow	Market Price (per Dth)[4]	(2) - 3	2
FTRs	3	Discounted Cash Flow	Market Price (per MWh)[4]	(9) - 9	2
Physical and Financial Options:					
Natural Gas	7	Option Model	Market Price (per Dth)[4]	2 - 5	3
			Price Volatility[6]	25% - 58%	35%
Total liabilities	$ 19				

(1) Averages weighted by volume.
(2) Includes basis.
(3) Includes NGLs and oil.
(4) Represents market prices beyond defined terms for Levels 1 and 2.
(5) Represents credit spreads unrepresented in published markets.
(6) Represents volatilities unrepresented in published markets.

Sensitivity of the fair value measurements to changes in the significant unobservable inputs is as follows:

Significant Unobservable Inputs	Position	Change to Input	Impact on Fair Value Measurement
Market Price	Buy	Increase (decrease)	Gain (loss)
Market Price	Sell	Increase (decrease)	Loss (gain)
Price Volatility	Buy	Increase (decrease)	Gain (loss)
Price Volatility	Sell	Increase (decrease)	Loss (gain)
Credit Spread	Asset	Increase (decrease)	Loss (gain)

Nonrecurring Fair Value Measurements

Dominion

See Note 3 for information regarding the sale of Brayton Point, Kincaid and Dominion's equity method investment in Elwood.

Dominion Gas

Natural Gas Assets

In the fourth quarter of 2014, Dominion Gas recorded an impairment charge of $9 million ($6 million after-tax) in other operations and maintenance expense in its Consolidated Statements of Income, to write off previously capitalized costs following the cancellation of a development project.

In June 2013, Dominion Gas purchased certain natural gas infrastructure facilities that were previously leased from third parties. The purchase price was based on terms in the lease, which exceeded current market pricing. As a result of the purchase price and expected losses, Dominion Gas recorded an impairment charge of $49 million ($29 million after-tax) in other operations and maintenance expense in its Consolidated Statements of Income, to write down the long-lived assets to their estimated fair values of less than $1 million. As management was not aware of any recent market transactions for comparable assets with sufficient transparency to develop a market approach to fair value, Dominion Gas used the income approach (discounted cash flows) to estimate the fair value of the assets in this impairment test. This was considered a Level 3 fair value measurement due to the use of significant unobservable inputs, including estimates of future production and other commodity prices.

Also in June 2013, Dominion Gas recorded an impairment charge of $6 million ($4 million after-tax) in other operations and maintenance expense in its Consolidated Statements of Income, to write off previously capitalized costs following the cancellation of two development projects.

Recurring Fair Value Measurements

Fair value measurements are separately disclosed by level within the fair value hierarchy with a separate reconciliation of fair value measurements categorized as Level 3. Fair value disclosures for assets held in Dominion's and Dominion Gas' pension and other postretirement benefit plans are presented in Note 21.

DOMINION

The following table presents Dominion's assets and liabilities that are measured at fair value on a recurring basis for each hierarchy level, including both current and noncurrent portions:

	Level 1	Level 2	Level 3	Total
(millions)				
At December 31, 2015				
Assets:				
Derivatives:				
Commodity	$ 1	$ 249	$114	$ 364
Interest rate	—	24	—	24
Investments(1):				
Equity securities:				
U.S.:				
Large Cap	2,547	—	—	2,547
Other	5	—	—	5
REIT	63	—	—	63
Non-U.S.:				
Large Cap	10	—	—	10
Fixed Income:				
Corporate debt instruments	—	437	—	437
U.S. Treasury securities and agency debentures	458	201	—	659
State and municipal	—	376	—	376
Other	—	100	—	100
Cash equivalents and other	2	2	—	4
Total assets	$3,086	$1,389	$114	$4,589
Liabilities:				
Derivatives:				
Commodity	$ —	$ 141	$ 19	$ 160
Interest rate	—	183	—	183
Total liabilities	$ —	$ 324	$ 19	$ 343
At December 31, 2014				
Assets:				
Derivatives:				
Commodity	$ 3	$ 567	$125	$ 695
Interest rate	—	24	—	24
Investments(1):				
Equity securities:				
U.S.:				
Large Cap	2,669	—	—	2,669
Other	6	—	—	6
Non-U.S.:				
Large Cap	12	—	—	12
Fixed Income:				
Corporate debt instruments	—	441	—	441
U.S. Treasury securities and agency debentures	419	190	—	609
State and municipal	—	395	—	395
Other	—	74	—	74
Cash equivalents and other	3	10	—	13
Total assets	$3,112	$1,701	$125	$4,938
Liabilities:				
Derivatives:				
Commodity	$ 3	$ 571	$ 18	$ 592
Interest rate	—	202	—	202
Total liabilities	$ 3	$ 773	$ 18	$ 794

(1) Includes investments held in the nuclear decommissioning and rabbi trusts.

The following table presents the net change in Dominion's assets and liabilities measured at fair value on a recurring basis and included in the Level 3 fair value category:

	2015	2014	2013
(millions)			
Balance at January 1,	**$107**	$(16)	$ 25
Total realized and unrealized gains (losses):			
Included in earnings	**(5)**	97	(9)
Included in other comprehensive income (loss)	**(9)**	7	1
Included in regulatory assets/liabilities	**(4)**	109	(9)
Settlements	**9**	(88)	(23)
Transfers out of Level 3[1]	**(3)**	(2)	(1)
Balance at December 31,	**$ 95**	$107	$(16)
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets still held at the reporting date	**$ 2**	$ 6	$ —

(1) In March 2015, Dominion changed the classification of certain short term NGL derivatives from Level 3 to Level 2 due to an increase in liquidity in financial forward markets. The transfers out of Level 3 that relate to NGLs for the year ended December 31, 2015 were $9 million.

The following table presents Dominion's gains and losses included in earnings in the Level 3 fair value category:

	Operating Revenue	Electric Fuel and Other Energy-Related Purchases	Purchased Gas	Total
(millions)				
Year Ended December 31, 2015				
Total gains (losses) included in earnings	**$ 6**	**$(11)**	**$—**	**$ (5)**
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets still held at the reporting date	**1**	**1**	**—**	**2**
Year Ended December 31, 2014				
Total gains (losses) included in earnings	$ 4	$ 97	$(4)	$97
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets still held at the reporting date	4	1	1	6
Year Ended December 31, 2013				
Total gains (losses) included in earnings	$11	$(19)	$(1)	$ (9)
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets still held at the reporting date	1	—	(1)	—

VIRGINIA POWER

The following table presents Virginia Power's quantitative information about Level 3 fair value measurements at December 31, 2015. The range and weighted average are presented in dollars for market price inputs and percentages for credit spreads.

	Fair Value (millions)	Valuation Techniques	Unobservable Input	Range	Weighted Average(1)
Assets:					
Physical and Financial Forwards and Futures:					
FTRs	**$ 9**	Discounted Cash Flow	Market Price (per MWh)(3)	(2) - 14	1
Natural gas(2)	**92**	Discounted Cash Flow	Market Price (per Dth)(3)	(2) - 4	(1)
			Credit Spread(4)	1% - 6%	3%
Total assets	**$101**				
Liabilities:					
Physical and Financial Forwards and Futures:					
FTRs	**$ 3**	Discounted Cash Flow	Market Price (per MWh)(3)	(9) - 9	2
Physical and Financial Options:					
Natural gas	**5**	Discounted Cash Flow	Market Price (per Dth)(3)	2 - 5	3
			Price Volatility(5)	32% - 38%	35%
Total liabilities	**$ 8**				

(1) Averages weighted by volume.
(2) Includes basis.
(3) Represents market prices beyond defined terms for Levels 1 and 2.
(4) Represents credit spreads unrepresented in published markets.
(5) Represents volatilities unrepresented in published markets.

Sensitivity of the fair value measurements to changes in the significant unobservable inputs is as follows:

Significant Unobservable Inputs	Position	Change to Input	Impact on Fair Value Measurement
Market Price	Buy	Increase (decrease)	Gain (loss)
Market Price	Sell	Increase (decrease)	Loss (gain)
Price Volatility	Buy	Increase (decrease)	Gain (loss)
Price Volatility	Sell	Increase (decrease)	Loss (gain)
Credit Spread	Asset	Increase (decrease)	Loss (gain)

The following table presents Virginia Power's assets and liabilities that are measured at fair value on a recurring basis for each hierarchy level, including both current and noncurrent portions:

	Level 1	Level 2	Level 3	Total
(millions)				
At December 31, 2015				
Assets:				
Derivatives:				
Commodity	**$ —**	**$ 13**	**$101**	**$ 114**
Interest rate	**—**	**13**	**—**	**13**
Investments(1):				
Equity securities:				
U.S.:				
Large Cap	**1,100**	**—**	**—**	**1,100**
REIT	**63**	**—**	**—**	**63**
Fixed Income:				
Corporate debt instruments	**—**	**238**	**—**	**238**
U.S. Treasury securities and agency debentures	**180**	**79**	**—**	**259**
State and municipal	**—**	**175**	**—**	**175**
Other	**—**	**34**	**—**	**34**
Total assets	**$1,343**	**$552**	**$101**	**$1,996**
Liabilities:				
Derivatives:				
Commodity	**$ —**	**$ 19**	**$ 8**	**$ 27**
Interest rate	**—**	**59**	**—**	**59**
Total liabilities	**$ —**	**$ 78**	**$ 8**	**$ 86**
At December 31, 2014				
Assets:				
Derivatives:				
Commodity	$ —	$ 7	$106	$ 113
Investments(1):				
Equity securities:				
U.S.:				
Large Cap	1,157	—	—	1,157
Fixed Income:				
Corporate debt instruments	—	250	—	250
U.S. Treasury securities and agency debentures	137	61	—	198
State and municipal	—	211	—	211
Other	—	23	—	23
Total assets	$1,294	$552	$106	$1,952
Liabilities:				
Derivatives:				
Commodity	$ —	$ 11	$ 4	$ 15
Interest rate	—	72	—	72
Total liabilities	$ —	$ 83	$ 4	$ 87

(1) Includes investments held in the nuclear decommissioning and rabbi trusts.

The following table presents the net change in Virginia Power's assets and liabilities measured at fair value on a recurring basis and included in the Level 3 fair value category:

	2015	2014	2013
(millions)			
Balance at January 1,	**$102**	$ (7)	$ 2
Total realized and unrealized gains (losses):			
Included in earnings	**(13)**	96	(17)
Included in regulatory assets/liabilities	**(5)**	109	(9)
Settlements	**13**	(96)	17
Transfers out of Level 3	**(4)**	—	—
Balance at December 31,	**$ 93**	$102	$ (7)

The gains and losses included in earnings in the Level 3 fair value category were classified in electric fuel and other energy-related purchases expense in Virginia Power's Consolidated Statements of Income for the years ended December 31, 2015, 2014 and 2013. There were no unrealized gains and losses included in earnings in the Level 3 fair value category relating to assets/liabilities still held at the reporting date for the years ended December 31, 2015, 2014 and 2013.

DOMINION GAS

The following table presents Dominion Gas' quantitative information about Level 3 fair value measurements at December 31, 2015. The range and weighted average are presented in dollars for market price inputs and percentages for credit spreads.

	Fair Value (millions)	Valuation Techniques	Unobservable Input	Range	Weighted Average(1)
Assets:					
Physical and Financial Forwards and Futures:					
NGLs	**$6**	Discounted Cash Flow	Market Price (per Gal)(2)	0 - 1	1
Total assets	**$6**				

(1) Averages weighted by volume.
(2) Represents market prices beyond defined terms for Levels 1 and 2.

The following table presents Dominion Gas' assets and liabilities for commodity and interest rate derivatives that are measured at fair value on a recurring basis for each hierarchy level, including both current and noncurrent portions:

	Level 1	Level 2	Level 3	Total
(millions)				
At December 31, 2015				
Assets:				
Commodity	$—	$ 5	$ 6	$11
Total assets	$—	$ 5	$ 6	$11
Liabilities:				
Interest rate	$—	$14	$—	$14
Total liabilities	$—	$14	$—	$14
At December 31, 2014				
Assets:				
Commodity	$—	$—	$ 2	$ 2
Total assets	$—	$—	$ 2	$ 2
Liabilities:				
Interest rate	$—	$ 9	$—	9
Total liabilities	$—	$ 9	$—	$ 9

The following table presents the net change in Dominion Gas' derivative assets and liabilities measured at fair value on a recurring basis and included in the Level 3 fair value category:

	2015	2014	2013
(millions)			
Balance at January 1,	$ 2	$ (6)	$(12)
Total realized and unrealized gains (losses):			
Included in earnings	1	2	1
Included in other comprehensive income (loss)	(5)	10	3
Settlements	(1)	(4)	2
Transfers out of Level 3(1)	9	—	—
Balance at December 31,	$ 6	$ 2	$ (6)

(1) In March 2015, Dominion Gas changed the classification of certain short term NGL derivatives from Level 3 to Level 2 due to an increase in liquidity in financial forward markets. The transfers out of Level 3 that relate to NGLs for the year ended December 31, 2015 were $9 million.

The gains and losses included in earnings in the Level 3 fair value category were classified in operating revenue in Dominion Gas' Consolidated Statements of Income for the years ended December 31, 2015, 2014 and 2013. There were no unrealized gains and losses included in earnings in the Level 3 fair value category relating to assets/liabilities still held at the reporting date for the years ended December 31, 2015, 2014 and 2013.

Fair Value of Financial Instruments

Substantially all of the Companies' financial instruments are recorded at fair value, with the exception of the instruments described below, which are reported at historical cost. Estimated fair values have been determined using available market information and valuation methodologies considered appropriate by management. The carrying amount of cash and cash equivalents, restricted cash (which is recorded in other current assets), customer and other receivables, short-term debt, affiliated current borrowings, payables to affiliates and accounts payable are representative of fair value because of the short-term nature of these instruments. For the Companies' financial instruments that are not recorded at fair value, the carrying amounts and estimated fair values are as follows:

At December 31,	2015		2014	
	Carrying Amount	Estimated Fair Value(1)	Carrying Amount	Estimated Fair Value(1)
(millions)				
Dominion				
Long-term debt, including securities due within one year(2)	$21,998	$23,210	$19,723	$21,881
Junior subordinated notes(3)	1,358	1,192	1,374	1,396
Remarketable subordinated notes(3)	2,086	2,129	2,083	2,362
Virginia Power				
Long-term debt, including securities due within one year(3)	$ 9,425	$10,400	$ 8,937	$10,293
Dominion Gas				
Long-term debt, including securities due within one year(3)	$ 3,292	$ 3,299	$ 2,594	$ 2,672

(1) Fair value is estimated using market prices, where available, and interest rates currently available for issuance of debt with similar terms and remaining maturities. All fair value measurements are classified as Level 2. The carrying amount of debt issues with short-term maturities and variable rates refinanced at current market rates is a reasonable estimate of their fair value.

(2) Carrying amount includes amounts which represent the unamortized discount and/or premium. At December 31, 2015, and 2014, includes the valuation of certain fair value hedges associated with Dominion's fixed rate debt, of $7 million and $19 million, respectively.

(3) Carrying amount includes amounts which represent the unamortized discount and/or premium.

Note 7. Derivatives And Hedge Accounting Activities

The Companies are exposed to the impact of market fluctuations in the price of electricity, natural gas and other energy-related products they market and purchase, as well as interest rate risks of their business operations. The Companies use derivative instruments to manage exposure to these risks, and designate certain derivative instruments as fair value or cash flow hedges for accounting purposes. As discussed in Note 2, for jurisdictions subject to cost-based rate regulation, changes in the fair value of derivatives are deferred as regulatory assets or regulatory liabilities until the related transactions impact earnings. See Note 6 for further information about fair value measurements and associated valuation methods for derivatives.

Derivative assets and liabilities are presented gross on the Companies' Consolidated Balance Sheets. Dominion's derivative contracts include both over-the-counter transactions and those that are executed on an exchange or other trading platform (exchange contracts) and centrally cleared. Virginia Power's and Dominion Gas' derivative contracts include over-the-counter transactions. Over-the-counter contracts are bilateral contracts that are transacted directly with a third party. Exchange contracts utilize a financial intermediary, exchange, or clearinghouse to enter, execute, or clear the transactions. Certain over-the-counter and exchange contracts contain contractual rights of setoff through master netting arrangements, derivative clearing agreements, and contract default provisions. In addition, the contracts are subject to conditional rights of setoff through counterparty nonperformance, insolvency, or other conditions.

In general, most over-the-counter transactions and all exchange contracts are subject to collateral requirements. Types of collateral for over-the-counter and exchange contracts include cash, letters of credit, and other forms of security, none of which are subject to restrictions. Cash collateral is used in the table below to offset derivative assets and liabilities. Certain accounts receivable and accounts payable recognized on the Companies' Consolidated Balance Sheets, as well as letters of credit and other forms of security, all of which are not included in the tables below, are subject to offset under master netting or similar arrangements and would reduce the net exposure.

DOMINION

Balance Sheet Presentation

The tables below present Dominion's derivative asset and liability balances by type of financial instrument, before and after the effects of offsetting:

	December 31, 2015			December 31, 2014		
(millions)	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Assets Presented in the Consolidated Balance Sheet	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Assets Presented in the Consolidated Balance Sheet
Interest rate contracts:						
Over-the-counter	$ 24	$—	$ 24	$ 24	$—	$ 24
Commodity contracts:						
Over-the-counter	217	—	217	382	—	382
Exchange	138	—	138	298	—	298
Total derivatives, subject to a master netting or similar arrangement	379	—	379	704	—	704
Total derivatives, not subject to a master netting or similar arrangement	9	—	9	15	—	15
Total	$388	$—	$388	$719	$—	$719

	December 31, 2015				December 31, 2014			
		Gross Amounts Not Offset in the Consolidated Balance Sheet				Gross Amounts Not Offset in the Consolidated Balance Sheet		
(millions)	Net Amounts of Assets Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Received	Net Amounts	Net Amounts of Assets Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Received	Net Amounts
Interest rate contracts:								
Over-the-counter	$ 24	$ 22	$—	$ 2	$ 24	$ 16	$—	$ 8
Commodity contracts:								
Over-the-counter	217	37	—	180	382	34	34	314
Exchange	138	82	—	56	298	298	—	—
Total	$379	$141	$—	$238	$704	$348	$34	$322

	December 31, 2015			December 31, 2014		
(millions)	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Liabilities Presented in the Consolidated Balance Sheet	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Liabilities Presented in the Consolidated Balance Sheet
Interest rate contracts:						
Over-the-counter	$183	$—	$183	$202	$—	$202
Commodity contracts:						
Over-the-counter	70	—	70	87	—	87
Exchange	82	—	82	493	—	493
Total derivatives, subject to a master netting or similar arrangement	335	—	335	782	—	782
Total derivatives, not subject to a master netting or similar arrangement	8	—	8	12	—	12
Total	$343	$—	$343	$794	$—	$794

	December 31, 2015				December 31, 2014			
		Gross Amounts Not Offset in the Consolidated Balance Sheet				Gross Amounts Not Offset in the Consolidated Balance Sheet		
	Net Amounts of Liabilities Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Paid	Net Amounts	Net Amounts of Liabilities Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Paid	Net Amounts
(millions)								
Interest rate contracts:								
Over-the-counter	**$183**	**$ 22**	**$—**	**$161**	$202	$ 16	$ —	$186
Commodity contracts:								
Over-the-counter	**70**	**37**	**—**	**33**	87	34	1	52
Exchange	**82**	**82**	**—**	**—**	493	298	195	—
Total	**$335**	**$141**	**$—**	**$194**	$782	$348	$196	$238

Volumes

The following table presents the volume of Dominion's derivative activity as of December 31, 2015. These volumes are based on open derivative positions and represent the combined absolute value of their long and short positions, except in the case of offsetting transactions, for which they represent the absolute value of the net volume of their long and short positions.

	Current	Noncurrent
Natural Gas (bcf):		
Fixed price[(1)]	**80**	**19**
Basis	**216**	**554**
Electricity (MWh):		
Fixed price	**15,661,078**	**—**
FTRs	**33,350,993**	**—**
Capacity (MW)	**7,600**	**—**
Liquids (Gal)[(2)]	**83,076,000**	**18,606,000**
Interest rate	**$2,950,000,000**	**$3,100,000,000**

(1) Includes options.
(2) Includes NGLs and oil.

Ineffectiveness and AOCI

For the years ended December 31, 2015, 2014 and 2013, gains or losses on hedging instruments determined to be ineffective and amounts excluded from the assessment of effectiveness were not material. Amounts excluded from the assessment of effectiveness include gains or losses attributable to changes in the time value of options and changes in the differences between spot prices and forward prices.

The following table presents selected information related to gains (losses) on cash flow hedges included in AOCI in Dominion's Consolidated Balance Sheet at December 31, 2015:

	AOCI After-Tax	Amounts Expected to be Reclassified to Earnings during the next 12 Months After-Tax	Maximum Term
(millions)			
Commodities:			
Gas	**$ (7)**	**$ (7)**	**22 months**
Electricity	**76**	**76**	**12 months**
Other	**6**	**6**	**15 months**
Interest rate	**(251)**	**(9)**	**387 months**
Total	**$(176)**	**$66**	

The amounts that will be reclassified from AOCI to earnings will generally be offset by the recognition of the hedged transactions (e.g., anticipated sales) in earnings, thereby achieving the realization of prices contemplated by the underlying risk management strategies and will vary from the expected amounts presented above as a result of changes in market prices and interest rates.

Fair Value and Gains and Losses on Derivative Instruments

The following tables present the fair values of Dominion's derivatives and where they are presented in its Consolidated Balance Sheets:

	Fair Value - Derivatives under Hedge Accounting	Fair Value - Derivatives not under Hedge Accounting	Total Fair Value
(millions)			
At December 31, 2015			
ASSETS			
Current Assets			
Commodity	**$101**	**$151**	**$252**
Interest rate	**3**	**—**	**3**
Total current derivative assets	**104**	**151**	**255**
Noncurrent Assets			
Commodity	**3**	**109**	**112**
Interest rate	**21**	**—**	**21**
Total noncurrent derivative assets(1)	**24**	**109**	**133**
Total derivative assets	**$128**	**$260**	**$388**
LIABILITIES			
Current Liabilities			
Commodity	**$ 32**	**$116**	**$148**
Interest rate	**164**	**—**	**164**
Total current derivative liabilities	**196**	**116**	**312**
Noncurrent Liabilities			
Commodity	**—**	**12**	**12**
Interest rate	**19**	**—**	**19**
Total noncurrent derivative liabilities(2)	**19**	**12**	**31**
Total derivative liabilities	**$215**	**$128**	**$343**
At December 31, 2014			
ASSETS			
Current Assets			
Commodity	$281	$242	$523
Interest rate	13	—	13
Total current derivative assets	294	242	536
Noncurrent Assets			
Commodity	71	101	172
Interest rate	11	—	11
Total noncurrent derivative assets(1)	82	101	183
Total derivative assets	$376	$343	$719
LIABILITIES			
Current Liabilities			
Commodity	$224	$267	$491
Interest rate	100	—	100
Total current derivative liabilities	324	267	591
Noncurrent Liabilities			
Commodity	55	46	101
Interest rate	102	—	102
Total noncurrent derivative liabilities(2)	157	46	203
Total derivative liabilities	$481	$313	$794

(1) Noncurrent derivative assets are presented in other deferred charges and other assets in Dominion's Consolidated Balance Sheets.
(2) Noncurrent derivative liabilities are presented in other deferred credits and other liabilities in Dominion's Consolidated Balance Sheets.

The following tables present the gains and losses on Dominion's derivatives, as well as where the associated activity is presented in its Consolidated Balance Sheets and Statements of Income:

Derivatives in cash flow hedging relationships	Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)(1)	Amount of Gain (Loss) Reclassified from AOCI to Income	Increase (Decrease) in Derivatives Subject to Regulatory Treatment(2)
(millions)			
Year Ended December 31, 2015			
Derivative Type and Location of Gains (Losses)			
Commodity:			
Operating revenue		**$ 203**	
Purchased gas		**(15)**	
Electric fuel and other energy-related purchases		**(1)**	
Total commodity	**$ 230**	**$ 187**	**$ 4**
Interest rate(3)	**(46)**	**(11)**	**(13)**
Total	**$ 184**	**$ 176**	**$ (9)**
Year Ended December 31, 2014			
Derivative Type and Location of Gains (Losses)			
Commodity:			
Operating revenue		$(130)	
Purchased gas		(13)	
Electric fuel and other energy-related purchases		7	
Total commodity	$ 245	$(136)	$ (4)
Interest rate(3)	(208)	(16)	(81)
Total	$ 37	$(152)	$(85)
Year Ended December 31, 2013			
Derivative Type and Location of Gains (Losses)			
Commodity:			
Operating revenue		$ (58)	
Purchased gas		(47)	
Electric fuel and other energy-related purchases		(10)	
Total commodity	$(481)	$(115)	$ 5
Interest rate(3)	77	(15)	81
Total	$(404)	$(130)	$ 86

(1) Amounts deferred into AOCI have no associated effect in Dominion's Consolidated Statements of Income.
(2) Represents net derivative activity deferred into and amortized out of regulatory assets/liabilities. Amounts deferred into regulatory assets/liabilities have no associated effect in Dominion's Consolidated Statements of Income.
(3) Amounts recorded in Dominion's Consolidated Statements of Income are classified in interest and related charges.

Derivatives not designated as hedging instruments	Amount of Gain (Loss) Recognized in Income on Derivatives(1)		
Year Ended December 31,	**2015**	2014	2013
(millions)			
Derivative Type and Location of Gains (Losses)			
Commodity:			
Operating revenue	**$ 24**	$(310)	$(45)
Purchased gas	**(14)**	(51)	(9)
Electric fuel and other energy-related purchases	**(14)**	113	(29)
Interest rate(2)	**(1)**	—	—
Total	**$ (5)**	$(248)	$(83)

(1) Includes derivative activity amortized out of regulatory assets/liabilities. Amounts deferred into regulatory assets/liabilities have no associated effect in Dominion's Consolidated Statements of Income.
(2) Amounts recorded in Dominion's Consolidated Statements of Income are classified in interest and related charges.

VIRGINIA POWER

Balance Sheet Presentation

The tables below present Virginia Power's derivative asset and liability balances by type of financial instrument, before and after the effects of offsetting:

	December 31, 2015			December 31, 2014		
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Assets Presented in the Consolidated Balance Sheet	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Assets Presented in the Consolidated Balance Sheet
(millions)						
Interest rate contracts:						
Over-the-counter	$ 13	$—	$ 13	$ —	$—	$ —
Commodity contracts:						
Over-the-counter	101	—	101	106	—	106
Total derivatives, subject to a master netting or similar arrangement	114	—	114	106	—	106
Total derivatives, not subject to a master netting or similar arrangement	13	—	13	7	—	7
Total	$127	$—	$127	$113	$—	$113

	December 31, 2015				December 31, 2014			
		Gross Amounts Not Offset in the Consolidated Balance Sheet				Gross Amounts Not Offset in the Consolidated Balance Sheet		
	Net Amounts of Assets Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Received	Net Amounts	Net Amounts of Assets Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Received	Net Amounts
(millions)								
Interest rate contracts:								
Over-the-counter	$ 13	$10	$—	$ 3	$ —	$—	$—	$ —
Commodity contracts:								
Over-the-counter	101	3	—	98	106	4	—	102
Total	$114	$13	$—	$101	$106	$ 4	$—	$102

	December 31, 2015			December 31, 2014		
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Liabilities Presented in the Consolidated Balance Sheet	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Liabilities Presented in the Consolidated Balance Sheet
(millions)						
Interest rate contracts:						
Over-the-counter	$59	$—	$59	$72	$—	$72
Commodity contracts:						
Over-the-counter	5	—	5	8	—	8
Total derivatives, subject to a master netting or similar arrangement	64	—	64	80	—	80
Total derivatives, not subject to a master netting or similar arrangement	22	—	22	7	—	7
Total	$86	$—	$86	$87	$—	$87

	December 31, 2015				December 31, 2014			
		Gross Amounts Not Offset in the Consolidated Balance Sheet				Gross Amounts Not Offset in the Consolidated Balance Sheet		
(millions)	Net Amounts of Liabilities Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Paid	Net Amounts	Net Amounts of Liabilities Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Paid	Net Amounts
Interest rate contracts:								
Over-the-counter	$59	$10	$—	$49	$72	$—	$—	$72
Commodity contracts:								
Over-the-counter	5	3	—	2	8	4	—	4
Total	$64	$13	$—	$51	$80	$ 4	$—	$76

Volumes

The following table presents the volume of Virginia Power's derivative activity at December 31, 2015. These volumes are based on open derivative positions and represent the combined absolute value of their long and short positions, except in the case of offsetting transactions, for which they represent the absolute value of the net volume of their long and short positions.

	Current	Noncurrent
Natural Gas (bcf):		
Fixed price[1]	32	10
Basis	102	509
Electricity (MWh):		
FTRs	30,383,934	—
Capacity (MW)	7,600	—
Interest rate	$900,000,000	$1,100,000,000

(1) Includes options.

Ineffectiveness

For the years ended December 31, 2015, 2014 and 2013, gains or losses on hedging instruments determined to be ineffective were not material.

Fair Value and Gains and Losses on Derivative Instruments

The following tables present the fair values of Virginia Power's derivatives and where they are presented in its Consolidated Balance Sheets:

(millions)	Fair Value - Derivatives under Hedge Accounting	Fair Value - Derivatives not under Hedge Accounting	Total Fair Value
At December 31, 2015			
ASSETS			
Current Assets			
Commodity	$—	$ 18	$ 18
Total current derivative assets[1]	—	18	18
Noncurrent Assets			
Commodity	—	96	96
Interest rate	13	—	13
Total noncurrent derivative assets[2]	13	96	109
Total derivative assets	$13	$114	$127
LIABILITIES			
Current Liabilities			
Commodity	$—	$ 23	$ 23
Interest rate	57	—	57
Total current derivative liabilities	57	23	80
Noncurrent Liabilities			
Commodity	—	4	4
Interest rate	2	—	2
Total noncurrent derivative liabilities[3]	2	4	6
Total derivative liabilities	$59	$ 27	$ 86
At December 31, 2014			
ASSETS			
Current Assets			
Commodity	$—	$ 51	$ 51
Total current derivative assets[1]	—	51	51
Noncurrent Assets			
Commodity	—	62	$ 62
Total noncurrent derivative assets[2]	—	62	62
Total derivative assets	$—	$113	$113
LIABILITIES			
Current Liabilities			
Commodity	$ 3	$ 12	$ 15
Interest rate	45	—	45
Total current derivative liabilities	48	12	60
Noncurrent Liabilities			
Interest rate	27	—	27
Total noncurrent derivative liabilities[3]	27	—	27
Total derivative liabilities	$75	$ 12	$ 87

(1) Current derivative assets are presented in other current assets in Virginia Power's Consolidated Balance Sheets.
(2) Noncurrent derivative assets are presented in other deferred charges and other assets in Virginia Power's Consolidated Balance Sheets.
(3) Noncurrent derivative liabilities are presented in other deferred credits and other liabilities in Virginia Power's Consolidated Balance Sheets.

The following tables present the gains and losses on Virginia Power's derivatives, as well as where the associated activity is presented in its Consolidated Balance Sheets and Statements of Income:

Derivatives in cash flow hedging relationships	Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)(1)	Amount of Gain (Loss) Reclassified from AOCI to Income	Increase (Decrease) in Derivatives Subject to Regulatory Treatment(2)
(millions)			
Year Ended December 31, 2015			
Derivative Type and Location of Gains (Losses)			
Commodity:			
Electric fuel and other energy-related purchases		**$(1)**	
Total commodity	**$ —**	**$(1)**	**$ 4**
Interest rate(3)	**(3)**	**—**	**(13)**
Total	**$ (3)**	**$(1)**	**$ (9)**
Year Ended December 31, 2014			
Derivative Type and Location of Gains (Losses)			
Commodity:			
Electric fuel and other energy-related purchases		$ 5	
Total commodity	$ 4	$ 5	$ (4)
Interest rate(3)	(10)	—	(81)
Total	$ (6)	$ 5	$(85)
Year Ended December 31, 2013			
Derivative Type and Location of Gains (Losses)			
Commodity:			
Electric fuel and other energy-related purchases		$—	
Total commodity	$ —	$—	$ 5
Interest rate(3)	9	—	81
Total	$ 9	$—	$ 86

(1) Amounts deferred into AOCI have no associated effect in Virginia Power's Consolidated Statements of Income.
(2) Represents net derivative activity deferred into and amortized out of regulatory assets/liabilities. Amounts deferred into regulatory assets/liabilities have no associated effect in Virginia Power's Consolidated Statements of Income.
(3) Amounts recorded in Virginia Power's Consolidated Statements of Income are classified in interest and related charges.

Derivatives not designated as hedging instruments	Amount of Gain (Loss) Recognized in Income on Derivatives(1)		
Year Ended December 31,	**2015**	2014	2013
(millions)			
Derivative Type and Location of Gains (Losses)			
Commodity(2)	**$(13)**	$105	$(16)
Total	**$(13)**	$105	$(16)

(1) Includes derivative activity amortized out of regulatory assets/liabilities. Amounts deferred into regulatory assets/liabilities have no associated effect in Virginia Power's Consolidated Statements of Income.
(2) Amounts recorded in Virginia Power's Consolidated Statements of Income are classified in electric fuel and other energy-related purchases.

DOMINION GAS

Balance Sheet Presentation

The tables below present Dominion Gas' derivative asset and liability balances by type of financial instrument, before and after the effects of offsetting:

	December 31, 2015			December 31, 2014		
(millions)	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Assets Presented in the Consolidated Balance Sheet	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Assets Presented in the Consolidated Balance Sheet
Commodity contracts:						
Over-the-counter	$11	$—	$11	$2	$—	$2
Total derivatives, subject to a master netting or similar arrangement	$11	$—	$11	$2	$—	$2

	December 31, 2015				December 31, 2014			
		Gross Amounts Not Offset in the Consolidated Balance Sheet				Gross Amounts Not Offset in the Consolidated Balance Sheet		
(millions)	Net Amounts of Assets Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Received	Net Amounts	Net Amounts of Assets Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Received	Net Amounts
Commodity contracts:								
Over-the-counter	$11	$—	$—	$11	$2	$—	$—	$2
Total	$11	$—	$—	$11	$2	$—	$—	$2

	December 31, 2015			December 31, 2014		
(millions)	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Liabilities Presented in the Consolidated Balance Sheet	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Liabilities Presented in the Consolidated Balance Sheet
Interest rate contracts:						
Over-the-counter	$14	$—	$14	$9	$—	$9
Total derivatives, subject to a master netting or similar arrangement	$14	$—	$14	$9	$—	$9

	December 31, 2015				December 31, 2014			
		Gross Amounts Not Offset in the Consolidated Balance Sheet				Gross Amounts Not Offset in the Consolidated Balance Sheet		
(millions)	Net Amounts of Liabilities Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Paid	Net Amounts	Net Amounts of Liabilities Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Paid	Net Amounts
Interest rate contracts:								
Over-the-counter	$14	$—	$—	$14	$9	$—	$—	$9
Total	$14	$—	$—	$14	$9	$—	$—	$9

Volumes

The following table presents the volume of Dominion Gas' derivative activity at December 31, 2015. These volumes are based on open derivative positions and represent the combined absolute value of their long and short positions, except in the case of offsetting transactions, for which they represent the absolute value of the net volume of their long and short positions.

	Current	Noncurrent
NGLs (Gal)	**77,364,000**	**13,818,000**
Interest rate	**$250,000,000**	**$ —**

Ineffectiveness and AOCI

For the years ended December 31, 2015, 2014 and 2013, gains or losses on hedging instruments determined to be ineffective were not material.

The following table presents selected information related to gains (losses) on cash flow hedges included in AOCI in Dominion Gas' Consolidated Balance Sheet at December 31, 2015:

	AOCI After-Tax	Amounts Expected to be Reclassified to Earnings during the next 12 Months After-Tax	Maximum Term
(millions)			
Commodities:			
NGLs	**$ 7**	**$ 6**	**15 months**
Interest rate	**(24)**	**—**	**348 months**
Total	**$(17)**	**$ 6**	

The amounts that will be reclassified from AOCI to earnings will generally be offset by the recognition of the hedged transactions (e.g., anticipated sales) in earnings, thereby achieving the realization of prices contemplated by the underlying risk management strategies and will vary from the expected amounts presented above as a result of changes in market prices and interest rates.

Fair Value and Gains and Losses on Derivative Instruments

The following tables present the fair values of Dominion Gas' derivatives and where they are presented in its Consolidated Balance Sheets:

	Fair Value - Derivatives under Hedge Accounting	Fair Value - Derivatives not under Hedge Accounting	Total Fair Value
(millions)			
At December 31, 2015			
ASSETS			
Current Assets			
Commodity	**$10**	**$—**	**$10**
Total current derivative assets(1)	**10**	**—**	**10**
Noncurrent Assets			
Commodity	**1**	**—**	**1**
Total noncurrent derivative assets(2)	**1**	**—**	**1**
Total derivative assets	**$11**	**$—**	**$11**
LIABILITIES			
Current Liabilities			
Interest rate	**$14**	**$—**	**$14**
Total current derivative liabilities(3)	**14**	**—**	**14**
Total derivative liabilities	**$14**	**$—**	**$14**
At December 31, 2014			
ASSETS			
Current Assets			
Commodity	$ 2	$—	$ 2
Total current derivative assets(1)	2	—	2
Total derivative assets	$ 2	$—	$ 2
LIABILITIES			
Noncurrent Liabilities			
Interest rate	$ 9	$—	$ 9
Total noncurrent derivative liabilities(4)	9	—	9
Total derivative liabilities	$ 9	$—	$ 9

(1) Current derivative assets are presented in other current assets in Dominion Gas' Consolidated Balance Sheets.

(2) Noncurrent derivative assets are presented in other deferred charges and other assets in Dominion Gas' Consolidated Balance Sheets.

(3) Current derivative liabilities are presented in other current liabilities in Dominion Gas' Consolidated Balance Sheets.

(4) Noncurrent derivative liabilities are presented in other deferred credits and other liabilities in Dominion Gas' Consolidated Balance Sheets.

The following tables present the gains and losses on Dominion Gas' derivatives, as well as where the associated activity is presented in its Consolidated Balance Sheets and Statements of Income:

Derivatives in cash flow hedging relationships	Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)[1]	Amount of Gain (Loss) Reclassified from AOCI to Income
(millions)		
Year Ended December 31, 2015		
Derivative Type and Location of Gains (Losses)		
Commodity:		
Operating revenue		**$ 6**
Total commodity	**$ 16**	**$ 6**
Interest rate[2]	**(6)**	**—**
Total	**$ 10**	**$ 6**
Year Ended December 31, 2014		
Derivative Type and Location of Gains (Losses)		
Commodity:		
Operating revenue		$ 2
Purchased gas		(14)
Total commodity	$ 12	$(12)
Interest rate[2]	(62)	(1)
Total	$(50)	$(13)
Year Ended December 31, 2013		
Derivative Type and Location of Gains (Losses)		
Commodity:		
Operating revenue		$ (2)
Purchased gas		(14)
Total commodity	$ (2)	$(16)
Interest rate[2]	68	—
Total	$ 66	$(16)

(1) Amounts deferred into AOCI have no associated effect in Dominion Gas' Consolidated Statements of Income.
(2) Amounts recorded in Dominion Gas' Consolidated Statements of Income are classified in interest and related charges.

Derivatives not designated as hedging instruments	Amount of Gain (Loss) Recognized in Income on Derivatives		
Year Ended December 31,	***2015***	*2014*	*2013*
(millions)			
Derivative Type and Location of Gains (Losses)			
Commodity			
Operating revenue	**$6**	$—	$—
Total	**$6**	$—	$—

Note 8. Earnings Per Share

The following table presents the calculation of Dominion's basic and diluted EPS:

	2015	2014	2013
(millions, except EPS)			
Net income attributable to Dominion	**$1,899**	$1,310	$1,697
Average shares of common stock outstanding-Basic	**592.4**	582.7	578.7
Net effect of dilutive securities[1]	**1.3**	1.8	0.8
Average shares of common stock outstanding-Diluted	**593.7**	584.5	579.5
Earnings Per Common Share-Basic	**$ 3.21**	$ 2.25	$ 2.93
Earnings Per Common Share-Diluted	**$ 3.20**	$ 2.24	$ 2.93

(1) Dilutive securities consist primarily of the 2013 Equity Units for 2015, the 2013 Equity Units and contingently convertible senior notes for 2014, and contingently convertible senior notes for 2013. Dominion redeemed all of its contingently convertible senior notes in 2014. See Note 17 for more information.

The 2014 Equity Units are potentially dilutive securities but were excluded from the calculation of diluted EPS for the year ended December 31, 2015 as inclusion would have been antidilutive. The 2014 Equity Units were excluded from the calculation of diluted EPS for the year ended December 31, 2014, as the dilutive stock price threshold was not met. The 2013 Equity Units are potentially dilutive securities but were excluded from the calculation of diluted EPS for the year ended December 31, 2013. See Note 17 for more information.

NOTE 9. INVESTMENTS

DOMINION

Equity and Debt Securities

RABBI TRUST SECURITIES

Marketable equity and debt securities and cash equivalents held in Dominion's rabbi trusts and classified as trading totaled $100 million and $110 million at December 31, 2015 and 2014, respectively.

DECOMMISSIONING TRUST SECURITIES

Dominion holds marketable equity and debt securities (classified as available-for-sale), cash equivalents and cost method investments in nuclear decommissioning trust funds to fund future decommissioning costs for its nuclear plants. Dominion's decommissioning trust funds are summarized below:

	Amortized Cost	Total Unrealized Gains(1)	Total Unrealized Losses(1)	Fair Value
(millions)				
At December 31, 2015				
Marketable equity securities:				
U.S. large cap	**$1,295**	**$1,213**	**$ —**	**$2,508**
REIT	**59**	**4**	**—**	**63**
Marketable debt securities:				
Corporate debt instruments	**433**	**11**	**(7)**	**437**
U.S. Treasury securities and agency debentures	**654**	**8**	**(4)**	**658**
State and municipal	**312**	**22**	**—**	**334**
Other	**99**	**—**	**—**	**99**
Cost method investments	**70**	**—**	**—**	**70**
Cash equivalents and other(2)	**14**	**—**	**—**	**14**
Total	**$2,936**	**$1,258**	**$(11)(3)**	**$4,183**
At December 31, 2014				
Marketable equity securities:				
U.S. large cap	$1,273	$1,353	$ —	$2,626
Marketable debt securities:				
Corporate debt instruments	424	19	(2)	441
U.S. Treasury securities and agency debentures	597	13	(4)	606
State and municipal	332	23	—	355
Other	66	—	—	66
Cost method investments	86	—	—	86
Cash equivalents and other(2)	16	—	—	16
Total	$2,794	$1,408	$ (6)(3)	$4,196

(1) Included in AOCI and the nuclear decommissioning trust regulatory liability as discussed in Note 2.
(2) Includes pending sales of securities of $12 million and $3 million at December 31, 2015 and 2014, respectively.
(3) The fair value of securities in an unrealized loss position was $592 million and $379 million at December 31, 2015 and 2014, respectively.

The fair value of Dominion's marketable debt securities held in nuclear decommissioning trust funds at December 31, 2015 by contractual maturity is as follows:

	Amount
(millions)	
Due in one year or less	**$ 208**
Due after one year through five years	**396**
Due after five years through ten years	**412**
Due after ten years	**512**
Total	**$1,528**

Presented below is selected information regarding Dominion's marketable equity and debt securities held in nuclear decommissioning trust funds:

Year Ended December 31,	2015	2014	2013
(millions)			
Proceeds from sales	**$1,340**	$1,235	$1,476
Realized gains(1)	**219**	171	157
Realized losses(1)	**84**	30	33

(1) Includes realized gains and losses recorded to the nuclear decommissioning trust regulatory liability as discussed in Note 2.

Dominion recorded other-than-temporary impairment losses on investments held in nuclear decommissioning trust funds as follows:

Year Ended December 31,	2015	2014	2013
(millions)			
Total other-than-temporary impairment losses(1)	$ 66	$21	$ 31
Losses recorded to nuclear decommissioning trust regulatory liability	(26)	(5)	(13)
Losses recognized in other comprehensive income (before taxes)	(9)	(3)	(10)
Net impairment losses recognized in earnings	$ 31	$13	$ 8

(1) Amounts include other-than-temporary impairment losses for debt securities of $9 million, $3 million and $18 million at December 31, 2015, 2014 and 2013, respectively.

Virginia Power

Virginia Power holds marketable equity and debt securities (classified as available-for-sale), cash equivalents and cost method investments in nuclear decommissioning trust funds to fund future decommissioning costs for its nuclear plants. Virginia Power's decommissioning trust funds are summarized below:

	Amortized Cost	Total Unrealized Gains(1)	Total Unrealized Losses(1)	Fair Value
(millions)				
At December 31, 2015				
Marketable equity securities:				
U.S. large cap	$ 574	$525	$—	$1,099
REIT	59	4	—	63
Marketable debt securities:				
Corporate debt instruments	237	5	(4)	238
U.S. Treasury securities and agency debentures	260	1	(2)	259
State and municipal	162	13	(1)	174
Other	34	—	—	34
Cost method investments	70	—	—	70
Cash equivalents and other(2)	8	—	—	8
Total	$1,404	$548	$(7)(3)	$1,945
At December 31, 2014				
Marketable equity securities:				
U.S. large cap	$ 563	$594	$—	$1,157
Marketable debt securities:				
Corporate debt instruments	242	9	(1)	250
U.S. Treasury securities and agency debentures	197	3	(2)	198
State and municipal	197	13	—	210
Other	23	—	—	23
Cost method investments	86	—	—	86
Cash equivalents and other(2)	6	—	—	6
Total	$1,314	$619	$(3)(3)	$1,930

(1) Included in AOCI and the nuclear decommissioning trust regulatory liability as discussed in Note 2.
(2) Includes pending sales of securities of $8 million and $6 million at December 31, 2015 and 2014, respectively.
(3) The fair value of securities in an unrealized loss position was $281 million and $170 million at December 31, 2015 and 2014, respectively.

The fair value of Virginia Power's marketable debt securities at December 31, 2015, by contractual maturity is as follows:

	Amount
(millions)	
Due in one year or less	$ 67
Due after one year through five years	166
Due after five years through ten years	236
Due after ten years	236
Total	$705

Presented below is selected information regarding Virginia Power's marketable equity and debt securities held in nuclear decommissioning trust funds.

Year Ended December 31,	2015	2014	2013
(millions)			
Proceeds from sales	$639	$549	$572
Realized gains(1)	110	73	52
Realized losses(1)	43	12	14

(1) Includes realized gains and losses recorded to the nuclear decommissioning trust regulatory liability as discussed in Note 2.

Virginia Power recorded other-than-temporary impairment losses on investments held in nuclear decommissioning trust funds as follows:

Year Ended December 31,	2015	2014	2013
(millions)			
Total other-than-temporary impairment losses(1)	$ 36	$ 8	$ 15
Losses recorded to nuclear decommissioning trust regulatory liability	(26)	(4)	(13)
Losses recorded in other comprehensive income (before taxes)	(6)	(2)	(1)
Net impairment losses recognized in earnings	$ 4	$ 2	$ 1

(1) Amounts include other-than-temporary impairment losses for debt securities of $6 million, $2 million and $9 million at December 31, 2015, 2014 and 2013, respectively.

Equity Method Investments

Dominion and Dominion Gas

Investments that Dominion and Dominion Gas account for under the equity method of accounting are as follows:

Company	Ownership%	Investment Balance		Description
As of December 31,		2015	2014	
(millions)				
Dominion				
Blue Racer	50%	$ 661	$ 671	Midstream gas and related services
Iroquois	50.65%(1)	324	107	Gas transmission system
Fowler Ridge	50%	125	134	Wind-powered merchant generation facility
NedPower	50%	119	128	Wind-powered merchant generation facility
Atlantic Coast Pipeline	45%	59	19	Gas transmission system
Other(2)	various	32	22	
Total		$1,320	$1,081	
Dominion Gas				
Iroquois	24.72%	$ 102	$ 107	Gas transmission system
Total		$ 102	$ 107	

(1) Comprised of Dominion Midstream's interest of 25.93% and Dominion Gas' interest of 24.72%. See Note 15 for more information.
(2) Dominion has a $50 million commitment to invest in clean power and technology businesses through 2018.

Dominion's equity earnings on its investments totaled $56 million, $46 million and $14 million in 2015, 2014 and 2013, respectively. Dominion received distributions from these investments of $83 million, $60 million and $33 million in 2015, 2014, and 2013, respectively. As of December 31, 2015 and 2014, the carrying amount of Dominion's investments exceeded its share of underlying equity in net assets by $234 million and $126 million, respectively. These differences are comprised at December 31, 2015 and 2014, of $72 million and $87 million, respectively, related to basis differences from Dominion's investments in Blue Racer and wind projects, which are being amortized over the useful lives of the underlying assets, and $162 million and $39 million, respectively, reflecting equity method goodwill that is not being amortized.

Dominion Gas' equity earnings on its investment totaled $23 million, $21 million and $22 million in 2015, 2014 and 2013, respectively. Dominion Gas received distributions from its investment of $28 million, $20 million and $19 million in 2015, 2014, and 2013, respectively. As of December 31, 2015 and 2014, the carrying amount of Dominion Gas' investment exceeded its share of underlying equity in net assets by $8 million. The difference reflects equity method goodwill and is not being amortized.

Equity earnings are recorded in other income in Dominion's and Dominion Gas' Consolidated Statements of Income.

Blue Racer

In December 2012, Dominion formed a joint venture 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.

In March 2013, Dominion Gas sold Line TL-404 to an affiliate, that subsequently sold line TL-404 to Blue Racer for cash proceeds of $47 million. The sale resulted in a gain of $25 million ($14 million after-tax) net of a $2 million write-off of goodwill, and is included in other operations and maintenance expense in both Dominion Gas' and Dominion's Consolidated Statement of Income.

Phase 1 of Natrium was completed in the second quarter of 2013 and was contributed by Dominion to Blue Racer in the third quarter of 2013, resulting in an increased equity method investment in Blue Racer of $473 million. Also in the third quarter of 2013, Dominion Gas sold Line TPL-2A to an affiliate, that subsequently sold Line TPL-2A to Blue Racer, and sold Line TL-388 to Blue Racer and received $78 million in cash proceeds. The sales resulted in a $74 million ($41 million after-tax) gain which is included in other operations and maintenance expense in both Dominion Gas' and Dominion's Consolidated Statements of Income.

In the fourth quarter of 2013, Dominion Gas sold the Western System to an affiliate, that subsequently sold the Western System to Blue Racer for cash proceeds of $30 million. The sale resulted in a gain of $3 million ($2 million after-tax) for Dominion Gas and $4 million ($2 million after-tax) for Dominion and is included in other operations and maintenance expense in both Dominion Gas' and Dominion's Consolidated Statement of Income.

Dominion NGL Pipelines, LLC was contributed in January 2014 by Dominion to Blue Racer, prior to commencement of service, resulting in an increased equity method investment of $155 million, including $6 million of goodwill allocated from Dominion's goodwill balance to its equity method investment in Blue Racer.

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. The sale resulted in a gain of $59 million ($35 million after-tax for Dominion Gas and $34 million after-tax for Dominion) net of a $3 million write-off of goodwill, and is included in other operations and maintenance expense in both Dominion Gas' and Dominion's Consolidated Statements of Income.

Dominion

Atlantic Coast Pipeline

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. Subsidiaries and affiliates of all four members plan to be customers of the pipeline under 20-year contracts. Public Service Company of North Carolina, Inc. also plans to be a customer of the pipeline under a 20-year contract. Atlantic Coast Pipeline is considered an equity method investment as Dominion has the ability to exercise significant influence, but not control, over the investee. See Note 15 for more information.

Note 10. Property, Plant and Equipment

Major classes of property, plant and equipment and their respective balances for the Companies are as follows:

At December 31,	2015	2014
(millions)		
Dominion		
Utility:		
Generation	**$15,656**	$15,193
Transmission	**11,461**	9,897
Distribution	**13,128**	12,354
Storage	**2,460**	2,350
Nuclear fuel	**1,464**	1,411
Gas gathering and processing	**799**	791
General and other	**927**	845
Other-including plant under construction	**5,550**	3,633
Total utility	**51,445**	46,474
Nonutility:		
Merchant generation-nuclear	**1,339**	1,267
Merchant generation-other	**2,683**	2,023
Nuclear fuel	**938**	860
Other-including plant under construction	**1,371**	782
Total nonutility	**6,331**	4,932
Total property, plant and equipment	**$57,776**	$51,406
Virginia Power		
Utility:		
Generation	**$15,656**	$15,193
Transmission	**6,963**	5,884
Distribution	**10,048**	9,526
Nuclear fuel	**1,464**	1,411
General and other	**709**	697
Other-including plant under construction	**2,793**	2,464
Total utility	**37,633**	35,175
Nonutility-other	**6**	5
Total property, plant and equipment	**$37,639**	$35,180
Dominion Gas		
Utility:		
Transmission	**$ 3,804**	$ 3,690
Distribution	**2,765**	2,530
Storage	**1,583**	1,466
Gas gathering and processing	**797**	786
General and other	**165**	111
Plant under construction	**443**	179
Total utility	**9,557**	8,762
Nonutility:		
E&P properties being amortized and other	**136**	140
Total nonutility	**136**	140
Total property, plant and equipment	**$ 9,693**	$ 8,902

There were no significant E&P properties under development, as defined by the SEC, excluded from Dominion Gas' amortization at December 31, 2015. As gas and oil reserves are proved through drilling or as properties are deemed to be impaired, excluded costs and any related reserves are transferred on an ongoing, well-by-well basis into the amortization calculation.

In 2015, Dominion Gas recorded a ceiling test impairment charge of $16 million ($10 million after-tax) in other operations and maintenance expense in its Consolidated Statement of Income. Dominion sold substantially all its Appalachian E&P properties in April 2010, retaining only wells in and around DTI's storage facilities. The net book basis of the remaining properties as of December 31, 2015 is $14 million.

Jointly-Owned Power Stations

Dominion's and Virginia Power's proportionate share of jointly-owned power stations at December 31, 2015 is as follows:

	Bath County Pumped Storage Station(1)	North Anna Units 1 and 2(1)	Clover Power Station(1)	Millstone Unit 3(2)
(millions, except percentages)				
Ownership interest	**60%**	**88.4%**	**50%**	**93.5%**
Plant in service	**$1,049**	**$ 2,452**	**$ 576**	**$1,149**
Accumulated depreciation	**(567)**	**(1,177)**	**(214)**	**(320)**
Nuclear fuel	**—**	**621**	**—**	**521**
Accumulated amortization of nuclear fuel	**—**	**(502)**	**—**	**(364)**
Plant under construction	**12**	**116**	**16**	**55**

(1) Units jointly owned by Virginia Power.
(2) Unit jointly owned by Dominion.

The co-owners are obligated to pay their share of all future construction expenditures and operating costs of the jointly-owned facilities in the same proportion as their respective ownership interest. Dominion and Virginia Power report their share of operating costs in the appropriate operating expense (electric fuel and other energy-related purchases, other operations and maintenance, depreciation, depletion and amortization and other taxes, etc.) in the Consolidated Statements of Income.

Assignments of Shale Development Rights

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 of its 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 an overriding royalty interest in gas produced from the acreage. In 2013, Dominion Gas received approximately $100 million in cash proceeds, resulting in a $20 million ($12 million after-tax) gain, recorded to operations and maintenance expense in Dominion Gas' Consolidated Statements of Income. In 2014, Dominion Gas received $16 million in additional cash proceeds resulting from post-closing adjustments. At December 31, 2014, deferred revenue totaled $85 million. In March 2015, Dominion Gas and one of the natural gas producers closed on an amendment to the 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 ($27 million after-tax) of previously deferred revenue to operations and maintenance expense in Dominion Gas' Consolidated Statements of Income. At December 31, 2015, deferred revenue totaled $37 million, which is expected to be recognized over the remaining term of the agreement.

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 November 2014, Dominion Gas closed on the agreement and received proceeds of $60 million associated with an initial conveyance of approximately 12,000 acres, resulting in a $60 million ($36 million after-tax) gain, recorded to operations and maintenance expense in Dominion Gas' Consolidated Statements of Income.

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. This transaction resulted in a $27 million ($16 million after-tax) gain, included in other operations and maintenance expense in Dominion Gas' Consolidated Statements of Income.

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 September 2015, Dominion Gas received proceeds of $52 million associated with the conveyance of the acreage, resulting in a $52 million ($29 million after-tax) gain, included in other operations and maintenance expense in Dominion Gas' Consolidated Statements of Income.

NOTE 11. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The changes in Dominion's and Dominion Gas' carrying amount and segment allocation of goodwill are presented below:

	Dominion Generation	Dominion Energy	DVP	Corporate and Other(1)	Total
(millions)					
Dominion					
Balance at December 31, 2013(2)	$1,454(3)	$706(3)	$926	$—	$3,086
Asset disposition adjustment	(32)(4)	(10)(5)	—	—	(42)
Balance at December 31, 2014(2)	$1,422(3)	$696(3)	$926	$—	$3,044
DCG acquisition	—	250	—	—	250
Balance at December 31, 2015(2)	**$1,422**	**$946**	**$926**	**$—**	**$3,294**
Dominion Gas					
Balance at December 31, 2013(2)	$ —	$545	$ —	$—	$ 545
Asset disposition adjustment	—	(3)(5)	—	—	(3)
Balance at December 31, 2014(2)	$ —	$542	$ —	$—	$ 542
No events affecting goodwill	—	—	—	—	—
Balance at December 31, 2015(2)	**$ —**	**$542**	**$ —**	**$—**	**$ 542**

(1) Goodwill recorded at the Corporate and Other segment is allocated to the primary operating segments for goodwill impairment testing purposes.
(2) Goodwill amounts do not contain any accumulated impairment losses.
(3) Recast to reflect nonregulated retail energy marketing operations in the Dominion Energy segment.
(4) See Note 3 for a discussion of Dominion's dispositions and related goodwill write-offs.
(5) Related to assets sold or contributed to an affiliate or Blue Racer.

Other Intangible Assets

The Companies' other intangible assets are subject to amortization over their estimated useful lives. Dominion's amortization expense for intangible assets was $78 million, $71 million and $72 million for 2015, 2014 and 2013, respectively. In 2015, Dominion acquired $78 million of intangible assets, primarily representing software, with an estimated weighted-average amortization period of approximately 8 years. Amortization expense for Virginia Power's intangible assets was $25 million, $24 million and $22 million for 2015, 2014 and 2013, respectively. In 2015, Virginia Power acquired $34 million of intangible assets, primarily representing software, with an estimated weighted-average amortization period of 6 years. Dominion Gas' amortization expense for intangible assets was $18 million, $17 million and $16 million for 2015, 2014 and 2013, respectively. In 2015, Dominion Gas acquired $24 million of intangible assets, primarily representing software, with an estimated weighted-average amortization period of approximately 14 years. The components of intangible assets are as follows:

At December 31,	2015		2014	
	Gross Carrying Amount	**Accumulated Amortization**	Gross Carrying Amount	Accumulated Amortization
(millions)				
Dominion				
Software, licenses and other	**$942**	**$372**	$887	$317
Total	**$942**	**$372**	$887	$317
Virginia Power				
Software, licenses and other	**$301**	**$ 88**	$286	$ 81
Total	**$301**	**$ 88**	$286	$ 81
Dominion Gas				
Software, licenses and other	**$211**	**$128**	$192	$113
Total	**$211**	**$128**	$192	$113

Annual amortization expense for these intangible assets is estimated to be as follows:

	2016	2017	2018	2019	2020
(millions)					
Dominion	**$79**	**$68**	**$57**	**$47**	**$35**
Virginia Power	**$25**	**$22**	**$19**	**$15**	**$ 9**
Dominion Gas	**$18**	**$15**	**$14**	**$13**	**$13**

NOTE 12. REGULATORY ASSETS AND LIABILITIES

Regulatory assets and liabilities include the following:

At December 31,	2015	2014
(millions)		
Dominion		
Regulatory assets:		
Deferred cost of fuel used in electric generation(1)	$ 111	$ 79
Deferred rate adjustment clause costs(2)	90	124
Deferred nuclear refueling outage costs(3)	75	44
Unrecovered gas costs(4)	12	36
Other	63	64
Regulatory assets-current	351	347
Unrecognized pension and other postretirement benefit costs(5)	1,015	1,050
Deferred rate adjustment clause costs(2)	295	250
PJM transmission rates(6)	192	—
Income taxes recoverable through future rates(7)	126	133
Derivatives(8)	110	101
Other	127	108
Regulatory assets-non-current	1,865	1,642
Total regulatory assets	$2,216	$1,989
Regulatory liabilities:		
PIPP(9)	$ 46	$ 71
Other	54	99
Regulatory liabilities-current(10)	100	170
Provision for future cost of removal and AROs(11)	1,120	1,072
Nuclear decommissioning trust(12)	804	815
Deferred cost of fuel used in electric generation(1)	97	6
Derivatives(8)	79	—
Other	185	98
Regulatory liabilities-non-current	2,285	1,991
Total regulatory liabilities	$2,385	$2,161
Virginia Power		
Regulatory assets:		
Deferred cost of fuel used in electric generation(1)	$ 111	$ 79
Deferred rate adjustment clause costs(2)	80	117
Deferred nuclear refueling outage costs(3)	75	44
Other	60	58
Regulatory assets-current	326	298
Deferred rate adjustment clause costs(2)	213	179
PJM transmission rates(6)	192	—
Derivatives(8)	110	101
Income taxes recoverable through future rates(7)	97	100
Other	55	59
Regulatory assets-non-current	667	439
Total regulatory assets	$ 993	$ 737
Regulatory liabilities:		
Other	$ 35	$ 90
Regulatory liabilities-current	35	90
Provision for future cost of removal(11)	890	852
Nuclear decommissioning trust(12)	804	815
Deferred cost of fuel used in electric generation(1)	97	6
Derivatives(8)	79	—
Other	59	10
Regulatory liabilities-non-current	1,929	1,683
Total regulatory liabilities	$1,964	$1,773

At December 31,	2015	2014
(millions)		
Dominion Gas		
Regulatory assets:		
Unrecovered gas costs(4)	$ 11	$ 29
Deferred rate adjustment clause costs(2)	10	7
Other	2	2
Regulatory assets-current	23	38
Unrecognized pension and other postretirement benefit costs(5)	282	242
Deferred rate adjustment clause costs(2)	82	71
Income taxes recoverable through future rates(7)	20	24
Other	65	42
Regulatory assets-non-current	449	379
Total regulatory assets	$472	$417
Regulatory liabilities:		
PIPP(9)	$ 46	$ 71
Other	9	4
Regulatory liabilities-current	55	75
Provision for future cost of removal and AROs(11)	170	172
Other	31	20
Regulatory liabilities-non-current	201	192
Total regulatory liabilities	$256	$267

(1) *Primarily reflects deferred fuel expenses for the Virginia jurisdiction of Dominion's and Virginia Power's generation operations. See Note 13 for more information.*

(2) *Reflects deferrals under the electric transmission FERC formula rate and the deferral of costs associated with certain current and prospective rider projects for Virginia Power. Reflects deferrals of costs associated with certain current and prospective rider projects for Dominion Gas. See Note 13 for more information.*

(3) *Legislation enacted in Virginia in April 2014 requires Virginia Power to defer operation and maintenance costs incurred in connection with the refueling of any nuclear-powered generating plant. These deferred costs will be amortized over the refueling cycle, not to exceed 18 months.*

(4) *Reflects unrecovered gas costs at regulated gas operations, which are recovered through filings with the applicable regulatory authority.*

(5) *Represents unrecognized pension and other postretirement employee benefit costs expected to be recovered through future rates generally over the expected remaining service period of plan participants by certain of Dominion's and Dominion Gas' rate-regulated subsidiaries.*

(6) *Reflects amount related to the PJM transmission cost allocation matter. See Note 13 for more information.*

(7) *Amounts to be recovered through future rates to pay income taxes that become payable when rate revenue is provided to recover AFUDC-equity and depreciation of property, plant and equipment for which deferred income taxes were not recognized for ratemaking purposes, including amounts attributable to tax rate changes.*

(8) *As discussed under Derivative Instruments in Note 2, for jurisdictions subject to cost-based rate regulation, changes in the fair value of derivative instruments result in the recognition of regulatory assets or regulatory liabilities as they are expected to be recovered from or refunded to customers.*

(9) *Under PIPP, eligible customers can make reduced payments based on their ability to pay. The difference between the customer's total bill and the PIPP plan amount is deferred and collected or returned annually under the PIPP rate adjustment clause according to East Ohio tariff provisions. See Note 13 for more information.*

(10) *Current regulatory liabilities are presented in other current liabilities in Dominion's Consolidated Balance Sheets.*

(11) *Rates charged to customers by the Companies' regulated businesses include a provision for the cost of future activities to remove assets that are expected to be incurred at the time of retirement.*

(12) *Primarily reflects a regulatory liability representing amounts collected from Virginia jurisdictional customers and placed in external trusts (including income, losses and changes in fair value thereon) for the future decommissioning of Virginia Power's utility nuclear generation stations, in excess of the related AROs.*

At December 31, 2015, $131 million of Dominion's, $100 million of Virginia Power's and $29 million of Dominion Gas' regulatory assets represented past expenditures on which they do not currently earn a return. The majority of these expenditures are expected to be recovered within the next two years.

NOTE 13. REGULATORY MATTERS

Regulatory Matters Involving Potential Loss Contingencies

As a result of issues generated in the ordinary course of business, the Companies are involved in various regulatory matters. Certain regulatory matters may ultimately result in a loss; however, as such matters are in an initial procedural phase, involve uncertainty as to the outcome of pending reviews or orders, and/or involve significant factual issues that need to be resolved, it is not possible for the Companies to estimate a range of possible loss. For matters for which the Companies cannot estimate a range of possible loss, a statement to this effect is made in the description of the matter. Other matters may have progressed sufficiently through the regulatory process such that the Companies are able to estimate a range of possible loss. For regulatory matters for which the Companies are able to reasonably estimate a range of possible losses, an estimated range of possible loss is provided, in excess of the accrued liability (if any) for such matters. Any estimated range is based on currently available information, involves elements of judgment and significant uncertainties and may not represent the Companies' maximum possible loss exposure. The circumstances of such regulatory matters will change from time to time and actual results may vary significantly from the current estimate. For current matters not specifically reported below, management does not anticipate that the outcome from such matters would have a material effect on the Companies' financial position, liquidity or results of operations.

FERC—ELECTRIC

Under the Federal Power Act, FERC regulates wholesale sales and transmission of electricity in interstate commerce by public utilities. 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. Virginia Power purchases and, under its FERC market-based rate authority, sells electricity in the wholesale market. 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.

Rates

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.

In March 2010, ODEC and North Carolina Electric Membership Corporation filed a complaint with FERC against Virginia Power claiming that $223 million in transmission costs related to specific projects were unjust, unreasonable and unduly discriminatory or preferential and should be excluded from Virginia Power's transmission formula rate. In October 2010, FERC issued an order dismissing the complaint in part and established hearings and settlement procedures on the remaining part of the complaint. In February 2012, Virginia Power submitted to FERC a settlement agreement to resolve all issues set for hearing. The settlement was accepted by FERC in May 2012 and provides for payment by Virginia Power to the transmission customer parties collectively of $250,000 per year for ten years and resolves all matters other than allocation of the incremental cost of certain underground transmission facilities.

In March 2014, FERC issued an order excluding from Virginia Power's transmission rates for wholesale transmission customers located outside Virginia the incremental costs of undergrounding certain transmission line projects. FERC found it is not just and reasonable for non-Virginia wholesale transmission customers to be allocated the incremental costs of undergrounding the facilities because the projects are a direct result of Virginia legislation and Virginia Commission pilot programs intended to benefit the citizens of Virginia. The order is retroactively effective as of March 2010 and will cause the reallocation of the costs charged to wholesale transmission customers with loads outside Virginia to wholesale transmission customers with loads in Virginia. FERC determined that there was not sufficient evidence on the record to determine the magnitude of the underground increment and held a hearing to determine the appropriate amount of undergrounding cost to be allocated to each wholesale transmission customer in Virginia. While Virginia Power cannot predict the outcome of the hearing, it is not expected to have a material effect on results of operations.

PJM Transmission Rates

In April 2007, FERC issued an order regarding its transmission rate design for the allocation of costs among PJM transmission customers, including Virginia Power, for transmission service provided by PJM. For new PJM-planned transmission facilities that operate at or above 500 kV, FERC established a PJM regional rate design where customers pay according to each customer's share of the region's load. For recovery of costs of existing facilities, FERC approved the existing methodology whereby a customer pays the cost of facilities located in the same zone as the customer. A number of parties appealed the order to the U.S. Court of Appeals for the Seventh Circuit.

In August 2009, the court issued its decision affirming the FERC order with regard to the existing facilities, but remanded to FERC the issue of the cost allocation associated with the new facilities 500 kV and above for further consideration by FERC. On remand, FERC reaffirmed its earlier decision to allocate the costs of new facilities 500 kV and above according to the customer's share of the region's load. A number of parties filed appeals of the order to the U.S. Court of Appeals for the Seventh Circuit. In June 2014, the court again remanded the cost allocation issue to FERC. In December 2014, FERC issued an order setting an evidentiary hearing and settlement proceeding regarding the cost allocation issue. The hearing only concerns the costs of new facilities approved by PJM prior to February 1, 2013. Transmission facilities approved after February 1, 2013 are allocated on a hybrid cost allocation method approved by FERC and not subject to any court review.

Virginia Power expects that a settlement agreement will be executed regarding this matter. Under the terms of the settlement, Virginia Power would be required to pay $200 million to PJM over the next 10 years. Although no FERC order has been issued and the expected settlement agreement has not been filed and accepted by FERC, Virginia Power believes it is probable it will be required to make payment as an outcome of the hearing and settlement proceedings. Accordingly, as of December 31, 2015, Virginia Power has recorded a contingent liability of $200 million in other deferred credits and other liabilities, which is offset by a $192 million regulatory asset for the amount that will be recovered through retail rates in Virginia. The remaining $8 million was recorded in other operations and maintenance expense in the Consolidated Statement of Income.

Other Regulatory Matters

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.

Virginia Fuel Expenses

In February 2015, Virginia Power submitted its annual fuel factor filing to the Virginia Commission. In August 2015, the Virginia Commission approved Virginia Power's annual fuel factor filing to recover an estimated $1.6 billion in Virginia jurisdictional projected fuel expenses for the rate year beginning July 1, 2015. Virginia Power's new approved fuel rate, in effect on an interim basis since April 1, 2015, represents a fuel revenue decrease of $512 million when applied to projected kilowatt-hour sales for the period April 1, 2015 to June 30, 2016.

Solar Facility Projects

In January 2015, Virginia Power applied for a CPCN to construct and operate a 20 MW utility-scale solar facility near its existing Remington power station in Fauquier County, Virginia. The total estimated cost of the Remington solar facility was approximately $47 million, excluding financing costs. Virginia Power also applied for approval of Rider US-1 to recover the projected costs of the facility. In October 2015, the Virginia Commission denied approval of the CPCN and Rider US-1 based on the evidence in the record but stated that an application could be re-filed to address the concerns cited by the Virginia Commission. Virginia Power is assessing its options for re-filing.

In October 2015, Virginia Power filed a CPCN with the Virginia Commission to construct three solar facilities. Woodland, Scott Solar and Whitehouse would increase Dominion's renewable generation by a combined 56 MW and are estimated to cost approximately $130 million, excluding financing costs. Virginia Power also applied for approval of Rider US-2. This case is pending. The facilities are expected to commence commercial operations, subject to regulatory approvals, in the fourth quarter of 2016.

Rate Adjustment Clauses

Below is a discussion of significant riders associated with various Virginia Power projects:

- The Virginia Commission previously approved Rider T1 concerning transmission rates. In May 2015, Virginia Power proposed a $668 million total revenue requirement for the rate year beginning September 1, 2015, which represents a $130 million increase over the previous year. Virginia Power also presented a mitigation proposal to defer $96 million of this revenue requirement to the rate year beginning September 1, 2016, which would reduce by 50% the one-year rate impact on residential customers. In August 2015, the Virginia Commission rejected the mitigation proposal and approved full recovery of the proposed revenue requirement.
- The Virginia Commission previously approved Rider S in conjunction with the Virginia City Hybrid Energy Center. In June 2015, Virginia Power proposed a $250 million revenue requirement for the rate year beginning April 1, 2016, which represents a $5 million increase over the previous year. This case is pending.
- The Virginia Commission previously approved Rider W in conjunction with Warren County. In June 2015, Virginia Power proposed a $118 million revenue requirement for the rate year beginning April 1, 2016, which represents a $17 million decrease versus the previous year. This case is pending.
- The Virginia Commission previously approved Rider R in conjunction with Bear Garden. In June 2015, Virginia Power proposed a $74 million revenue requirement for the rate year beginning April 1, 2016, which represents a $10 million decrease versus the previous year. This case is pending.
- The Virginia Commission previously approved Rider B in conjunction with the conversion of three power stations to biomass. In June 2015, Virginia Power proposed a $30 million revenue requirement for the rate year beginning April 1, 2016, which represents a $21 million increase over the previous year. This case is pending.
- Virginia legislation which provides for the recovery of costs to move certain electric distribution facilities underground became effective in July 2014. In October 2014, Virginia Power filed for approval of Rider U, which proposed a revenue requirement of $28 million during the initial rate year beginning September 1, 2015. In May 2015, Virginia Power revised the revenue requirement to $24 million. In July 2015, the Virginia Commission denied approval of Rider U based on the evidence in the record, but found that an alternative plan addressing certain concerns, such as the lack of a cost-benefit analysis, could reasonably satisfy the regulatory requirements for approval. In December 2015, Virginia Power filed for approval of a more limited undergrounding program, along with a revised Rider U proposing a revenue requirement of $24 million for the initial rate year beginning September 1, 2016. This case is pending.
- The Virginia Commission previously approved Riders C1A and C2A in connection with cost recovery for DSM programs. In August 2015, Virginia Power proposed a total revenue requirement of $50 million for the rate year beginning May 1, 2016. Virginia Power further proposed two new energy efficiency programs for Virginia Commission approval with a requested five-year cost cap of $51 million for those programs, and to extend an existing peak-shaving program for an additional five years under current funding. This case is pending.
- The Virginia Commission previously approved Rider BW in conjunction with Brunswick County. In October 2015, Virginia Power proposed a $156 million total revenue requirement for the rate year beginning September 1, 2016, which represents a $45 million increase versus the previous year. This case is pending.
- In July 2015, Virginia Power filed an application with the Virginia Commission for a CPCN to construct and operate Greensville County and related transmission interconnection facilities. Virginia Power also applied for approval of Rider GV to recover the costs of Greensville County, and proposed a total revenue requirement of $42 million for the rate year beginning April 1, 2016. This case is pending.

Electric Transmission Projects

In November 2013, the Virginia Commission issued an order granting Virginia Power a CPCN to construct approximately 7 miles of new overhead 500 kV transmission line from the existing Surry switching station in Surry County to a new Skiffes Creek switching station in James City County, and approximately 20 miles of new 230 kV transmission line in James City County, York County, and the City of Newport News from the proposed new Skiffes Creek switching station to Virginia Power's existing Whealton substation in the City of Hampton. In February 2014, the Virginia Commission granted reconsideration requested by Virginia Power and issued an Order Amending Certificate. Several appeals were filed with the Supreme Court of Virginia. In April 2015, the Supreme Court of Virginia issued its opinion in the consolidated appeals of the Virginia Commission's order granting a CPCN for the Skiffes Creek transmission line and related facilities. The Supreme Court of Virginia unanimously affirmed all but one of the alleged grounds for appeal. The court approved the proposed project including the proposed route for a

500 kV overhead transmission line from Surry to the Skiffes Creek switching station site. The court reversed and remanded the Virginia Commission's determination in one set of appeals that the Skiffes Creek switching station was a transmission line for purposes of statutory exemption from local zoning ordinances. In May 2015, the Supreme Court of Virginia denied separate petitions filed by Virginia Power and the Virginia Commission to rehear its ruling regarding the Skiffes Creek switching station. Pending receipt of remaining required permits and approvals, Virginia Power expects to construct the project.

In May 2015, Virginia Power filed an application with the Virginia Commission for a CPCN to construct and operate in Loudoun County, Virginia, a new approximately 230 kV Poland Road substation, and a new approximately four mile overhead 230 kV double circuit transmission line between the existing 230 kV Loudoun-Brambleton line and the Poland Road substation. The total estimated cost of the project is approximately $55 million. This case is pending.

In November 2015, Virginia Power filed an application with the Virginia Commission for a CPCN to convert an existing transmission line to 230 kV in Prince William County, Virginia, and Loudoun County, Virginia, and to construct and operate a new approximately five mile overhead 230 kV double circuit transmission line between a tap point near the Gainesville substation and a new to-be-constructed Haymarket substation. The total estimated cost of the project is approximately $51 million. This case is pending.

In November 2015, Virginia Power filed an application with the Virginia Commission for a CPCN to construct and operate in multiple Virginia counties an approximately 38 mile overhead 230 kV transmission line between the Remington and Gordonsville substations, along with associated facilities. The total estimated cost of the project is approximately $104 million. This case is pending.

In February 2016, the Virginia Commission issued an order granting Virginia Power a CPCN to construct and operate the Remington CT-Warrenton 230 kV double circuit transmission line, the Vint Hill-Wheeler and Wheeler-Gainesville 230 kV lines and the 230 kV Vint Hill and Wheeler switching stations along Virginia Power's proposed route. The total estimated cost of the project is approximately $105 million.

North Anna

Virginia Power is considering the construction of a third nuclear unit at a site located at North Anna. If Virginia Power decides to build a new unit, it must first receive a COL from the NRC, approval of the Virginia Commission and certain environmental permits and other approvals. The COL is expected in 2017. Virginia Power has not yet committed to building a new nuclear unit at North Anna.

The motions and petitions filed by BREDL prior to April 2015 have been dismissed, and under a previous ruling of the NRC, the contested portion of the COL proceeding remains terminated. The NRC is required to conduct a hearing in all COL proceedings, and if a new contention is not admitted, the mandatory NRC hearing will be uncontested.

In April 2015, BREDL filed a new motion and petition seeking to object to the NRC's reliance on the continued storage rule in licensing proceedings. The BREDL filings are substantially the same as those filed in other COL proceedings in which final environmental impact statements were issued prior to promulgation of the continued storage rule, like North Anna 3. In June 2015, the NRC denied the April 2015 motion and petition.

In August 2015, BREDL filed a petition in the U.S. Court of Appeals for the D.C. Circuit seeking review of the NRC's June 2015 decision. Along with the petition for judicial review, BREDL also filed a motion to hold this judicial review in abeyance pending the outcome of the ongoing judicial review of the NRC's rule pertaining to the continued onsite storage of spent nuclear fuel in litigation pending before the same court. Similar petitions were filed seeking judicial review of the NRC's decision as it applies to other COL and license renewal proceedings. Virginia Power has filed a motion with the court to intervene in the proceeding. This case is pending.

North Anna and Offshore Wind Legislation

In April 2014, legislation was enacted in Virginia that permits Virginia Power to recover 70% of the costs previously deferred or capitalized related to the development of a third nuclear unit located at North Anna and offshore wind facilities through December 31, 2013 as part of the 2013 and 2014 base rates. Virginia Power had deferred or capitalized costs totaling $577 million for these projects as of December 31, 2013, substantially all of which relate to North Anna. For the 70% portion of these previously deferred or capitalized costs allocable to customers in Virginia, Virginia Power recognized such amounts as charges against net income beginning in the second quarter of 2014 and for the remainder of the year. During 2014, Virginia Power recognized $374 million ($248 million after-tax) in charges against income representing the cumulative recovery of costs from January 2013 through December 2014, which are primarily included in other operations and maintenance expense in the Consolidated Statements of Income. The remaining deferred or capitalized costs, as well as costs incurred after December 31, 2013, continue to be eligible for inclusion in a future rate adjustment clause.

North Carolina Regulation

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.

Ohio Regulation

PIR Program

In 2008, East Ohio began PIR, aimed at replacing approximately 25% of its pipeline system. In March 2015, East Ohio filed an application with the Ohio Commission requesting approval to extend the PIR program for an additional five years and to increase the annual capital investment, with corresponding increases in the annual rate-increase caps. In its application, East Ohio proposed that PIR investments for 2016 should fall under the existing authorization and that the new five-year period should include investment through December 31, 2021. East Ohio also proposed that the PIR investment should be increased by $20 million in 2017 and another $20 million in 2018, bringing the total annual investment to $200 million. Thereafter, East Ohio proposed capital investment increases of 3% per year for 2019 through 2021 to mitigate inflation and other cost pressures experienced to date, which will continue into the future. This case is pending.

In February 2015, East Ohio filed an application to adjust the PIR cost recovery for 2014 costs. The filing reflects gross plant investment for 2014 of $155 million, cumulative gross plant investment of $829 million and a revenue requirement of $108 million. This application was approved by the Ohio Commission in April 2015.

AMR Program

In 2007, East Ohio began installing automated meter reading technology for its 1.2 million customers in Ohio. The AMR program approved by the Ohio Commission was completed in 2012. Although no further capital investment will be added, East Ohio is approved to recover depreciation, property taxes, carrying charges and a return until East Ohio has another rate case.

In February 2015, East Ohio filed its application with the Ohio Commission to adjust its AMR cost recovery charge to recover costs for calendar year 2014 associated with AMR deployment. The filing reflects a projected revenue requirement of approximately $8 million. This application was approved by the Ohio Commission in April 2015.

PIPP Plus Program

Under the Ohio PIPP Plus Program, eligible customers can make reduced payments based on their ability to pay their bill. The difference between the customer's total bill and the PIPP amount is deferred and collected under the PIPP Rider in accordance with the rules of the Ohio Commission. In July 2015, East Ohio's annual update of the PIPP Rider was automatically approved by the Ohio Commission after a 45-day waiting period from the date of the filing. The revised rider rate reflects the refund for the twelve-month period from July 2015 through June 2016 of an over-recovery of accumulated arrearages of approximately $57 million as of March 31, 2015, net of projected deferred program costs of approximately $35 million from April 2015 through June 2016.

UEX Rider

East Ohio has approval for a UEX Rider through which it recovers the bad debt expense of most customers not participating in the PIPP Plus Program. The UEX Rider is adjusted annually to achieve dollar for dollar recovery of East Ohio's actual write-offs of uncollectible amounts. In July 2015, the Ohio Commission approved East Ohio's application to decrease its UEX Rider, which reflects a refund of over-recovered accumulated bad debt expense of $14 million as of March 31, 2015, and recovery of prospective net bad debt expense projected to total approximately $20 million for the twelve-month period from April 2015 to March 2016.

PSMP

In October 2015, East Ohio requested approval from the Ohio Commission to defer the operation and maintenance costs associated with implementing a proposed PSMP. The costs are not expected to exceed $15 million per year.

West Virginia Regulation

In September 2015, Hope requested approval of PREP from the West Virginia Commission. In the application, Hope proposed a projected capital investment for 2016 of $24 million as part of a total five-year projected capital investment of $158 million. In January 2016, Hope and the West Virginia Commission reached a settlement allowing Hope to include costs related to capital investment for 2016 of $20 million in new PREP customer rates effective March 1, 2016.

FERC—Gas

During the second quarter of 2013, DCG executed binding precedent agreements for the approximately $35 million Edgemoor Project. FERC approved the Edgemoor Project in February 2015, construction commenced in March 2015 and the project was placed into service in December 2015

In April 2014, DCG executed a binding precedent agreement for the approximately $35 million Columbia to Eastover Project. In May 2015, DCG filed an application to request FERC authorization to construct and operate the project facilities, which are expected to be in service in the third quarter of 2016.

In October 2015, Cove Point received authorization to construct the approximately $30 million St. Charles Transportation Project and the approximately $40 million Keys Energy Project. Construction on each project commenced in the fourth quarter of 2015. The St. Charles Transportation Project is anticipated to be placed into service in June 2016. The Keys Energy Project is anticipated to be placed into service in March 2017.

Note 14. Asset Retirement Obligations

AROs represent obligations that result from laws, statutes, contracts and regulations related to the eventual retirement of certain of the Companies' long-lived assets. Dominion's and Virginia Power's AROs are primarily associated with the decommissioning of their nuclear generation facilities and also include those for ash pond closures and the future abatement of asbestos expected to be disturbed in their generation facilities. Dominion Gas' AROs primarily include plugging and abandonment of gas and oil wells and the interim retirement of natural gas gathering, transmission, distribution and storage pipeline components.

The Companies have also identified, but not recognized, AROs related to the retirement of Dominion's LNG facility, Dominion Gas' storage wells in its underground natural gas storage network, certain Virginia Power electric transmission and distribution assets located on property with easements, rights of way, franchises and lease agreements, Virginia Power's hydroelectric generation facilities and the abatement of certain asbestos not expected to be disturbed in Dominion's and Virginia Power's generation facilities. The Companies currently do not have sufficient information to estimate a reasonable range of expected retirement dates for any of these assets since the economic lives of these assets can be extended indefinitely through regular repair and maintenance and they currently have no plans to retire or dispose of any of these assets. As a result, a settlement date is not determinable for these assets and AROs for these assets will not be reflected in the Consolidated Financial Statements until sufficient information becomes available to determine a reasonable estimate of the fair value of the activities to be performed. The Companies continue to monitor operational and strategic developments to identify if sufficient information exists to reasonably estimate a retirement date for these assets. The changes to AROs during 2014 and 2015 were as follows:

	Amount
(millions)	
Dominion	
AROs at December 31, 2013	$1,578
Obligations incurred during the period	40
Obligations settled during the period	(82)
Revisions in estimated cash flows(1)	102
Accretion	81
Other	(5)
AROs at December 31, 2014(2)	$1,714
Obligations incurred during the period(3)	**315**
Obligations settled during the period	**(106)**
Revisions in estimated cash flows(3)	**88**
Accretion	**93**
Other	**(1)**
AROs at December 31, 2015(2)	**$2,103**
Virginia Power	
AROs at December 31, 2013	$ 689
Obligations incurred during the period	28
Obligations settled during the period	(1)
Revisions in estimated cash flows(1)	108
Accretion	37
Other	(6)
AROs at December 31, 2014	$ 855
Obligations incurred during the period(3)	**289**
Obligations settled during the period	**(39)**
Revisions in estimated cash flows(3)	**92**
Accretion	**50**
AROs at December 31, 2015	**$1,247**
Dominion Gas	
AROs at December 31, 2013	$ 137
Obligations incurred during the period	2
Obligations settled during the period	(8)
Accretion	8
Other	8
AROs at December 31, 2014(4)	$ 147
Obligations incurred during the period	**5**
Obligations settled during the period	**(6)**
Revisions in estimated cash flows	**(5)**
Accretion	**9**
Other	**(1)**
AROs at December 31, 2015(4)	**$ 149**

(1) Relates primarily to a shift of the delayed planned date on which the DOE is expected to begin accepting spent nuclear fuel.
(2) Includes $81 million and $216 million reported in other current liabilities at December 31, 2014, and 2015, respectively.
(3) Primarily reflects future ash pond and landfill closure costs at certain utility generation facilities. See Note 22 for further information.
(4) Includes $140 million and $137 million reported in other deferred credits and other liabilities, with the remainder recorded in other current liabilities, at December 31, 2014 and 2015, respectively.

Dominion and Virginia Power have established trusts dedicated to funding the future decommissioning of their nuclear plants. At both December 31, 2015 and 2014, the aggregate fair value of Dominion's trusts, consisting primarily of equity and debt securities, totaled $4.2 billion. At both December 31, 2015 and 2014, the aggregate fair value of Virginia Power's trusts, consisting primarily of debt and equity securities, totaled $1.9 billion.

NOTE 15. VARIABLE INTEREST ENTITIES

The primary beneficiary of a VIE is required to consolidate the VIE and to disclose certain information about its significant variable interests in the VIE. The primary beneficiary of a VIE is the entity that has both 1) the power to direct the activities that most significantly impact the entity's economic performance and 2) the obligation to absorb losses or receive benefits from the entity that could potentially be significant to the VIE.

Dominion

Through August 2013, Dominion leased the Fairless generating facility in Pennsylvania, which began commercial operations in June 2004, from Juniper, the lessor. In August 2013, the lease expired and Dominion purchased Fairless for $923 million from Juniper per the terms of the lease agreement. However, as Dominion had previously consolidated Juniper, the purchase was accounted for as an equity transaction to acquire the noncontrolling interests from Juniper for $923 million, while Dominion retained control of Fairless.

Dominion has an initial 45% membership interest in Atlantic Coast Pipeline. See Note 9 for more details regarding the nature of this entity. Dominion concluded that Atlantic Coast Pipeline is a VIE because it has insufficient equity to finance its activities without additional subordinated financial support. Dominion has concluded that it is not the primary beneficiary of Atlantic Coast Pipeline as it does not have the power to direct the activities of Atlantic Coast Pipeline that most significantly impact its economic performance, as the power to direct is shared among multiple unrelated parties. Dominion is obligated to provide capital contributions based on its ownership percentage. Dominion's maximum exposure to loss is limited to its current and future investment.

Dominion and Dominion Gas

Dominion Midstream and Dominion Gas own a 25.93% and 24.72% noncontrolling partnership interest in Iroquois, respectively. See Note 3 for further details regarding the nature of this entity. Dominion concluded that Iroquois is a VIE because a non-affiliated Iroquois equity holder has the ability during a limited period of time to transfer its ownership interests to another Iroquois equity holder or its affiliate. At December 31, 2015, Dominion concluded that neither Dominion Midstream nor Dominion Gas is the primary beneficiary of Iroquois as they do not have the power to direct the activities of Iroquois that most significantly impact its economic performance, as the power to direct is shared among multiple unrelated parties. If Iroquois determines capital contributions are required, Dominion Midstream and Dominion Gas each would be obligated to provide the portion of capital contributions based on its ownership percentage. Dominion Midstream's and Dominion Gas' maximum exposure to loss is limited to their current and future investment.

Dominion Gas

DTI has been engaged to oversee the construction of, and to subsequently operate and maintain, the projects undertaken by Atlantic Coast Pipeline based on the overall direction and oversight of Atlantic Coast Pipeline's members. An affiliate of DTI holds a membership interest in Atlantic Coast Pipeline, therefore DTI is considered to have a variable interest in Atlantic Coast Pipeline. The members of Atlantic Coast Pipeline hold the power to direct the construction, operations and maintenance activities of the entity. DTI has concluded it is not the primary beneficiary of Atlantic Coast Pipeline as it does not have the power to direct the activities of Atlantic Coast Pipeline that most significantly impact its economic performance. DTI has no obligation to absorb any losses of the VIE. See Note 24 for information about associated related party receivable balances.

Virginia Power

Virginia Power had long-term power and capacity contracts with five non-utility generators, which contain certain variable pricing mechanisms in the form of partial fuel reimbursement that Virginia Power considers to be variable interests. Contracts with two of these non-utility generators expired during 2015 leaving a remaining aggregate summer generation capacity of approximately 418 MW. After an evaluation of the information provided by these entities, Virginia Power was unable to determine whether they were VIEs. However, the information they provided, as well as Virginia Power's knowledge of generation facilities in Virginia, enabled Virginia Power to conclude that, if they were VIEs, it would not be the primary beneficiary. This conclusion reflects Virginia Power's determination that its variable interests do not convey the power to direct the most significant activities that impact the economic performance of the entities during the remaining terms of Virginia Power's contracts and for the years the entities are expected to operate after its contractual relationships expire. The remaining contracts expire at various dates ranging from 2017 to 2021. Virginia Power is not subject to any risk of loss from these potential VIEs other than its remaining purchase commitments which totaled $439 million as of December 31, 2015. Virginia Power paid $200 million, $223 million, and $217 million for electric capacity and $83 million, $138 million, and $98 million for electric energy to these entities for the years ended December 31, 2015, 2014 and 2013, respectively.

Virginia Power and Dominion Gas

Virginia Power and Dominion Gas purchased shared services from DRS, an affiliated VIE, of $318 million and $115 million, $335 million and $106 million, and $331 million and $115 million for the years ended December 31, 2015, 2014 and 2013, respectively. Virginia Power and Dominion Gas determined that each is not the most closely associated entity with DRS and therefore neither is the primary beneficiary. DRS provides accounting, legal, finance and certain administrative and technical services to all Dominion subsidiaries, including Virginia Power and Dominion Gas. Virginia Power and Dominion Gas have no obligation to absorb more than their allocated shares of DRS costs.

NOTE 16. SHORT-TERM DEBT AND CREDIT AGREEMENTS

The Companies use short-term debt to fund working capital requirements and as a bridge to long-term debt financings. The levels of borrowing may vary significantly during the course of the year, depending upon the timing and amount of cash requirements not satisfied by cash from operations. In 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.

Dominion

Commercial paper and letters of credit outstanding, as well as capacity available under credit facilities, were as follows:

	Facility Limit	Outstanding Commercial Paper	Outstanding Letters of Credit	Facility Capacity Available
(millions)				
At December 31, 2015				
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**
At December 31, 2014				
Joint revolving credit facility(1)	$4,000	$2,664	$—	$1,336
Joint revolving credit facility(1)	500	111	48	341
Total	$4,500	$2,775(3)	$48	$1,677

(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 rates of the outstanding commercial paper supported by Dominion's credit facilities were 0.62% and 0.38% at December 31, 2015 and 2014, respectively.

Virginia Power

Virginia Power's short-term financing is supported through its access as co-borrower to the two joint revolving credit facilities. These credit facilities can be used for working capital, as support for the combined commercial paper programs of the Companies and for other general corporate purposes.

Virginia Power's share of commercial paper and letters of credit outstanding under its joint credit facilities with Dominion and Dominion Gas were as follows:

	Facility Limit [1]	Outstanding Commercial Paper	Outstanding Letters of Credit
(millions)			
At December 31, 2015			
Joint revolving credit facility[1][2]	**$4,000**	**$1,500**	**$—**
Joint revolving credit facility[1]	**500**	***156***	**—**
Total	**$4,500**	**$1,656[3]**	**$—**
At December 31, 2014			
Joint revolving credit facility[1]	$4,000	$1,250	$—
Joint revolving credit facility[1]	500	111	—
Total	$4,500	$1,361[3]	$—

(1) The full amount of the facilities is available to Virginia Power, less any amounts outstanding to co-borrowers Dominion and Dominion Gas. Sub-limits for Virginia Power are set within the facility limit but can be changed at the option of the Companies multiple times per year. At December 31, 2015, the sub-limit for Virginia Power was an aggregate $1.75 billion. If Virginia Power has liquidity needs in excess of its sub-limit, the sub-limit may be changed or such needs may be satisfied through short-term intercompany borrowings from Dominion. 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 $2.0 billion (or the sub-limit, whichever is less) 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 rates of the outstanding commercial paper supported by these credit facilities were 0.60% and 0.36% at December 31, 2015 and 2014, respectively.

In addition to the credit facility commitments mentioned above, Virginia Power also has a $120 million credit facility with a maturity date of April 2019. As of December 31, 2015, this facility supports $119 million of certain variable rate tax-exempt financings of Virginia Power.

Dominion Gas

Dominion Gas' short-term financing is supported by its access as co-borrower to the two joint revolving credit facilities. In December 2014, Dominion Gas entered into a commercial paper program pursuant to which it began accessing the commercial paper markets in January 2015.

Dominion Gas' share of commercial paper and letters of credit outstanding under its joint credit facilities with Dominion and Virginia Power were as follows:

	Facility Limit [1]	Outstanding Commercial Paper	Outstanding Letters of Credit
(millions)			
At December 31, 2015			
Joint revolving credit facility[1]	**$1,000**	**$391**	**$—**
Joint revolving credit facility[1]	***500***	**—**	**—**
Total	**$1,500**	**$391[2]**	**$—**
At December 31, 2014			
Joint revolving credit facility[1]	$1,000	$ —	$—
Joint revolving credit facility[1]	500	—	—
Total	$1,500	$ —	$—

(1) A maximum of a combined $1.5 billion of the facilities is available to Dominion Gas, assuming adequate capacity is available after giving effect to uses by co-borrowers Dominion and Virginia Power. Sub-limits for Dominion Gas are set within the facility limit but can be changed at the option of the Companies multiple times per year. At December 31, 2015, the sub-limit for Dominion Gas was an aggregate $500 million. In January 2016, the aggregate sub-limit for Dominion Gas was increased to $1.0 billion. If Dominion Gas has liquidity needs in excess of its sub-limit, the sub-limit may be changed or such needs may be satisfied through short-term intercompany borrowings from Dominion. 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 $1.5 billion (or the sub-limit, whichever is less) of letters of credit.

(2) The weighted-average interest rate of the outstanding commercial paper supported by these credit facilities was 0.63% at December 31, 2015.

NOTE 17. LONG-TERM DEBT

At December 31,	2015 Weighted-average Coupon[1]	2015	2014
(millions, except percentages)			
Dominion Gas Holdings, LLC:			
Unsecured Senior Notes:			
1.05% to 2.8%, due 2016 to 2020	2.26%	$ 1,550	$ 850
3.55% to 4.8%, due 2023 to 2044	4.15%	1,750	1,750
Dominion Gas Holdings, LLC total principal		$ 3,300	$ 2,600
Securities due within one year	1.05%	(400)	—
Unamortized discount		(8)	(6)
Dominion Gas Holdings, LLC total long-term debt		$ 2,892	$ 2,594
Virginia Electric and Power Company:			
Unsecured Senior Notes:			
1.2% to 8.625%, due 2015 to 2019	5.03%	$ 2,261	$ 2,471
2.75% to 8.875%, due 2022 to 2045	4.91%	6,292	5,592
Tax-Exempt Financings[2]:			
Variable rates, due 2016 to 2041	0.79%	194	606
0.70% to 5.6%, due 2023 to 2041	2.19%	678	266
Virginia Electric and Power Company total principal		$ 9,425	$ 8,935
Securities due within one year	5.24%	(476)	(211)
Unamortized discount and premium, net		—	2
Virginia Electric and Power Company total long-term debt		$ 8,949	$ 8,726
Dominion Resources, Inc.:			
Unsecured Senior Notes:			
Variable rates, due 2015 and 2016	1.11%	$ 600	$ 400
1.25% to 6.4%, due 2015 to 2019	3.05%	3,400	3,150
2.75% to 7.0%, due 2021 to 2044[3]	4.80%	5,099	4,449
Tax-Exempt Financing, variable rate, due 2041	1.16%	75	75
Unsecured Junior Subordinated Notes Payable to Affiliated Trust, 8.4%, due 2031	8.40%	10	10
Enhanced Junior Subordinated Notes:			
5.75% and 7.5%, due 2054 and 2066	6.27%	971	985
Variable rate, due 2066	2.90%	377	380
Remarketable Subordinated Notes, 1.07% to 1.50%, due 2019 to 2021	1.30%	2,100	2,100
Unsecured Debentures and Senior Notes[4]:			
6.8% and 6.875%, due 2026 and 2027	6.81%	89	89
Dominion Energy, Inc.:			
Tax-Exempt Financing, 2.375%, due 2033	2.38%	27	27
Dominion Gas Holdings, LLC total principal (from above)		3,300	2,600
Virginia Electric and Power Company total principal (from above)		9,425	8,935
Dominion Resources, Inc. total principal		$25,473	$23,200
Fair value hedge valuation[5]		7	19
Securities due within one year[6]	2.38%	(1,826)	(1,375)
Unamortized discount and premium, net		(38)	(39)
Dominion Resources, Inc. total long-term debt		$23,616	$21,805

(1) Represents weighted-average coupon rates for debt outstanding as of December 31, 2015.

(2) These financings relate to certain pollution control equipment at Virginia Power's generating facilities. Certain variable rate tax-exempt financings are supported by a $120 million credit facility that terminates in April 2019.

(3) At the option of holders, $510 million of Dominion's 5.25% senior notes due 2033 were subject to redemption at 100% of the principal amount plus accrued interest in August 2015. As a result, at December 31, 2014, the notes were included in securities due within one year in Dominion's Consolidated Balance Sheets. The option to redeem the notes expired in June 2015. At December 31, 2015, the notes are included in long-term debt in Dominion's Consolidated Balance Sheets.

(4) Represents debt assumed by Dominion from the merger of its former CNG subsidiary.

(5) Represents the valuation of certain fair value hedges associated with Dominion's fixed rate debt.

(6) Includes $4 million for fair value hedge valuation in 2014. Excludes $100 million of variable rate short-term notes scheduled to mature in May 2016 that were purchased and cancelled using the proceeds from the February 2016 issuance of senior notes that mature in 2018.

Based on stated maturity dates rather than early redemption dates that could be elected by instrument holders, the scheduled principal payments of long-term debt at December 31, 2015, were as follows:

	2016	2017	2018	2019	2020	Thereafter	Total
(millions, except percentages)							
Dominion Gas	$ 400	$ —	$ —	$ 450	$ 700	$ 1,750	$ 3,300
Weighted-average Coupon	1.05%			2.50%	2.80%	4.15%	
Virginia Power	$ 476	$ 679	$ 850	$ 350	$ —	$ 7,070	$ 9,425
Weighted-average Coupon	5.24%	5.44%	4.17%	5.00%		4.59%	
Dominion							
Unsecured Senior Notes[1]	$1,907	$1,354	$1,850	$2,000	$ 700	$13,230	$21,041
Tax-Exempt Financings	19	75	—	—	—	880	974
Unsecured Junior Subordinated Notes Payable to Affiliated Trusts	—	—	—	—	—	10	10
Enhanced Junior Subordinated Notes	—	—	—	—	—	1,348	1,348
Remarketable Subordinated Notes	—	—	—	550	1,000	550	2,100
Total	$1,926	$1,429	$1,850	$2,550	$1,700	$16,018	$25,473
Weighted-average Coupon	2.31%	3.28%	4.16%	3.09%	2.04%	4.54%	

(1) 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.

The Companies' short-term credit facilities and long-term debt agreements contain customary covenants and default provisions. As of December 31, 2015, there were no events of default under these covenants.

In January 2016, Virginia Power issued $750 million of 3.15% senior notes that mature in 2026.

In February 2016, Dominion issued $500 million of 2.125% senior notes in a private placement. The notes mature in 2018.

Senior Note Redemptions

As part of Dominion's Liability Management Exercise, in December 2014, Dominion redeemed five outstanding series of senior notes with an aggregate outstanding principal of $1.9 billion. The aggregate redemption price paid in December 2014 was $2.2 billion and represents the principal amount outstanding, accrued and unpaid interest and the applicable make-whole premium of $263 million. Total charges for the Liability Management Exercise of $284 million, including the make-whole premium, were recognized and recorded in interest expense in Dominion's Consolidated Statements of Income. Proceeds from Dominion's issuance of senior notes in November 2014 were used to offset the payment of the redemption price. Also see Convertible Securities called for redemption below.

Convertible Securities

As part of Dominion's Liability Management Exercise, in November 2014, Dominion provided notice to redeem all $22 million of outstanding contingent convertible senior notes. The senior notes were eligible for conversion during 2014. However, in lieu of redemption, holders elected to convert the remaining $22 million of notes in December 2014 into $26 million of common stock. Proceeds from Dominion's issuance of senior notes in November 2014 were used to offset the portion of the conversions paid in cash. At December 31, 2014, all of the senior notes have been converted and none remain outstanding.

Junior Subordinated Notes Payable to Affiliated Trusts

In previous years, Dominion established several subsidiary capital trusts, each as a finance subsidiary of Dominion, which holds 100% of the voting interests. The trusts sold capital securities representing preferred beneficial interests and 97% beneficial ownership in the assets held by the trusts. In exchange for the funds realized from the sale of the capital securities and common securities that represent the remaining 3% beneficial ownership interest in the assets held by the capital trusts, Dominion issued various junior subordinated notes. The junior subordinated notes constitute 100% of each capital trust's assets. Each trust must redeem its capital securities when their respective junior subordinated notes are repaid at maturity or if redeemed prior to maturity.

In January 2013, Dominion repaid its $258 million 7.83% unsecured junior subordinated debentures and redeemed all 250 thousand units of the $250 million 7.83% Dominion Resources Capital Trust I capital securities due December 1, 2027. The securities were redeemed at a price of $1,019.58 per capital security plus accrued and unpaid distributions.

Interest charges related to Dominion's junior subordinated notes payable to affiliated trusts were $1 million for the years ended December 31, 2015, 2014 and 2013.

Enhanced Junior Subordinated Notes

In June 2006 and September 2006, Dominion issued $300 million of June 2006 hybrids and $500 million of September 2006 hybrids, respectively. The June 2006 hybrids bear interest at 7.5% per year until June 30, 2016. Thereafter, they will bear interest at the three-month LIBOR plus 2.825%, reset quarterly. The September 2006 hybrids bear interest at the three-month LIBOR plus 2.3%, reset quarterly.

In June 2009, Dominion issued $685 million of 8.375% June 2009 hybrids. The June 2009 hybrids were listed on the NYSE under the symbol DRU.

In October 2014, Dominion issued $685 million of October 2014 hybrids that will bear interest at 5.75% per year until October 1, 2024. Thereafter, they will bear interest at the three-month LIBOR plus 3.057%, reset quarterly.

Dominion may defer interest payments on the hybrids on one or more occasions for up to 10 consecutive years. If the interest payments on the hybrids are deferred, Dominion may not make distributions related to its capital stock, including dividends, redemptions, repurchases, liquidation payments or guarantee payments during the deferral period. Also, during the deferral period, Dominion may not make any payments on or redeem or repurchase any debt securities that are equal in right of payment with, or subordinated to, the hybrids.

Dominion executed RCCs in connection with its issuance of the June 2006 hybrids, the September 2006 hybrids, and the June 2009 hybrids. Under the terms of the RCCs, Dominion covenants to and for the benefit of designated covered debtholders, as may be designated from time to time, that Dominion shall not redeem, repurchase, or defease all or any part of the hybrids, and shall not cause its majority owned subsidiaries to purchase all or any part of the hybrids, on or before their applicable RCC termination date, unless, subject to certain limitations, during the 180 days prior to such activity, Dominion has received a specified amount of proceeds as set forth in the RCCs from the sale of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than the applicable characteristics of the hybrids at that time, as more fully described in the RCCs. In September 2011, Dominion amended the RCCs of the June 2006 hybrids and September 2006 hybrids to expand the measurement period for consideration of proceeds from the sale of common stock issuances from 180 days to 365 days. In July 2014, Dominion amended the RCC of the June 2009 hybrids to expand the measurement period for consideration of proceeds from the sale of common stock or other equity-like issuances from 180 days to 365 days. The proceeds Dominion receives from the replacement offering, adjusted by a predetermined factor, must equal or exceed the redemption or repurchase price.

As part of Dominion's Liability Management Exercise, in October 2014, Dominion redeemed all $685 million of the June 2009 hybrids plus accrued interest with the net proceeds from the issuance of the October 2014 hybrids. In 2015, Dominion purchased and canceled $14 million and $3 million of the June 2006 hybrids and the September 2006 hybrids, respectively. In the first quarter of 2016, Dominion purchased and cancelled $37 million and $2 million of the June 2006 hybrids and the September 2006 hybrids, respectively. The redemption and all purchases were conducted in compliance with the RCCs.

Remarketable Subordinated Notes

In June 2013, Dominion issued $550 million of 2013 Series A 6.125% Equity Units and $550 million of 2013 Series B 6% Equity Units, initially in the form of Corporate Units. In July 2014, Dominion issued $1.0 billion of 2014 Series A 6.375% Equity Units, initially in the form of Corporate Units. The Corporate Units are listed on the NYSE under the symbols DCUA, DCUB and DCUC, respectively.

Each Corporate Unit consists of a stock purchase contract and 1/20 interest in a RSN issued by Dominion. The stock purchase contracts obligate the holders to purchase shares of Dominion common stock at a future settlement date prior to the relevant RSN maturity date. The purchase price to be paid under the stock purchase contracts is $50 per Corporate Unit and the number of shares to be purchased will be determined under a formula based upon the average closing price of Dominion common stock near the settlement date. The RSNs are pledged as collateral to secure the purchase of common stock under the related stock purchase contracts.

Dominion makes quarterly interest payments on the RSNs and quarterly contract adjustment payments on the stock purchase contracts, at the rates described below. Dominion may defer payments on the stock purchase contracts and the RSNs for one or more consecutive periods but generally not beyond the purchase contract settlement date. If payments are deferred, Dominion may not make any cash distributions related to its capital stock, including dividends, redemptions, repurchases, liquidation payments or guarantee payments. Also, during the deferral period, Dominion may not make any payments on or redeem or repurchase any debt securities that are equal in right of payment with, or subordinated to, the RSNs.

Dominion has recorded the present value of the stock purchase contract payments as a liability offset by a charge to equity. Interest payments on the RSNs are recorded as interest expense and stock purchase contract payments are charged against the liability. Accretion of the stock purchase contract liability is recorded as imputed interest expense. In calculating diluted EPS, Dominion applies the treasury stock method to the Equity Units.

Pursuant to the terms of the 2013 Equity Units and 2014 Equity Units, Dominion expects to remarket the 2013 Series A, 2013 Series B and 2014 Series A RSNs during the first and second quarters of 2016, and the second quarter of 2017, respectively. Following a successful remarketing, the interest rate on the RSNs will be reset, interest will be payable on a semi-annual basis and Dominion will cease to have the ability to redeem the RSNs at its option or defer interest payments. Proceeds of each remarketing will belong to the investors in the related equity units and will be held and applied on their behalf at the settlement date of the related stock purchase contracts to pay the purchase price to Dominion for issuance of its common stock.

Under the terms of the stock purchase contracts, assuming no anti-dilution or other adjustments, Dominion will issue between 8.5 million and 10.0 million shares of its common stock in both April 2016 and July 2016 and between 11.5 million and 14.4 million shares in July 2017. A total of 40.3 million shares of Dominion's common stock has been reserved for issuance in connection with the stock purchase contracts.

Selected information about Dominion's Equity Units is presented below:

Issuance Date	Units Issued	Total Net Proceeds	Total Long-term Debt	RSN Annual Interest Rate	Stock Purchase Contract Annual Rate	Stock Purchase Contract Liability[1]	Stock Purchase Settlement Date	RSN Maturity Date
(millions, except interest rates)								
6/7/2013	11	$533.5	$ 550.0	1.070%	5.055%	$ 76.7	4/1/2016	4/1/2021
6/7/2013	11	$553.5	$ 550.0	1.180%	4.820%	$ 79.3	7/1/2016	7/1/2019
7/1/2014	20	$982.0	$1,000.0	1.500%	4.875%	$142.8	7/1/2017	7/1/2020

(1) Payments of $101 million and $66 million were made in 2015 and 2014, respectively. The stock purchase contract liability was $115 million and $216 million at December 31, 2015 and 2014, respectively.

NOTE 18. PREFERRED STOCK

Dominion is authorized to issue up to 20 million shares of preferred stock; however, none were issued and outstanding at December 31, 2015 or 2014.

Virginia Power is authorized to issue up to 10 million shares of preferred stock, $100 liquidation preference. During 2014, Virginia Power redeemed 2.59 million shares, which represented all outstanding series of its preferred stock, some of which were redeemed as a part of Dominion's Liability Management Exercise in September 2014. Upon redemption, each series was no longer outstanding for any purpose and dividends ceased to accumulate. Virginia Power had no preferred stock issued and outstanding at December 31, 2015 or 2014.

NOTE 19. EQUITY

Issuance of Common Stock

DOMINION

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 received cash proceeds, net of fees and commissions, of $783 million from the issuance of approximately 11 million shares of common stock through various programs resulting in approximately 596 million of shares of common stock outstanding at December 31, 2015. These proceeds include cash of $284 million received from the issuance of 4.1 million of such shares through Dominion Direct® and employee savings plans.

In December 2014, Dominion filed an SEC shelf registration for the sale of debt and equity securities including the ability to sell common stock through an at-the-market program. Also in December 2014, Dominion entered into four separate sales agency agreements to effect sales under the program and pursuant to which it may offer from time to time up to $500 million aggregate amount of its common stock. Sales of common stock can be made by means of privately negotiated transactions, as transactions on the NYSE at market prices or in such other transactions as are agreed upon by Dominion and the sales agents and in conformance with applicable securities laws. During the first and second quarters of 2015, Dominion provided sales instructions to the sales agents and issued 4.0 million shares through at-the-market issuances and received cash proceeds of $297 million, net of fees and commissions paid of $3 million. Following these issuances, Dominion has the ability to issue up to approximately $200 million of stock under the 2014 sales agency agreements. However, Dominion completed its 2015 planned market issuances of equity in May 2015 with the issuance of 2.8 million shares and receipt of proceeds of $202 million through a registered underwritten public offering.

VIRGINIA POWER

In 2015, 2014 and 2013, Virginia Power did not issue any shares of its common stock to Dominion.

DOMINION GAS

On September 30, 2013, Dominion contributed its wholly-owned subsidiaries DTI, East Ohio and Dominion Iroquois to Dominion Gas in exchange for 100% of its limited liability company membership interests.

Shares Reserved for Issuance

At December 31, 2015, Dominion had approximately 50 million shares reserved and available for issuance for Dominion Direct®, employee stock awards, employee savings plans, director stock compensation plans and issuance in connection with stock purchase contracts. See Note 17 for more information.

Repurchase of Common Stock

Dominion did not repurchase any shares in 2015 or 2014 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 do 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.

Accumulated Other Comprehensive Income (Loss)

Presented in the table below is a summary of AOCI by component:

At December 31,	2015	2014
(millions)		
Dominion		
Net deferred losses on derivatives-hedging activities, net of tax of $110 and $116	**$(176)**	$(178)
Net unrealized gains on nuclear decommissioning trust funds, net of tax of $(281) and $(333)	**504**	548
Net unrecognized pension and other postretirement benefit costs, net of tax of $525 and $530	**(797)**	(782)
Other comprehensive loss from equity method investees, net of tax of $4 and $3	**(5)**	(4)
Total AOCI	**$(474)**	$(416)
Virginia Power		
Net deferred losses on derivatives-hedging activities, net of tax of $4 and $4	**$ (7)**	$ (7)
Net unrealized gains on nuclear decommissioning trust funds, net of tax of $(30) and $(35)	**47**	57
Total AOCI	**$ 40**	$ 50
Dominion Gas		
Net deferred losses on derivatives-hedging activities, net of tax of $10 and $11	**$ (17)**	$ (20)
Net unrecognized pension costs, net of tax of $56 and $46	**(82)**	(66)
Total AOCI	**$ (99)**	$ (86)

Dominion

The following table presents Dominion's changes in AOCI by component, net of tax:

	Deferred gains and losses on derivatives-hedging activities	Unrealized gains and losses on investment securities	Unrecognized pension and other postretirement benefit costs	Other comprehensive loss from equity method investees	Total
(millions)					
Year Ended December 31, 2015					
Beginning balance	**$(178)**	**$548**	**$(782)**	**$(4)**	**$(416)**
Other comprehensive income before reclassifications: gains (losses)	**110**	**6**	**(66)**	**(1)**	**49**
Amounts reclassified from AOCI: (gains) losses[1]	**(108)**	**(50)**	**51**	**—**	**(107)**
Net current period other comprehensive income (loss)	**2**	**(44)**	**(15)**	**(1)**	**(58)**
Ending balance	**$(176)**	**$504**	**$(797)**	**$(5)**	**$(474)**
Year Ended December 31, 2014					
Beginning balance	$(288)	$474	$(510)	$—	$(324)
Other comprehensive income before reclassifications: gains (losses)	17	128	(305)	(4)	(164)
Amounts reclassified from AOCI: (gains) losses[1]	93	(54)	33	—	72
Net current period other comprehensive income (loss)	110	74	(272)	(4)	(92)
Ending balance	$(178)	$548	$(782)	$(4)	$(416)

(1) See table below for details about these reclassifications.

The following table presents Dominion's reclassifications out of AOCI by component:

Details about AOCI components	Amounts reclassified from AOCI	Affected line item in the Consolidated Statements of Income
(millions)		
Year Ended December 31, 2015		
Deferred (gains) and losses on derivatives-hedging activities:		
Commodity contracts	**$(203)**	Operating revenue
	15	Purchased gas
	1	Electric fuel and other energy-related purchases
Interest rate contracts	**11**	Interest and related charges
Total	**(176)**	
Tax	**68**	Income tax expense
Total, net of tax	**$(108)**	
Unrealized (gains) and losses on investment securities:		
Realized (gain) loss on sale of securities	**$(110)**	Other income
Impairment	**31**	Other income
Total	**(79)**	
Tax	**29**	Income tax expense
Total, net of tax	**$ (50)**	
Unrecognized pension and other postretirement benefit costs:		
Prior-service costs (credits)	**$ (12)**	Other operations and maintenance
Actuarial losses	**98**	Other operations and maintenance
Total	**86**	
Tax	**(35)**	Income tax expense
Total, net of tax	**$ 51**	
Year Ended December 31, 2014		
Deferred (gains) and losses on derivatives-hedging activities:		
Commodity contracts	$ 130	Operating revenue
	13	Purchased gas
	(7)	Electric fuel and other energy-related purchases
Interest rate contracts	16	Interest and related charges
Total	152	
Tax	(59)	Income tax expense
Total, net of tax	$ 93	
Unrealized (gains) and losses on investment securities:		
Realized (gain) loss on sale of securities	$(100)	Other income
Impairment	13	Other income
Total	(87)	
Tax	33	Income tax expense
Total, net of tax	$ (54)	
Unrecognized pension and other postretirement benefit costs:		
Prior-service costs (credits)	$ (12)	Other operations and maintenance
Actuarial losses	69	Other operations and maintenance
Total	57	
Tax	(24)	Income tax expense
Total, net of tax	$ 33	

VIRGINIA POWER

The following table presents Virginia Power's changes in AOCI by component, net of tax:

	Deferred gains and losses on derivatives-hedging activities	Unrealized gains and losses on investment securities	Total
(millions)			
Year Ended December 31, 2015			
Beginning balance	**$(7)**	**$ 57**	**$ 50**
Other comprehensive income before reclassifications: losses	**(1)**	**(4)**	**(5)**
Amounts reclassified from AOCI: (gains) losses[1]	**1**	**(6)**	**(5)**
Net current period other comprehensive income (loss)	**—**	**(10)**	**(10)**
Ending balance	**$(7)**	**$ 47**	**$ 40**
Year Ended December 31, 2014			
Beginning balance	$—	$ 48	$ 48
Other comprehensive income before reclassifications: gains (losses)	(4)	15	11
Amounts reclassified from AOCI: gains[1]	(3)	(6)	(9)
Net current period other comprehensive income (loss)	(7)	9	2
Ending balance	$(7)	$ 57	$ 50

(1) See table below for details about these reclassifications.

The following table presents Virginia Power's reclassifications out of AOCI by component:

Details about AOCI components	Amounts reclassified from AOCI	Affected line item in the Consolidated Statements of Income
(millions)		
Year Ended December 31, 2015		
(Gains) losses on cash flow hedges:		
Commodity contracts	**$ 1**	Electric fuel and other energy-related purchases
Total	**1**	
Tax	**—**	Income tax expense
Total, net of tax	**$ 1**	
Unrealized (gains) and losses on investment securities:		
Realized (gain) loss on sale of securities	**$(14)**	Other income
Impairment	**4**	Other income
Total	**(10)**	
Tax	**4**	Income tax expense
Total, net of tax	**$ (6)**	
Year Ended December 31, 2014		
(Gains) losses on cash flow hedges:		
Commodity contracts	$ (5)	Electric fuel and other energy-related purchases
Total	(5)	
Tax	2	Income tax expense
Total, net of tax	$ (3)	
Unrealized (gains) and losses on investment securities:		
Realized (gain) loss on sale of securities	$(10)	Other income
Total	(10)	
Tax	4	Income tax expense
Total, net of tax	$ (6)	

Dominion Gas

The following table presents Dominion Gas' changes in AOCI by component, net of tax:

	Deferred gains and losses on derivatives-hedging activities	Unrecognized pension costs	Total
(millions)			
Year Ended December 31, 2015			
Beginning balance	**$(20)**	**$(66)**	**$(86**
Other comprehensive income before reclassifications: gains (losses)	**6**	**(20)**	**(14)**
Amounts reclassified from AOCI: (gains) losses[1]	**(3)**	**4**	**1**
Net current period other comprehensive income (loss)	**3**	**(16)**	**(13)**
Ending balance	**$(17)**	**$(82)**	**$(99)**
Year Ended December 31, 2014			
Beginning balance	$ 3	$(61)	$(58)
Other comprehensive income before reclassifications: losses	(31)	(10)	(41)
Amounts reclassified from AOCI: losses[1]	8	5	13
Net current period other comprehensive loss	(23)	(5)	(28)
Ending balance	$(20)	$(66)	$(86)

(1) See table below for details about these reclassifications.

The following table presents Dominion Gas' reclassifications out of AOCI by component:

Details about AOCI components	Amounts reclassified from AOCI	Affected line item in the Consolidated Statements of Income
(millions)		
Year Ended December 31, 2015		
Deferred (gains) and losses on derivatives-hedging activities:		
Commodity contracts	**$ (6)**	Operating revenue
Total	**(6)**	
Tax	**3**	*Income tax expense*
Total, net of tax	**$ (3)**	
Unrecognized pension costs:		
Actuarial losses	**$ 7**	Other operations and maintenance
Total	**7**	
Tax	**(3)**	Income tax expense
Total, net of tax	**$ 4**	
Year Ended December 31, 2014		
Deferred (gains) and losses on derivatives-hedging activities:		
Commodity contracts	$ (2)	Operating revenue
	14	Purchased gas
Interest rate contracts	1	Interest and related charges
Total	13	
Tax	(5)	Income tax expense
Total, net of tax	$ 8	
Unrecognized pension costs:		
Prior service costs	$ 1	Other operations and maintenance
Actuarial losses	7	Other operations and maintenance
Total	8	
Tax	(3)	Income tax expense
Total, net of tax	$ 5	

Stock-Based Awards

The 2005 and 2014 Incentive Compensation Plans permit stock-based awards that include restricted stock, performance grants, goal-based stock, stock options, and stock appreciation rights. The Non-Employee Directors Compensation Plan permits grants of restricted stock and stock options. Under provisions of these plans, employees and non-employee directors may be granted options to purchase common stock at a price not less than its fair market value at the date of grant with a maximum term of eight years. Option terms are set at the discretion of the CGN Committee of the Board of Directors or the Board of Directors itself, as provided under each plan. At December 31, 2015, approximately 25 million shares were available for future grants under these plans.

Dominion measures and recognizes compensation expense relating to share-based payment transactions over the vesting period based on the fair value of the equity or liability instruments issued. Dominion's results for the years ended December 31, 2015, 2014 and 2013 include $39 million, $39 million, and $31 million, respectively, of compensation costs and $14 million, $14 million, and $11 million, respectively of income tax benefits related to Dominion's stock-based compensation arrangements. Stock-based compensation cost is reported in other operations and maintenance expense in Dominion's Consolidated Statements of Income. Excess Tax Benefits are classified as a financing cash flow. Dominion realized $3 million of excess tax benefits from the vesting of restricted stock awards and exercise of stock options during the year ended December 31, 2015, and less than $1 million during the years ended December 31, 2014 and 2013.

Restricted Stock

Restricted stock grants are made to officers under Dominion's LTIP and may also be granted to certain key non-officer employees from time to time. The fair value of Dominion's restricted stock awards is equal to the closing price of Dominion's stock on the date of grant. New shares are issued for restricted stock awards on the date of grant and generally vest over a three-year service period. The following table provides a summary of restricted stock activity for the years ended December 31, 2015, 2014 and 2013:

	Shares	Weighted - average Grant Date Fair Value
	(thousands)	
Nonvested at December 31, 2012	1,085	$44.46
Granted	312	54.70
Vested	(356)	39.00
Cancelled and forfeited	(34)	51.11
Nonvested at December 31, 2013	1,007	$49.35
Granted	354	67.98
Vested	(278)	44.50
Cancelled and forfeited	(18)	53.61
Nonvested at December 31, 2014	1,065	$56.74
Granted	**302**	**73.26**
Vested	**(510)**	**50.71**
Cancelled and forfeited	**(2)**	**62.62**
Nonvested at December 31, 2015	**855**	**$66.16**

As of December 31, 2015, unrecognized compensation cost related to nonvested restricted stock awards totaled $27 million and is expected to be recognized over a weighted-average period of 2.0 years. The fair value of restricted stock awards that vested was $37 million, $19 million, and $20 million in 2015, 2014 and 2013, respectively. Employees may elect to have shares of restricted stock withheld upon vesting to satisfy tax withholding obligations. The number of shares withheld will vary for each employee depending on the vesting date fair market value of Dominion stock and the applicable federal, state and local tax withholding rates.

Goal-Based Stock

Goal-based stock awards are granted under Dominion's LTIP to officers who have not achieved a certain targeted level of share ownership, in lieu of cash-based performance grants. Goal-based stock awards may also be made to certain key non-officer employees from time to time. Current outstanding goal-based shares include awards granted to officers in February 2014 and February 2015.

The issuance of awards is based on the achievement of two performance metrics during a two-year period: TSR relative to that of companies listed as members of the Philadelphia Utility Index as of the end of the performance period and ROIC. The actual number of shares issued will vary between zero and 200% of targeted shares depending on the level of performance metrics achieved. The fair value of goal-based stock is equal to the closing price of Dominion's stock on the date of grant. Goal-based stock awards granted to key non-officer employees convert to restricted stock at the end of the two-year performance period and generally vest three years from the original grant date. Awards to officers vest at the end of the two-year performance period. All goal-based stock awards are settled by issuing new shares.

The following table provides a summary of goal-based stock activity for the years ended December 31, 2015, 2014 and 2013:

	Targeted Number of Shares	Weighted - average Grant Date Fair Value
	(thousands)	
Nonvested at December 31, 2012	4	$45.60
Granted	4	54.17
Vested	(2)	43.54
Cancelled and forfeited	(1)	43.54
Nonvested at December 31, 2013	5	$53.85
Granted	13	68.83
Vested	(1)	52.48
Nonvested at December 31, 2014	17	$65.15
Granted	**14**	**72.72**
Vested	**(7)**	**56.22**
Nonvested at December 31, 2015	**24**	**$72.27**

At December 31, 2015, the targeted number of shares expected to be issued under the February 2014 and February 2015 awards was approximately 24 thousand. In January 2016, the CGN Committee determined the actual performance against metrics established for the February 2014 awards with a performance period that ended December 31, 2015. Based on that determination, the total number of shares to be issued under the February 2014 goal-based stock awards was approximately 10 thousand.

As of December 31, 2015, unrecognized compensation cost related to nonvested goal-based stock awards was not material.

CASH-BASED PERFORMANCE GRANTS

Cash-based performance grants are made to Dominion's officers under Dominion's LTIP. The actual payout of cash-based performance grants will vary between zero and 200% of the targeted amount based on the level of performance metrics achieved.

In February 2012, a cash-based performance grant was made to officers. A portion of the grant, representing the initial payout of $8 million was paid in December 2013, based on the achievement of two performance metrics during 2012 and 2013: TSR relative to that of companies listed as members of the Philadelphia Utility Index as of the end of the performance period and ROIC. The total amount of the award under the grant was $12 million and the remaining portion of the grant was paid in January 2014.

In February 2013, a cash-based performance grant was made to officers. A portion of the grant, representing the initial payout of $14 million was paid in December 2014, based on the achievement of two performance metrics during 2013 and 2014: TSR relative to that of companies listed as members of the Philadelphia Utility Index as of the end of the performance period and ROIC. The total amount of the award under the grant was $20 million and the remaining portion of the grant was paid in February 2015.

In February 2014, a cash-based performance grant was made to officers. Payout of the performance grant is expected to occur by March 15, 2016 based on the achievement of two performance metrics during 2014 and 2015: TSR relative to that of companies listed as members of the Philadelphia Utility Index as of the end of the performance period and ROIC. The total expected award under the grant is $10 million and the grant is expected to be paid by March 15, 2016. At December 31, 2015, a liability of $10 million had been accrued for this award.

In February 2015, a cash-based performance grant was made to officers. Payout of the performance grant is expected to occur by March 15, 2017 based on the achievement of two performance metrics during 2015 and 2016: TSR relative to that of companies listed as members of the Philadelphia Utility Index as of the end of the performance period and ROIC. At December 31, 2015, the targeted amount of the grant was $14 million and a liability of $7 million had been accrued for this award.

NOTE 20. DIVIDEND RESTRICTIONS

The Virginia Commission may prohibit any public service company, including Virginia Power, from declaring or paying a dividend to an affiliate if found to be detrimental to the public interest. At December 31, 2015, the Virginia Commission had not restricted the payment of dividends by Virginia Power.

The Ohio Commission may prohibit any public service company, including East Ohio, from declaring or paying a dividend to an affiliate if found to be detrimental to the public interest. At December 31, 2015, the Ohio Commission had not restricted the payment of dividends by East Ohio.

Certain agreements associated with the Companies' credit facilities contain restrictions on the ratio of debt to total capitalization. These limitations did not restrict the Companies' ability to pay dividends or receive dividends from their subsidiaries at December 31, 2015.

See Note 17 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.

NOTE 21. EMPLOYEE BENEFIT PLANS

Dominion and Dominion Gas—Defined Benefit Plans

Dominion provides certain retirement benefits to eligible active employees, retirees and qualifying dependents. Dominion Gas participates in a number of the Dominion-sponsored retirement plans. Under the terms of its benefit plans, Dominion reserves the right to change, modify or terminate the plans. From time to time in the past, benefits have changed, and some of these changes have reduced benefits.

Dominion maintains qualified noncontributory defined benefit pension plans covering virtually all employees. Retirement benefits are based primarily on years of service, age and the employee's compensation. Dominion's funding policy is to contribute annually an amount that is in accordance with the provisions of ERISA. The pension program also provides benefits to certain retired executives under a company-sponsored nonqualified employee benefit plan. The nonqualified plan is funded through contributions to a grantor trust. Dominion also provides retiree healthcare and life insurance benefits with annual employee premiums based on several factors such as age, retirement date and years of service.

Pension benefits for Dominion Gas employees not represented by collective bargaining units are covered by the Dominion Pension Plan, a defined benefit pension plan sponsored by Dominion that provides benefits to multiple Dominion subsidiaries. Pension benefits for Dominion Gas employees represented by collective bargaining units are covered by separate pension plans for East Ohio and, for DTI, a plan that provides benefits to employees of both DTI and Hope. Employee compensation is the basis for allocating pension costs and obligations between DTI and Hope and determining East Ohio's share of total pension costs.

Retiree healthcare and life insurance benefits for Dominion Gas employees not represented by collective bargaining units are covered by the Dominion Retiree Health and Welfare Plan, a plan sponsored by Dominion that provides certain retiree healthcare and life insurance benefits to multiple Dominion subsidiaries. Retiree healthcare and life insurance benefits for Dominion Gas employees represented by collective bargaining units are covered by separate other postretirement benefit plans for East Ohio and, for DTI, a plan that provides benefits to both DTI and Hope. Employee headcount is the basis for allocating other postretirement benefit costs and obligations between DTI and Hope and determining East Ohio's share of total other postretirement benefit costs.

Pension and other postretirement benefit costs are affected by employee demographics (including age, compensation levels and years of service), the level of contributions made to the plans and earnings on plan assets. These costs may also be affected by changes in key assumptions, including expected long-term rates of return on plan assets, discount rates, healthcare cost trend rates, mortality rates and the rate of compensation increases.

Dominion uses December 31 as the measurement date for all of its employee benefit plans, including those in which Dominion Gas participates. Dominion uses the market-related value of pension plan assets to determine the expected return on plan assets, a component of net periodic pension cost, for all pension plans, including those in which Dominion Gas participates. The market-related value recognizes changes in fair value on a straight-line basis over a four-year period, which reduces year-to-year volatility. Changes in fair value are measured as the difference between the expected and actual plan asset returns, including dividends, interest and realized and unrealized investment gains and losses. Since the market-related value recognizes changes in fair value over a four-year period, the future market-related value of pension plan assets will be impacted as previously unrecognized changes in fair value are recognized.

Dominion's pension and other postretirement benefit plans hold investments in trusts to fund employee benefit payments. 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.

The Medicare Act introduced a federal subsidy to sponsors of retiree healthcare benefit plans that provide a prescription drug benefit that is at least actuarially equivalent to Medicare Part D. Dominion determined that the prescription drug benefit offered under its other postretirement benefit plans is at least actuarially equivalent to Medicare Part D. Dominion and Dominion Gas received a federal subsidy of $4 million and $1 million, respectively, for 2014. Effective January 1, 2013, Dominion changed its method of receiving the subsidy under Medicare Part D for retiree prescription drug coverage from the Retiree Drug Subsidy to the EGWP. This change reduced other postretirement benefit costs by approximately $20 million annually beginning in 2012. As a result of the adoption of the EGWP, Dominion begins to receive an increased level of Medicare Part D subsidies in the form of reduced costs rather than a direct reimbursement.

In October 2014, the Society of Actuaries published new mortality tables and mortality improvement scales. Such tables and scales are used to develop mortality assumptions for use in determining pension and other postretirement benefit liabilities and expense. Following evaluation of the new tables, Dominion changed its assumption for mortality rates to reflect a generational improvement scale. As a result of this change in assumption, at December 31, 2014 Dominion and Dominion Gas (for employees represented by collective bargaining units) increased their pension benefit obligations by $131 million and $10 million, respectively, and increased their accumulated postretirement benefit obligations by $32 million and $7 million, respectively. This change increased net periodic benefit cost for Dominion and Dominion Gas (for employees represented by collective bargaining units) by $25 million and $3 million, respectively, for 2015.

Dominion remeasured all of its pension and other postretirement benefit plans in the second quarter of 2013. The remeasurement resulted in a reduction in the pension benefit obligation of $354 million and a reduction in the accumulated postretirement benefit obligation of $78 million. For Dominion Gas employees represented by collective bargaining units, the remeasurement resulted in a reduction in the pension benefit obligation of $28 million and a reduction in the accumulated postretirement benefit obligation of $9 million. The impact of the remeasurement on net periodic benefit (credit) cost was recognized prospectively from the remeasurement date and reduced net periodic benefit cost for 2013 by $36 million, excluding the impacts of curtailments, and for Dominion Gas employees represented by collective bargaining units by $2 million. The discount rate used for the remeasurement was 4.80% for the pension plans and 4.70% for the other postretirement benefit plans. All other assumptions used for the remeasurement were consistent with the measurement as of December 31, 2012.

In the fourth quarter of 2013, Dominion remeasured its other postretirement benefit plans as a result of a plan amendment that changed medical coverage for certain Medicare-eligible retirees effective April 2014. The remeasurement resulted in a reduction in the accumulated postretirement benefit obligation of $220 million. The impact of the remeasurement on net periodic benefit (credit) cost was recognized prospectively from the remeasurement date and reduced net periodic benefit cost for 2013 by $8 million. The amendment is expected to reduce net periodic benefit cost by $40 million to $60 million for each of the next five years. The discount rate used for the remeasurement was 4.80%. All other assumptions used for the remeasurement were consistent with the measurement as of December 31, 2012.

In the third quarter of 2014, East Ohio remeasured its other postretirement benefit plan as a result of an amendment that changed medical coverage upon the attainment of age 65 for certain future retirees effective January 1, 2016. For employees represented by collective bargaining units, the remeasurement resulted in an increase in the accumulated postretirement benefit obligation of $22 million. The impact of the remeasurement on net periodic benefit credit was recognized prospectively from the remeasurement date and reduced net periodic benefit credit for 2014, for employees represented by collective bargaining units, by less than $1 million. The discount rate used for the remeasurement was 4.20% and the expected long-term rate of return used was 8.50%. All other assumptions used for the remeasurement were consistent with the measurement as of December 31, 2013.

Funded Status

The following table summarizes the changes in pension plan and other postretirement benefit plan obligations and plan assets and includes a statement of the plans' funded status for Dominion and Dominion Gas (for employees represented by collective bargaining units):

	Pension Benefits		Other Postretirement Benefits	
Year Ended December 31,	**2015**	2014	**2015**	2014
(millions, except percentages)				
DOMINION				
Changes in benefit obligation:				
Benefit obligation at beginning of year	**$ 6,667**	$ 5,625	**$ 1,571**	$ 1,360
Service cost	**126**	114	**40**	32
Interest cost	**287**	290	**67**	67
Benefits paid	**(246)**	(236)	**(79)**	(78)
Actuarial (gains) losses during the year	**(443)**	887	**(138)**	177
Plan amendments[1]	**—**	—	**(31)**	9
Settlements and curtailments[2]	**—**	(13)	**—**	—
Medicare Part D reimbursement	**—**	—	**—**	4
Benefit obligation at end of year	**$ 6,391**	$ 6,667	**$ 1,430**	$ 1,571
Changes in fair value of plan assets:				
Fair value of plan assets at beginning of year	**$ 6,480**	$ 6,113	**$ 1,402**	$ 1,315
Actual return (loss) on plan assets	**(71)**	601	**(1)**	105
Employer contributions	**3**	15	**12**	12
Benefits paid	**(246)**	(236)	**(31)**	(30)
Settlements[2]	**—**	(13)	**—**	—
Fair value of plan assets at end of year	**$ 6,166**	$ 6,480	**$ 1,382**	$ 1,402
Funded status at end of year	**$ (225)**	$ (187)	**$ (48)**	$ (169)
Amounts recognized in the Consolidated Balance Sheets at December 31:				
Noncurrent pension and other postretirement benefit assets	**$ 931**	$ 946	**$ 12**	$ 10
Other current liabilities	**(14)**	(13)	**(3)**	(3)
Noncurrent pension and other postretirement benefit liabilities	**(1,142)**	(1,120)	**(57)**	(176)
Net amount recognized	**$ (225)**	$ (187)	**$ (48)**	$ (169)
Significant assumptions used to determine benefit obligations as of December 31:				
Discount rate	**4.96%–4.99%**	4.40%	**4.93%–4.94%**	4.40%
Weighted average rate of increase for compensation	**4.22%**	4.22%	**4.22%**	4.22%
Expected long-term rate of return on plan assets	**8.75%**	8.75%	**8.50%**	8.50%
DOMINION GAS				
Changes in benefit obligation:				
Benefit obligation at beginning of year	**$ 638**	$ 563	**$ 320**	$ 269
Service cost	**15**	12	**7**	6
Interest cost	**27**	28	**14**	13
Benefits paid	**(29)**	(29)	**(18)**	(16)
Actuarial (gains) losses during the year	**(43)**	64	**(31)**	38
Plan amendments	**—**	—	**—**	9
Medicare Part D reimbursement	**—**	—	**—**	1
Benefit obligation at end of year	**$ 608**	$ 638	**$ 292**	$ 320
Changes in fair value of plan assets:				
Fair value of plan assets at beginning of year	**$ 1,510**	$ 1,403	**$ 288**	$ 273
Actual return (loss) on plan assets	**(14)**	136	**1**	21
Employer contributions	**—**	—	**12**	10
Benefits paid	**(29)**	(29)	**(18)**	(16)
Fair value of plan assets at end of year	**$ 1,467**	$ 1,510	**$ 283**	$ 288
Funded status at end of year	**$ 859**	$ 872	**$ (9)**	$ (32)
Amounts recognized in the Consolidated Balance Sheets at December 31:				
Noncurrent pension and other postretirement benefit assets	**$ 859**	$ 872	**$ —**	$ —
Noncurrent pension and other postretirement benefit liabilities[3]	**—**	—	**(9)**	(32)
Net amount recognized	**$ 859**	$ 872	**$ (9)**	$ (32)
Significant assumptions used to determine benefit obligations as of December 31:				
Discount rate	**4.99%**	4.40%	**4.93%**	4.40%
Weighted average rate of increase for compensation	**3.93%**	3.93%	**3.93%**	3.93%
Expected long-term rate of return on plan assets	**8.75%**	8.75%	**8.50%**	8.50%

(1) 2015 amount relates primarily to a plan amendment that changed retiree medical benefits for certain nonunion employees after Medicare eligibility.
(2) Relates primarily to a settlement charge for certain executives.
(3) Reflected in other deferred credits and other liabilities in Dominion Gas' Consolidated Balance Sheets.

The ABO for all of Dominion's defined benefit pension plans was $5.8 billion and $6.0 billion at December 31, 2015 and 2014, respectively. The ABO for the defined benefit pension plans covering Dominion Gas employees represented by collective bargaining units was $578 million and $604 million at December 31, 2015 and 2014, respectively.

Under its funding policies, Dominion evaluates plan funding requirements annually, usually in the fourth quarter after receiving updated plan information from its actuary. Based on the funded status of each plan and other factors, Dominion determines the amount of contributions for the current year, if any, at that time. During 2015, Dominion and Dominion Gas made no contributions to the qualified defined benefit pension plans and no contributions are currently expected in 2016. In July 2012, the MAP 21 Act was signed into law. This Act includes an increase in the interest rates used to determine plan sponsors' pension contributions for required funding purposes. In 2014, the HATFA of 2014 was signed into law. Similar to the MAP 21 Act, the HATFA of 2014 adjusts the rules for calculating interest rates used in determining funding obligations. It is estimated that the new interest rates will reduce required pension contributions through 2019. Dominion believes that required pension contributions will rise subsequent to 2019, resulting in an estimated $200 million reduction in net cumulative required contributions over a 10-year period.

Certain regulatory authorities have held that amounts recovered in utility customers' rates for other postretirement benefits, in excess of benefits actually paid during the year, must be deposited in trust funds dedicated for the sole purpose of paying such benefits. Accordingly, certain of Dominion's subsidiaries, including Dominion Gas, fund other postretirement benefit costs through VEBAs. Dominion's remaining subsidiaries do not prefund other postretirement benefit costs but instead pay claims as presented. Dominion's contributions to VEBAs, all of which pertained to Dominion Gas employees, totaled $12 million for both 2015 and 2014, and Dominion expects to contribute approximately $12 million to the Dominion VEBAs in 2016, all of which pertains to Dominion Gas employees.

Dominion and Dominion Gas do not expect any pension or other postretirement plan assets to be returned during 2016.

The following table provides information on the benefit obligations and fair value of plan assets for plans with a benefit obligation in excess of plan assets for Dominion and Dominion Gas (for employees represented by collective bargaining units):

	Pension Benefits		Other Postretirement Benefits	
As of December 31,	**2015**	2014	**2015**	2014
(millions)				
DOMINION				
Benefit obligation	**$5,728**	$5,970	**$359**	$1,564
Fair value of plan assets	**4,571**	4,838	**299**	1,385
DOMINION GAS				
Benefit obligation	**$ —**	$ —	**$292**	$ 320
Fair value of plan assets	**—**	—	**283**	288

The following table provides information on the ABO and fair value of plan assets for Dominion's pension plans with an ABO in excess of plan assets:

As of December 31,	**2015**	2014
(millions)		
Accumulated benefit obligation	**$5,198**	$5,370
Fair value of plan assets	**4,571**	4,838

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for Dominion's and Dominion Gas' (for employees represented by collective bargaining units) plans:

	Estimated Future Benefit Payments	
	Pension Benefits	Other Postretirement Benefits
(millions)		
DOMINION		
2016	**$288**	**$ 92**
2017	**303**	**96**
2018	**324**	**99**
2019	**337**	**100**
2020	**359**	**102**
2021-2025	**2,023**	**512**
DOMINION GAS		
2016	**$ 35**	**$ 18**
2017	**37**	**19**
2018	**39**	**21**
2019	**40**	**21**
2020	**41**	**21**
2021-2025	**208**	**107**

Plan Assets

Dominion's overall objective for investing its pension and other postretirement plan assets is to achieve appropriate long-term rates of return commensurate with prudent levels of risk. As a participating employer in various pension plans sponsored by Dominion, Dominion Gas is subject to Dominion's investment policies for such plans. To minimize risk, funds are broadly diversified among asset classes, investment strategies and investment advisors. The strategic target asset allocations for Dominion's pension funds are 28% U.S. equity, 18% non-U.S. equity, 35% fixed income, 3% real estate and 16% other alternative investments. U.S. equity includes investments in large-cap, mid-cap and small-cap companies located in the United States. Non-U.S. equity includes investments in large-cap and small-cap companies located outside of the United States including both developed and emerging markets. Fixed income includes corporate debt instruments of companies from diversified industries and U.S. Treasuries. The U.S. equity, non-U.S. equity and fixed income investments are in individual securities as well as mutual funds. Real estate includes equity REITs and investments in partnerships. Other alternative investments include partnership investments in private equity, debt and hedge funds that follow several different strategies.

Dominion also utilizes common/collective trust funds as an investment vehicle for its defined benefit plans. A common/collective trust fund is a pooled fund operated by a bank or trust company for investment of the assets of various organizations and individuals in a well-diversified portfolio. Common/collective trust funds are funds of grouped assets that follow various investment strategies.

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 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 post-retirement plan risk, while still achieving attractive levels of returns. Financial derivatives may be used to obtain or manage market exposures and to hedge assets and liabilities.

For fair value measurement policies and procedures related to pension and other postretirement benefit plan assets, see Note 6.

The fair values of Dominion's and Dominion Gas' (for employees represented by collective bargaining units) pension plan assets by asset category are as follows:

At December 31,	2015				2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
(millions)								
DOMINION								
Cash equivalents	$ 16	$ —	$—	$ 16	$ 13	$ 25	$—	$ 38
U.S. equity:								
Large Cap	1,178	—	—	1,178	1,313	—	—	1,313
Other	475	—	—	475	530	—	—	530
Non-U.S. equity:								
Large Cap	286	—	—	286	234	—	—	234
Other	493	—	—	493	403	—	—	403
Common/collective trust funds(1)	—	330	—	330	—	360	—	360
Fixed income:								
Corporate debt instruments	40	672	—	712	45	666	—	711
U.S. Treasury securities and agency debentures	60	298	—	358	74	342	—	416
State and municipal	20	54	—	74	10	60	—	70
Other securities	9	61	—	70	6	80	—	86
Real estate-REITs	90	—	—	90	40	—	—	40
Total recorded at fair value	$2,667	$1,415	$—	$4,082	$2,668	$1,533	$—	$4,201
Assets recorded at NAV(2):								
Common/collective trust funds(1)				1,200				1,235
Real estate-Partnerships				153				209
Other alternative investments:								
Private equity				465				518
Debt				170				144
Hedge funds				86				162
Total recorded at NAV				$2,074				$2,268
Total(3)				$6,156				$6,469
DOMINION GAS								
Cash equivalents	$ 4	$ —	$—	$ 4	$ 3	$ 6	$—	$ 9
U.S. equity:								
Large Cap	280	—	—	280	306	—	—	306
Other	113	—	—	113	124	—	—	124
Non-U.S. equity:								
Large Cap	68	—	—	68	54	—	—	54
Other	117	—	—	117	94	—	—	94
Common/collective trust funds(4)	—	78	—	78	—	84	—	84
Fixed income:								
Corporate debt instruments	9	160	—	169	11	155	—	166
U.S. Treasury securities and agency debentures	14	71	—	85	17	80	—	97
State and municipal	5	13	—	18	2	14	—	16
Other securities	2	14	—	16	1	19	—	20
Real estate-REITs	22	—	—	22	9	—	—	9
Total recorded at fair value	$ 634	$ 336	$—	$ 970	$ 621	$ 358	$—	$ 979
Assets recorded at NAV(2):								
Common/collective trust funds(4)				286				288
Real estate-Partnerships				36				48
Other alternative investments:								
Private equity				111				121
Debt				40				34
Hedge funds				21				38
Total recorded at NAV				$ 494				$ 529
Total(5)				$1,464				$1,508

(1) Common/collective trust funds include $330 million and $360 million of John Hancock insurance contracts held at December 31, 2015 and 2014, respectively. See below for a description of the individual investments included within this line item, and the nature and risk of each respective fund.

(2) These investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Balance Sheets.

(3) *Includes net assets related to pending sales of securities of $112 million, net accrued income of $16 million, and excludes net assets related to pending purchases of securities of $118 million at December 31, 2015. Includes net assets related to pending sales of securities of $31 million, net accrued income of $18 million, and excludes net assets related to pending purchases of securities of $38 million at December 31, 2014.*
(4) *Common/collective trust funds include $78 million and $84 million of John Hancock insurance contracts held at December 31, 2015 and 2014, respectively. See below for a description of the individual investments included within this line item, and the nature and risk of each respective fund.*
(5) *Includes net assets related to pending sales of securities of $27 million, net accrued income of $4 million, and excludes net assets related to pending purchases of securities of $28 million at December 31, 2015. Includes net assets related to pending sales of securities of $7 million, net accrued income of $4 million, and excludes net assets related to pending purchases of securities of $9 million at December 31, 2014.*

The fair values of Dominion's and Dominion Gas' (for employees represented by collective bargaining units) other postretirement plan assets by asset category are as follows:

At December 31,	2015				2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
(millions)								
DOMINION								
Cash equivalents	$ 1	$ 1	$—	$ 2	$ 1	$ 7	$—	$ 8
U.S. equity:								
Large Cap	468	—	—	468	514	—	—	514
Other	26	—	—	26	28	—	—	28
Non-U.S. equity:								
Large Cap	107	—	—	107	102	—	—	102
Other	27	—	—	27	21	—	—	21
Common/collective trust funds(1)	—	18	—	18	—	19	—	19
Fixed income:								
Corporate debt instruments	2	37	—	39	3	35	—	38
U.S. Treasury securities and agency debentures	3	17	—	20	4	18	—	22
State and municipal	1	3	—	4	1	3	—	4
Other securities	1	3	—	4	—	4	—	4
Real estate-REITs	37	—	—	37	2	—	—	2
Total recorded at fair value	$673	$79	$—	$ 752	$676	$86	$—	$ 762
Assets recorded at NAV(2):								
Common/collective trust funds(1)				543				536
Real estate-Partnerships				14				19
Other alternative investments:								
Private equity				54				58
Debt				14				18
Hedge funds				5				9
Total recorded at NAV				$ 630				$ 640
Total				$1,382				$1,402
DOMINION GAS								
Cash equivalents	$ —	$—	$—	$ —	$ —	$ 2	$—	$ 2
U.S. equity-Large Cap	102	—	—	102	113	—	—	113
Non-U.S. equity-Large Cap	24	—	—	24	26	—	—	26
Real estate-REITs	11	—	—	11	—	—	—	—
Total recorded at fair value	$137	$—	$—	$ 137	$139	$ 2	$—	$ 141
Assets recorded at NAV(2):								
Common/collective trust funds(3)				132				129
Real estate-Partnerships				2				2
Other alternative investments:								
Private equity				11				12
Debt				1				4
Total recorded at NAV				$ 146				$ 147
Total				$ 283				$ 288

(1) *Common/collective trust funds include $18 million and $19 million of John Hancock insurance contracts held at December 31, 2015 and 2014, respectively. See below for a description of the individual investments included within this line item, and the nature and risk of each respective fund.*
(2) *These investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Balance Sheets.*
(3) *See below for a description of the individual investments included within this line item, and the nature and risk of each respective fund.*

Investments in Common/Collective Trust Funds in Dominion's pension and other postretirement plans, including those in which Dominion Gas participates, are stated at fair value as determined by the issuer of the Common/Collective Trust Funds based on the fair value of the underlying investments. The Common/Collective Trusts do not have any unfunded commitments, and do not have any applicable liquidation periods or defined terms/periods to be held. The majority of the Common/Collective Trust Funds have limited withdrawal or redemption rights during the term of the investment. Strategies of the Common/Collective Trust Funds are as follows:

Dominion and Dominion Gas

- Wells Fargo Closed End Bond Trust-The Fund invests in stocks, bonds or a combination of both. Shares of the Fund are traded on a stock exchange and are subject to market risk like stocks, bonds and mutual funds. The Fund may invest in a less liquid portfolio of stocks and bonds because the fund does not need to sell securities to meet shareholder redemptions as mutual funds in order to keep a percentage of its portfolio in cash to pay back investors who withdraw shares.
- JPMorgan Core Bond Trust-The Fund seeks to maximize total return by investing primarily in a diversified portfolio of intermediate- and long-term debt securities. The Fund invests primarily in investment-grade bonds; it generally maintains an average weighted maturity between four and 12 years. It may shorten its average weighted maturity if deemed appropriate for temporary defensive purposes.
- SSgA Russell 2000 Value Index Common Trust-The Fund measures the performance of the small-cap value segment of the U.S. equity universe. The Russell 2000 Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics.
- NT Common Short-Term Investment Fund-The Fund seeks to maximize current income on cash reserves to the extent consistent with principal preservation and maintenance of liquidity from a portfolio of approved money market instruments with short maturities. Liquidity is emphasized to provide for redemption of units at par on any business day. Principal preservation is a primary objective. Within quality, maturity, and sector diversification guidelines, investments are made in those securities with the most attractive yields.

Dominion

- SSgA Daily MSCI Emerging Markets Index Non-Lending Fund-The Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the MSCI Emerging Markets Index over the long term. The Fund may invest directly or indirectly in securities and other instruments, including in other pooled investment vehicles sponsored or managed by, or otherwise affiliated with the Trustee (State Street Bank and Trust Company).
- SSgA Daily MSCI ACWI Ex-USA Index Non-Lending Fund-The Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the MSCI ACWI Ex-USA Index over the long term. The Fund may invest directly or indirectly in securities and other instruments, including in other pooled investment vehicles sponsored or managed by, or otherwise affiliated with the Trustee (State Street Bank and Trust Company).
- SSgA S&P 400 MidCap Index—The Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the Index) over the long term. The S&P MidCap 400 is comprised of approximately 400 U.S. mid-cap securities and accounts for approximately 7% coverage of the U.S. stock market capitalization. SSgA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index.
- SSgA S&P 500 Flagship Non-Lending Fund—The Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the S&P 500 Index over the long term. The S&P 500 is comprised of approximately 500 large-cap U.S. equities and captures approximately 80% coverage of available market capitalization. SSgA will typically attempt to invest in the equity securities comprising the S&P 500 Index, in approximately the same proportions as they are represented in the Index.
- CF Goldman Sachs GSTCO Long Duration Fund-The Fund seeks to generate total return and prudent investment management through investments in fixed income securities. The Fund is actively managed and benchmarked versus the Barclays U.S. Long Government /Credit Index. At least 75% of the Fund's total assets will be rated investment grade or better by a NRSRO at the time of purchase. The Fund may invest up to 25% of its total assets at the time of purchase in non-investment grade securities. The Fund may invest in non-dollar denominated securities that are fully hedged, unhedged or partially hedged.
- JPMorgan Chase Bank U.S. Active Core Plus Equity Fund-The Fund seeks to outperform the S&P 500 Index (the Benchmark), gross of fees, over a market cycle. The Fund invests primarily in a portfolio of long and short positions in equity securities of large and mid capitalization U.S. companies with characteristics similar to those of the Benchmark.
- NT Collective Russell 2000 Growth Index—The Fund seeks an investment return that approximates the overall performance of the common stocks included in the Russell 2000 Growth Index. The Fund primarily invests in common stocks of one or more companies that are deemed to be representative of the industry diversification of the entire Russell 2000 Growth Index.
- NT Collective Short-Term Investment Fund—The Fund is composed of high-grade money market instruments with short-term maturities. The Fund's objective is to provide an investment vehicle for cash reserves while offering a competitive rate of return. Liquidity is emphasized to provide for redemption of units on any business day. Principal preservation is also a prime objective. Admissions and withdrawals are made daily. Interest is accrued daily and distributed monthly.

Investments in Group Insurance Annuity Contracts with John Hancock were entered into after 1992 and are stated at fair value based on the fair value of the underlying securities as provided by the managers and include investments in U.S. government securities, corporate debt instruments, and state and municipal debt securities.

Net Periodic Benefit (Credit) Cost

Net periodic benefit (credit) cost is reflected in other operations and maintenance expense in the Consolidated Statements of Income. The components of the provision for net periodic benefit (credit) cost and amounts recognized in other comprehensive income and regulatory assets and liabilities for Dominion's and Dominion Gas' (for employees represented by collective bargaining units) plans are as follows:

	Pension Benefits			Other Postretirement Benefits		
Year Ended December 31,	**2015**	2014	2013	**2015**	2014	2013
(millions, except percentages)						
DOMINION						
Service cost	**$ 126**	$ 114	$ 131	**$ 40**	$ 32	$ 43
Interest cost	**287**	290	271	**67**	67	73
Expected return on plan assets	**(531)**	(499)	(462)	**(117)**	(111)	(92)
Amortization of prior service (credit) cost	**2**	3	3	**(27)**	(28)	(15)
Amortization of net actuarial loss	**160**	111	165	**6**	2	7
Settlements and curtailments(1)	**—**	1	(2)	**—**	—	(15)
Special termination benefits	**—**	—	—	**—**	—	1
Net periodic benefit (credit) cost	**$ 44**	$ 20	$ 106	**$ (31)**	$ (38)	$ 2
Changes in plan assets and benefit obligations recognized in other comprehensive income and regulatory assets and liabilities:						
Current year net actuarial (gain) loss	**$ 159**	$ 784	$ (968)	**$ (18)**	$ 183	$ (255)
Prior service (credit) cost	**—**	—	1	**(31)**	9	(215)
Settlements and curtailments(1)	**—**	(1)	(22)	**—**	—	(7)
Less amounts included in net periodic benefit cost:						
Amortization of net actuarial loss	**(160)**	(111)	(165)	**(6)**	(2)	(7)
Amortization of prior service credit (cost)	**(2)**	(3)	(3)	**27**	28	15
Total recognized in other comprehensive income and regulatory assets and liabilities	**$ (3)**	$ 669	$ (1,157)	**$ (28)**	$ 218	$ (469)
Significant assumptions used to determine periodic cost:						
Discount rate	**4.40%**	5.20%-5.30%	4.40%-4.80%	**4.40%**	4.20%-5.10%	4.40%-4.80%
Expected long-term rate of return on plan assets	**8.75%**	8.75%	8.50%	**8.50%**	8.50%	7.75%
Weighted average rate of increase for compensation	**4.22%**	4.21%	4.21%	**4.22%**	4.22%	4.22%
Healthcare cost trend rate(2)				**7.00%**	7.00%	7.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)(2)				**5.00%**	5.00%	4.60%
Year that the rate reaches the ultimate trend rate(2)(3)				**2019**	2018	2062
DOMINION GAS						
Service cost	**$ 15**	$ 12	$ 13	**$ 7**	$ 6	$ 7
Interest cost	**27**	28	27	**14**	13	12
Expected return on plan assets	**(126)**	(115)	(106)	**(24)**	(23)	(19)
Amortization of prior service (credit) cost	**1**	1	1	**(1)**	(1)	(3)
Amortization of net actuarial loss	**20**	19	26	**2**	—	2
Net periodic benefit (credit) cost	**$ (63)**	$ (55)	$ (39)	**$ (2)**	$ (5)	$ (1)
Changes in plan assets and benefit obligations recognized in other comprehensive income and regulatory assets and liabilities:						
Current year net actuarial (gain) loss	**$ 97**	$ 43	$ (127)	**$ (9)**	$ 40	$ (40)
Prior service cost	**—**	—	—	**—**	10	—
Less amounts included in net periodic benefit cost:						
Amortization of net actuarial loss	**(20)**	(19)	(26)	**(2)**	—	(2)
Amortization of prior service credit (cost)	**(1)**	(1)	(1)	**1**	1	3
Total recognized in other comprehensive income and regulatory assets and liabilities	**$ 76**	$ 23	$ (154)	**$ (10)**	$ 51	$ (39)
Significant assumptions used to determine periodic cost:						
Discount rate	**4.40%**	5.20%	4.40%-4.80%	**4.40%**	4.20%-5.00%	4.40%-4.70%
Expected long-term rate of return on plan assets	**8.75%**	8.75%	8.50%	**8.50%**	8.50%	7.75%
Weighted average rate of increase for compensation	**3.93%**	3.93%	3.93%	**3.93%**	3.93%	3.93%
Healthcare cost trend rate(2)				**7.00%**	7.00%	7.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)(2)				**5.00%**	5.00%	4.60%
Year that the rate reaches the ultimate trend rate(2)(3)				**2019**	2018	2062

(1) 2013 amounts relate primarily to the decommissioning of Kewaunee.
(2) Assumptions used to determine net periodic cost for the following year.
(3) The Society of Actuaries model used to determine healthcare cost trend rates was updated in 2014. The new model converges to the ultimate trend rate much more quickly than previous models.

The components of AOCI and regulatory assets and liabilities for Dominion's and Dominion Gas' (for employees represented by collective bargaining units) plans that have not been recognized as components of net periodic benefit (credit) cost are as follows:

	Pension Benefits		Other Postretirement Benefits	
At December 31,	2015	2014	2015	2014
(millions)				
DOMINION				
Net actuarial loss	$2,381	$2,382	$ 114	$ 139
Prior service (credit) cost	5	7	(237)	(233)
Total(1)	$2,386	$2,389	$(123)	$ (94)
DOMINION GAS				
Net actuarial loss	$ 380	$ 303	$ 33	$ 43
Prior service (credit) cost	1	1	7	7
Total(2)	$ 381	$ 304	$ 40	$ 50

(1) As of December 31, 2015, of the $2.4 billion and $(123) million related to pension benefits and other postretirement benefits, $1.4 billion and $(90) million, respectively, are included in AOCI, with the remainder included in regulatory assets and liabilities. As of December 31, 2014, of the $2.4 billion and $(94) million related to pension benefits and other postretirement benefits, $1.4 billion and $(81) million, respectively, are included in AOCI, with the remainder included in regulatory assets and liabilities.

(2) As of December 31, 2015, of the $381 million related to pension benefits, $138 million is included in AOCI, with the remainder included in regulatory assets and liabilities; the $40 million related to other postretirement benefits is included entirely in regulatory assets and liabilities. As of December 31, 2014, of the $304 million related to pension benefits, $112 million is included in AOCI, with the remainder included in regulatory assets and liabilities; the $50 million related to other postretirement benefits is included entirely in regulatory assets and liabilities.

The following table provides the components of AOCI and regulatory assets and liabilities for Dominion's and Dominion Gas' (for employees represented by collective bargaining units) plans as of December 31, 2015 that are expected to be amortized as components of net periodic benefit (credit) cost in 2016:

	Pension Benefits	Other Postretirement Benefits
(millions)		
DOMINION		
Net actuarial loss	$111	$ 5
Prior service (credit) cost	1	(28)
DOMINION GAS		
Net actuarial loss	$ 13	$ 1
Prior service (credit) cost	—	1

The expected long-term rates of return on plan assets, discount rates, healthcare cost trend rates and mortality are critical assumptions in determining net periodic benefit (credit) cost. Dominion develops assumptions, which are then compared to the forecasts of an independent investment advisor (except for the expected long-term rates of return) to ensure reasonableness. An internal committee selects the final assumptions used for Dominion's pension and other postretirement plans, including those in which Dominion Gas participates, including discount rates, expected long-term rates of return, healthcare cost trend rates and mortality rates.

Dominion determines the expected long-term rates of return on plan assets for its pension plans and other postretirement benefit plans, including those in which Dominion Gas participates, 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.

Dominion determines discount rates from analyses of AA/Aa rated bonds with cash flows matching the expected payments to be made under its plans, including those in which Dominion Gas participates.

Dominion develops its mortality assumption using plan-specific studies and projects mortality improvement using scales developed by the Society of Actuaries for all its plans, including those in which Dominion Gas participates.

Assumed healthcare cost trend rates have a significant effect on the amounts reported for Dominion's retiree healthcare plans, including those in which Dominion Gas participates. A one percentage point change in assumed healthcare cost trend rates would have had the following effects for Dominion's and Dominion Gas' (for employees represented by collective bargaining units) other postretirement benefit plans:

	Other Postretirement Benefits	
	One percentage point increase	One percentage point decrease
(millions)		
DOMINION		
Effect on net periodic cost for 2016	$ 21	$ (13)
Effect on other postretirement benefit obligation at December 31, 2015	157	(129)
DOMINION GAS		
Effect on net periodic cost for 2016	$ 5	$ (3)
Effect on other postretirement benefit obligation at December 31, 2015	34	(26)

Dominion Gas (Employees Not Represented by Collective Bargaining Units) and Virginia Power-Participation in Defined Benefit Plans

Virginia Power employees and Dominion Gas employees not represented by collective bargaining units are covered by the Dominion Pension Plan described above. As participating employers, Virginia Power and Dominion Gas are subject to Dominion's funding policy, which is to contribute annually an amount that is in accordance with ERISA. During 2015, Virginia Power and Dominion Gas made no contributions to the Dominion Pension Plan, and no contributions to this plan are currently expected in 2016. Virginia Power's net periodic pension cost related to this plan was $97 million, $75 million and $96 million in 2015, 2014 and 2013, respectively. Dominion Gas' net periodic pension credit related to this plan was $(38) million, $(37) million and $(27) million in 2015, 2014 and 2013, respectively. Net periodic pension (credit) cost is reflected in other operations and maintenance expense in their respective Consolidated Statements of Income. The funded status of various Dominion subsidiary groups and employee compensation are the basis for determining the share of total pension costs for participating Dominion subsidiaries. See Note 24 for Virginia Power and Dominion Gas amounts due to/from Dominion related to this plan.

Retiree healthcare and life insurance benefits, for Virginia Power employees and for Dominion Gas employees not represented by collective bargaining units, are covered by the Dominion Retiree Health and Welfare Plan described above. Virginia Power's net periodic benefit (credit) cost related to this plan was $(16) million, $(18) million and $5 million in 2015, 2014 and 2013, respectively. Dominion Gas' net periodic benefit (credit) cost related to this plan was $(5) million, $(5) million and less than $1 million for 2015, 2014 and 2013, respectively. Net periodic benefit (credit) cost is reflected in other operations and maintenance expenses in their respective Consolidated Statements of Income. Employee headcount is the basis for determining the share of total other postretirement benefit costs for participating Dominion subsidiaries. See Note 24 for Virginia Power and Dominion Gas amounts due to/from Dominion related to this plan.

Dominion holds investments in trusts to fund employee benefit payments for the pension and other postretirement benefit plans in which Virginia Power and Dominion Gas' employees participate. 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 that Virginia Power and Dominion Gas will provide to Dominion for their shares of employee benefit plan contributions.

Certain regulatory authorities have held that amounts recovered in rates for other postretirement benefits, in excess of benefits actually paid during the year, must be deposited in trust funds dedicated for the sole purpose of paying such benefits. Accordingly, Virginia Power and Dominion Gas fund other postretirement benefit costs through VEBAs. During 2015 and 2014, Virginia Power made no contributions to the VEBA and does not expect to contribute to the VEBA in 2016. Dominion Gas made no contributions to the VEBAs for employees not represented by collective bargaining units during 2015 and does not expect to contribute in 2016. Dominion Gas' contributions to VEBAs for employees not represented by collective bargaining units were $1 million for 2014.

Defined Contribution Plans

Dominion also sponsors defined contribution employee savings plans that cover substantially all employees. During 2015, 2014 and 2013, Dominion recognized $43 million, $41 million and $40 million, respectively, as employer matching contributions to these plans. Dominion Gas participates in these employee savings plans, both specific to Dominion Gas and that cover multiple Dominion subsidiaries. During 2015, 2014 and 2013, Dominion Gas recognized $7 million as employer matching contributions to these plans. Virginia Power also participates in these employee savings plans. During 2015, 2014 and 2013, Virginia Power recognized $18 million, $17 million and $16 million, respectively, as employer matching contributions to these plans.

NOTE 22. COMMITMENTS AND CONTINGENCIES

As a result of issues generated in the ordinary course of business, the Companies are involved in legal proceedings before various courts and are periodically subject to governmental examinations (including by regulatory authorities), inquiries and investigations. Certain legal proceedings and governmental examinations involve demands for unspecified amounts of damages, are in an initial procedural phase, involve uncertainty as to the outcome of pending appeals or motions, or involve significant factual issues that need to be resolved, such that it is not possible for the Companies to estimate a range of possible loss. For such matters for which the Companies cannot estimate a range of possible loss, a statement to this effect is made in the description of the matter. Other matters may have progressed sufficiently through the litigation or investigative processes such that the Companies are able to estimate a range of possible loss. For legal proceedings and governmental examinations for which the Companies are able to reasonably estimate a range of possible losses, an estimated range of possible loss is provided, in excess of the accrued liability (if any) for such matters. Any accrued liability is recorded on a gross basis with a receivable also recorded for any probable insurance recoveries. Estimated ranges of loss are inclusive of legal fees and net of any anticipated insurance recoveries. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the Companies' maximum possible loss exposure. The circumstances of such legal proceedings and governmental examinations will change from time to time and actual results may vary significantly from the current estimate. For current proceedings not specifically reported below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial position, liquidity or results of operations of the Companies.

Environmental Matters

The Companies are subject to costs resulting from a number of federal, state and local laws and regulations designed to protect human health and the environment. These laws and regulations affect future planning and existing operations. They can result in increased capital, operating and other costs as a result of compliance, remediation, containment and monitoring obligations.

AIR

CAA

The CAA, as amended, is a comprehensive program utilizing a broad range of regulatory tools to protect and preserve the nation's air quality. At a minimum, states are required to establish regulatory programs to address all requirements of the CAA. However, states may choose to develop regulatory programs that are more restrictive. Many of the Companies' facilities are subject to the CAA's permitting and other requirements.

MATS

In December 2011, the EPA issued MATS for coal and oil-fired electric utility steam generating units. The rule establishes strict emission limits for mercury, particulate matter as a surrogate for toxic metals and hydrogen chloride as a surrogate for acid gases. The rule includes a limited use provision for oil-fired units with annual capacity factors under 8% that provides an exemption from emission limits, and allows compliance with operational work practice standards. Compliance was required by April 16, 2015, with certain limited exceptions. However, in June 2014, the Virginia Department of Environmental Quality granted a one-year MATS compliance extension for two coal-fired units at Yorktown to defer planned retirements and allow for continued operation of the units to address reliability concerns while necessary electric transmission upgrades are being completed. These coal units will need to continue operating until at least April 2017 due to delays in transmission upgrades needed to maintain electric reliability, which based on assumptions about the timing for required agency actions and construction schedules are expected to be completed by no earlier than the second quarter of 2017. Therefore, in October 2015 Virginia Power submitted a request to the EPA for an additional one year compliance extension under an EPA Administrative Order.

In June 2015, the U.S. Supreme Court issued a decision holding that the EPA failed to take cost into account when the agency first decided to regulate the emissions from coal- and oil-fired plants, and remanded the MATS rule back to the D.C. Circuit Court. However, the Supreme Court did not vacate or stay the effective date and implementation of the MATS rule. On November 20, 2015, in response to the Supreme Court decision, the EPA proposed a supplemental finding that consideration of cost does not alter the agency's previous conclusion that it is appropriate and necessary to regulate coal- and oil-fired electric utility steam generating units under Section 112 of the CAA. On December 15, 2015, the D.C. Court of Appeals issued an order remanding the MATS rulemaking proceeding back to the EPA without setting aside judgment, noting that EPA had represented it was on track to issue by April 15, 2016, a final finding regarding its consideration of cost. These actions do not change Virginia Power's plans to close coal units at Yorktown or the need to complete necessary electricity transmission upgrades by 2017. Since the MATS rule remains in effect and Dominion is complying with the requirements of the rule, Dominion does not expect any adverse impacts to its operations at this time.

CAIR

The EPA established CAIR with the intent to require significant reductions in SO_2 and NO_X emissions from electric generating facilities. In July 2008, the U.S. Court of Appeals for the D.C. Circuit issued a ruling vacating CAIR. In December 2008, the Court denied rehearing, but also issued a decision to remand CAIR to the EPA. In July 2011, the EPA issued a replacement rule for CAIR, called CSAPR, that required 28 states to reduce power plant emissions that cross state lines. CSAPR established new SO_2 and NO_X emissions cap and trade programs that were completely independent of the current ARP. Specifically, CSAPR required reductions in SO_2 and NO_X emissions from fossil fuel-fired electric generating units of 25 MW or more through annual NO_X emissions caps, NO_X emissions caps during the ozone season (May 1 through September 30) and annual SO_2 emission caps with differing requirements for two groups of affected states.

CSAPR

Following numerous petitions by industry participants for review and a successful motion for stay, in October 2014, the U.S. Court of Appeals for the D.C. Circuit ordered that the EPA's motion to lift the stay of CSAPR be granted. Further, the Court granted the EPA's request to shift the CSAPR compliance deadlines by three years, so that Phase 1 emissions budgets (which would have gone into effect in 2012 and 2013) will apply in 2015 and 2016, and Phase 2 emissions budgets will apply in 2017 and beyond. CSAPR replaced CAIR beginning in January 2015. The cost to comply is not expected to be material to the Consolidated Financial Statements. Future outcomes of any additional litigation and/or any action to issue a revised rule could affect the assessment regarding cost of compliance.

Ozone Standards

In October 2015, the EPA issued a final rule tightening the ozone standard from 75-ppb to 70-ppb. The EPA is expected to complete attainment designations for a new standard by December 2017 and states will have until 2020 or 2021 to develop plans to address the new standard. Until the states have developed implementation plans, the Companies are unable to predict whether or to what extent the new rules will ultimately require additional controls. However, if significant expenditures are required to implement additional controls, it could adversely affect the Companies' results of operations and cash flows.

Hazardous Air Pollutants Standards

In August 2010, the EPA issued revised National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines, which was amended in March 2011 and January 2013. The rule establishes emission standards for control of hazardous air pollutants for engines at smaller facilities, known as area sources. As a result of these regulations, Dominion Gas has spent $2 million to install emissions controls on several compressor engines. Further capital spending is not expected to be material.

NSPS

In August 2012, the EPA issued the first NSPS impacting the natural gas production and gathering sectors and made revisions to the NSPS for natural gas processing and transmission facilities. These rules establish equipment performance specifications and emissions standards for control of VOC emissions for natural gas production wells, tanks, pneumatic controllers, and compressors in the upstream sector. In September 2015, the EPA issued a proposed NSPS to regulate methane and VOC emissions from transmission and storage, gathering and boosting, production and processing facilities. All projects which commence construction after September 2015 will be required to comply with this regulation. Dominion is evaluating the proposed regulation and cannot currently estimate the potential impacts on results of operations, financial condition and/or cash flows related to this matter.

Methane Emissions

In January 2015, as part of its Climate Action Plan, the EPA announced plans to reduce methane emissions from the oil and gas sector including natural gas processing and transmission sources. In July 2015, the EPA announced the next generation of its voluntary Natural Gas STAR program, the Natural Gas STAR Methane Challenge Program. The proposed program covers the entire natural gas sector from production to distribution, with nore emphasis on transparency and increased reporting for both .nnual emissions and reductions achieved through mplementation measures. Dominion is evaluating the proposed)rogram and cannot currently estimate the potential impacts on 'esults of operations, financial condition and/or cash flows related :o this matter.

Climate Change Legislation and Regulation

:n October 2013, the U.S. Supreme Court granted petitions filed)y several industry groups, states, and the U.S. Chamber of Commerce seeking review of the D.C. Circuit Court's June 2012 decision upholding the EPA's regulation of GHG emissions from stationary sources under the CAA's permitting programs. In June 2014, the U.S. Supreme Court ruled that the EPA lacked the authority under the CAA to require PSD or Title V permits for stationary sources based solely on GHG emissions. However, the Court upheld the EPA's ability to require BACT for GHG for sources that are otherwise subject to PSD or Title V permitting for conventional pollutants. In July 2014, the EPA issued a memorandum specifying that it will no longer apply or enforce federal regulations or EPA-approved PSD state implementation plan provisions that require new and modified stationary sources to obtain a PSD permit when GHGs are the only pollutant that would be emitted at levels that exceed the permitting thresholds. In August 2015, the EPA published a final rule rescinding the requirement for all new and modified major sources to obtain permits based solely on their GHG emissions. In addition, the EPA stated that it will continue to use the existing thresholds to apply to sources that are otherwise subject to PSD for conventional pollutants until it completes a new rulemaking either justifying and upholding those thresholds or setting new ones. Some states have issued interim guidance that follows the EPA guidance. Due to uncertainty regarding what additional actions states may take to amend their existing regulations and what action the EPA ultimately takes to address the Court ruling under a new rulemaking, the Companies cannot predict the impact to their financial statements at this time.

In July 2011, the EPA signed a final rule deferring the need for PSD and Title V permitting for CO_2 emissions for biomass projects. This rule temporarily deferred for a period of up to three years the consideration of CO_2 emissions from biomass projects when determining whether a stationary source meets the PSD and Title V applicability thresholds, including those for the application of BACT. The deferral policy expired in July 2014. In July 2013, the U.S. Court of Appeals for the D.C. Circuit vacated this rule; however, a mandate making this decision effective has not been issued. Virginia Power converted three coal-fired generating stations, Altavista, Hopewell and Southampton, to biomass during the CO_2 deferral period. It is unclear how the court's decision or the EPA's final policy regarding the treatment of specific feedstock will affect biomass sources that were permitted during the deferral period; however, the expenditures to comply with any new requirements could be material to Dominion's and Virginia Power's financial statements.

Water

The CWA, as amended, 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. The Companies must comply with applicable aspects of the CWA programs at their operating facilities.

In October 2014, the final regulations under Section 316(b) of the CWA that govern existing facilities and new units at existing facilities that employ a cooling water intake structure and that have flow levels exceeding a minimum threshold became effective. The rule establishes a national standard for impingement based on seven compliance options, but forgoes the creation of a single technology standard for entrainment. Instead, the EPA has delegated entrainment technology decisions to state regulators. State regulators are to make case-by-case entrainment technology determinations after an examination of five mandatory facility-specific factors, including a social cost-benefit test, and six optional facility-specific factors. The rule governs all electric generating stations with water withdrawals above two MGD, with a heightened entrainment analysis for those facilities over 125 MGD. Dominion and Virginia Power have 14 and 11 facilities, respectively, that may be subject to the final regulations. Dominion anticipates that it will have to install impingement control technologies at many of these stations that have once-through cooling systems. Dominion and Virginia Power are currently evaluating the need or potential for entrainment controls under the final rule as these decisions will be made on a case-by-case basis after a thorough review of detailed biological, technology, cost and benefit studies. While the impacts of this rule could be material to Dominion's and Virginia Power's results of operations, financial condition and/or cash flows, the existing regulatory framework in Virginia provides rate recovery mechanisms that could substantially mitigate any such impacts for Virginia Power.

In September 2015, the EPA released a final rule to revise the Effluent Limitations Guidelines for the Steam Electric Power Generating Category. The final rule establishes updated standards for wastewater discharges that apply primarily at coal and oil steam generating stations. Affected facilities are required to convert from wet to dry or closed cycle coal ash management, improve existing wastewater treatment systems and/or install new wastewater treatment technologies in order to meet the new discharge limits. Virginia Power has eight facilities that may be subject to additional wastewater treatment requirements associated with the final rule. The expenditures to comply with these new requirements are expected to be material.

Solid and Hazardous Waste

The CERCLA, as amended, provides for immediate response and removal actions coordinated by the EPA in the event of threatened releases of hazardous substances into the environment and authorizes the U.S. government either to clean up sites at which hazardous substances have created actual or potential environmental hazards or to order persons responsible for the situation to do so. Under the CERCLA, as amended, generators and transporters of hazardous substances, as well as past and present owners and operators of contaminated sites, can be jointly, severally and strictly liable for the cost of cleanup. These potentially responsible parties can be ordered to perform a cleanup, be sued for costs associated with an EPA-directed cleanup, voluntarily settle with the U.S. government concerning their liability for cleanup costs, or voluntarily begin a site investigation and site remediation under state oversight.

From time to time, Dominion, Virginia Power, or Dominion Gas may be identified as a potentially responsible party to a Superfund site. The EPA (or a state) can either allow such a party to conduct and pay for a remedial investigation, feasibility study and remedial action or conduct the remedial investigation and action itself and then seek reimbursement from the potentially responsible parties. Each party can be held jointly, severally and strictly liable for the cleanup costs. These parties can also bring contribution actions against each other and seek reimbursement from their insurance companies. As a result, Dominion, Virginia Power, or Dominion Gas may be responsible for the costs of remedial investigation and actions under the Superfund law or other laws or regulations regarding the remediation of waste. Except as noted below, the Companies do not believe this will have a material effect on results of operations, financial condition and/or cash flows.

In September 2011, the EPA issued a UAO to Virginia Power and 22 other parties, ordering specific remedial action of certain areas at the Ward Transformer Superfund site located in Raleigh, North Carolina. Virginia Power does not believe it is a liable party under CERCLA based on its alleged connection to the site. In November 2011, Virginia Power and a number of other parties notified the EPA that they are declining to undertake the work set forth in the UAO.

The EPA may seek to enforce a UAO in court pursuant to its enforcement authority under CERCLA, and may seek recovery of its costs in undertaking removal or remedial action. If the court determines that a respondent failed to comply with the UAO without sufficient cause, the EPA may also seek civil penalties of up to $37,500 per day for the violation and punitive damages of up to three times the costs incurred by the EPA as a result of the party's failure to comply with the UAO. Virginia Power is currently unable to make an estimate of the potential financial statement impacts related to the Ward Transformer matter.

Dominion has determined that it is associated with 17 former manufactured gas plant sites, three of which pertain to Virginia Power and 12 of which pertain to Dominion Gas. Studies conducted by other utilities at their former manufactured gas plant sites have indicated that those sites contain coal tar and other potentially harmful materials. None of the former sites with which the Companies are associated is under investigation by any state or federal environmental agency. At one of the former sites, Dominion is conducting a state-approved post closure groundwater monitoring program and an environmental land use restriction has been recorded. Another site has been accepted into a state-based voluntary remediation program. Virginia Power is currently evaluating the nature and extent of the contamination from this site as well as potential remedial options. Preliminary costs for options under evaluation for the site range from $1 million to $22 million. Due to the uncertainty surrounding the other sites, the Companies are unable to make an estimate of the potential financial statement impacts.

See below for discussion on ash pond and landfill closure costs.

Other Legal Matters

The Companies are defendants in a number of lawsuits and claims involving unrelated incidents of property damage and personal injury. Due to the uncertainty surrounding these matters, the Companies are unable to make an estimate of the potential financial statement impacts; however, they could have a material impact on results of operations, financial condition and/or cash flows.

Appalachian Gateway

Following the completion of the Appalachian Gateway project in 2012, DTI received multiple change order requests and other claims for additional payments from a pipeline contractor for the project. In July 2013, DTI filed a complaint in U.S. District Court for the Eastern District of Virginia for breach of contract a well as accounting and declaratory relief. The contractor filed a motion to dismiss, or in the alternative, a motion to transfer venue to Pennsylvania and/or West Virginia, where the pipelines were constructed. DTI filed an opposition to the contractor's motion in August 2013. In November 2013, the court granted the contractor's motion on the basis that DTI must first comply with the dispute resolution process. In July 2015, the contractor filed a complaint against DTI in U.S. District Court for the Western District of Pennsylvania. In August 2015, DTI filed a motion to dismiss, or in the alternative, a motion to transfer venue to Virginia. This case is pending. DTI has accrued a liability of $6 million for this matter. Dominion Gas cannot currently estimate additional financial statement impacts, but there could be a material impact to its financial condition and/or cash flows.

Ash Pond and Landfill Closure Costs

In September 2014, Virginia Power received a notice from the SELC on behalf of the Potomac Riverkeeper and Sierra Club alleging CWA violations at Possum Point. The notice alleges unpermitted discharges to surface water and groundwater from Possum Point's historical and active ash storage facilities. A similar notice from the SELC on behalf of the Sierra Club was subsequently received related to Chesapeake. In December 2014, Virginia Power offered to close all of its coal ash ponds and landfills at Possum Point, Chesapeake and Bremo as settlement of the potential litigation. While the issue is open to potential further negotiations, the SELC declined the offer as presented in January 2015 and, in March 2015, filed a lawsuit related to its claims of the alleged CWA violations at Chesapeake. Virginia Power filed a motion to dismiss in April 2015, which was denied in November 2015. As a result of the December 2014 settlement offer, Virginia Power recognized a charge of $121 million in other operations and maintenance expense in its Consolidated Statements of Income in the Companies' Annual Report on Form 10-K for the year ended December 31, 2014.

In April 2015, the EPA's final rule regulating the management of CCRs stored in impoundments (ash ponds) and landfills was published in the Federal Register. The final rule regulates CCR landfills, existing ash ponds that still receive and manage CCRs, and inactive ash ponds that do not receive, but still store CCRs. Virginia Power currently operates inactive ash ponds, existing ash ponds, and CCR landfills subject to the final rule at eight different facilities. The enactment of the final rule in April 2015 created a legal obligation for Virginia Power to retrofit or close all of its inactive and existing ash ponds over a certain period of time, as well as perform required monitoring, corrective action, and post-closure care activities as necessary. In 2015, Virginia Power recorded a $386 million ARO related to future ash pond and landfill closure costs. Recognition of the ARO also resulted in a $99 million incremental charge recorded in other operations and maintenance expense in its Consolidated Statement of Income, a $166 million increase in property, plant, and equipnent associated with asset retirement costs, and a $121 million reduction in other noncurrent liabilities related to reversal of the contingent liability described above since the ARO obligation created by the final CCR rule represents similar activities. Virginia Power is in the process of obtaining the necessary permits to complete the work. The actual AROs related to the CCR rule may vary substantially from the estimates used to record the increased obligation in 2015.

Cove Point

Dominion is constructing the Liquefaction Project at the Cove Point facility, which would enable the facility to liquefy domestically-produced natural gas and export it as LNG. In September 2014, FERC issued an order granting authorization for Cove Point to construct, modify and operate the Liquefaction Project. In October 2014, several parties filed a motion with FERC to stay the order and requested rehearing. In May 2015, FERC denied the requests for stay and rehearing.

Two parties have separately filed petitions for review of the FERC order in the U.S. Court of Appeals for the D.C. Circuit, which petitions have been consolidated. Separately, one party requested a stay of the FERC order until the judicial proceedings are complete, which the court denied in June 2015.

In May 2014, the Maryland Commission granted the CPCN authorizing the construction of a generating station in connection with the Liquefaction Project. The CPCN obligates Cove Point to make payments totaling $48 million. These payments consist of $40 million to the Strategic Energy Investments Fund over a five-year period beginning in 2015 and $8 million to Maryland low income energy assistance programs over a twenty-year period expected to begin in 2018. In December 2014, upon receipt of applicable approvals to commence construction of the generating station, Dominion recorded the present value of the obligation as an increase to property, plant and equipment and a corresponding liability.

In June 2014, a party filed a notice of petition for judicial review of the CPCN with the Circuit Court for Baltimore City in Maryland. In September 2014, the party filed with the Maryland Commission a motion to stay the CPCN pending judicial review of the CPCN. In December 2014, the Circuit Court issued an order affirming the Maryland Commission's grant of the CPCN and dismissing the appeal, and the motion for stay was denied by the Maryland Commission. In January 2015, the same party filed a Notice of Appeal of the Baltimore Circuit Court's Order affirming the Maryland Commission's grant of the CPCN with the Court of Special Appeals of Maryland. In February 2016, the Court of Special Appeals of Maryland issued an order affirming the judgment of the Circuit Court for Baltimore City in Maryland which affirmed the decision of the Maryland Commission granting the CPCN.

Nuclear Matters

In March 2011, a magnitude 9.0 earthquake and subsequent tsunami caused significant damage at the Fukushima Daiichi nuclear power station in northeast Japan. These events have resulted in significant nuclear safety reviews required by the NRC and industry groups such as INPO. Like other U.S. nuclear operators, Dominion has been gathering supporting data and participating in industry initiatives focused on the ability to respond to and mitigate the consequences of design-basis and beyond-design-basis events at its stations.

In July 2011, an NRC task force provided initial recommendations based on its review of the Fukushima Daiichi accident and in October 2011 the NRC staff prioritized these recommendations into Tiers 1, 2 and 3, with the Tier 1 recommendations consisting of actions which the staff determined should be started without unnecessary delay. In December 2011, the NRC Commissioners approved the agency staff's prioritization and recommendations, and that same month an appropriations act directed the NRC to require reevaluation of external hazards (not limited to seismic and flooding hazards) as soon as possible.

Based on the prioritized recommendations, in March 2012, the NRC issued orders and information requests requiring specific reviews and actions to all operating reactors, construction permit holders and combined license holders based on the lessons learned from the Fukushima Daiichi event. The orders applicable to Dominion requiring implementation of safety enhancements related to mitigation strategies to respond to extreme natural events resulting in the loss of power at plants, and enhancing spent fuel pool instrumentation have been implemented. The information requests issued by the NRC request each reactor to reevaluate the seismic and external flooding hazards at their site using present-day methods and information, conduct walkdowns of their facilities to ensure protection against the hazards in their current design basis, and to reevaluate their emergency communications systems and staffing levels. The walkdowns of each unit have been completed, audited by the NRC and found to be adequate. Reevaluation of the seismic and external flooding hazards is expected to continue through 2018. Dominion and Virginia Power do not currently expect that compliance with the NRC's information requests will materially impact their financial position, results of operations or cash flows during the implementation period. The NRC staff is evaluating the implementation of the longer term Tier 2 and Tier 3 recommendations. Dominion and Virginia Power are currently unable to estimate the potential financial impacts related to compliance with Tier 2 and Tier 3 recommendations.

Nuclear Operations

Nuclear Decommissioning—Minimum Financial Assurance

The NRC requires nuclear power plant owners to annually update minimum financial assurance amounts for the future decommissioning of their nuclear facilities. 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. The 2015 calculation for the NRC minimum financial assurance amount, aggregated for Dominion's and Virginia Power's nuclear units, excluding joint owners' assurance amounts and Millstone Unit 1 and Kewaunee, as those units are in a decommissioning state, was $2.9 billion and $1.8 billion, respectively, and has been satisfied by a combination of the funds being collected and deposited in the nuclear decommissioning trusts and the real annual rate of return growth of the funds allowed by the NRC. The 2015 NRC minimum financial assurance amounts above were calculated using preliminary December 31, 2015 U.S. Bureau of Labor Statistics indices. Dominion believes that the amounts currently available in its decommissioning trusts and their expected earnings will be sufficient to cover expected decommissioning costs for the Millstone and Kewaunee units. Virginia Power also believes that the decommissioning funds and their expected earnings for the Surry and North Anna units will be sufficient to cover 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 a positive long-term outlook for trust fund investment returns as the decommissioning of the units will not be complete for decades. Dominion and Virginia Power will continue to monitor these trusts to ensure they meet the NRC minimum financial assurance requirement, which may include, if needed, the use of parent company guarantees, surety bonding or other financial instruments recognized by the NRC. See Note 9 for additional information on nuclear decommissioning trust investments.

Nuclear Insurance

The Price-Anderson Amendments Act of 1988 provides the public up to $13.5 billion of liability protection per nuclear incident, via obligations required of owners of nuclear power plants, and allows for an inflationary provision adjustment every five years. Dominion and Virginia Power have purchased $375 million of coverage from commercial insurance pools for each reactor site with the remainder provided through a mandatory industry retrospective rating plan. In the event of a nuclear incident at any licensed nuclear reactor in the U.S., the Companies could be assessed up to $127 million for each of their licensed reactors not to exceed $19 million per year per reactor. There is no limit to the number of incidents for which this retrospective premium can be assessed. However, the NRC granted an exemption in March 2015 to remove Kewaunee from the Secondary Financial Protection program.

The current levels of nuclear property insurance coverage for Dominion's and Virginia Power's nuclear units is as follows:

	Coverage
(billions)	
Dominion	
Millstone	**$1.70**
Kewaunee	1.06
Virginia Power(1)	
Surry	**$1.70**
North Anna	1.70

(1) Surry and North Anna share a blanket property limit of $200 million.

Dominion's and Virginia Power's nuclear property insurance coverage for Millstone, Surry and North Anna exceeds the NRC minimum requirement for nuclear power plant licensees of $1.06 billion per reactor site. Kewaunee meets the NRC minimum requirement of $1.06 billion. This includes coverage for premature decommissioning and functional total loss. The NRC requires that the proceeds from this insurance be used first, to return the reactor to and maintain it in a safe and stable condition and second, to decontaminate the reactor and station site in accordance with a plan approved by the NRC. Nuclear property insurance is provided by NEIL, a mutual insurance company, and is subject to retrospective premium assessments in any policy year in which losses exceed the funds available to the insurance company. Dominion's and Virginia Power's maximum retrospective premium assessment for the current policy period is $84 million and $48 million, respectively. Based on the severity of the incident, the Board of Directors of the nuclear insurer has the discretion to lower or eliminate the maximum retrospective premium assessment. Dominion and Virginia Power have the financial responsibility for any losses that exceed the limits or for which insurance proceeds are not available because they must first be used for stabilization and decontamination.

Millstone and Virginia Power also purchase accidental outage insurance from NEIL to mitigate certain expenses, including replacement power costs, associated with the prolonged outage of a nuclear unit due to direct physical damage. Under this program, Dominion and Virginia Power are subject to a retrospective premium assessment for any policy year in which losses exceed funds available to NEIL. Dominion's and Virginia Power's maximum retrospective premium assessment for the current policy period is $23 million and $10 million, respectively.

ODEC, a part owner of North Anna, and Massachusetts Municipal and Green Mountain, part owners of Millstone's Unit 3, are responsible to Dominion and Virginia Power for their share of the nuclear decommissioning obligation and insurance premiums on applicable units, including any retrospective premium assessments and any losses not covered by insurance.

Spent Nuclear Fuel

Dominion and Virginia Power entered into contracts with the DOE for the disposal of spent nuclear fuel under provisions of the Nuclear Waste Policy Act of 1982. The DOE failed to begin accepting the spent fuel on January 31, 1998, the date provided by the Nuclear Waste Policy Act and by Dominion's and Virginia Power's contracts with the DOE. Dominion and Virginia Power have previously received damages award payments and settlement payments related to these contracts.

In 2012, Dominion and Virginia Power resolved additional claims for damages incurred at Millstone, Kewaunee, Surry and North Anna with the Authorized Representative of the Attorney General. Dominion and Virginia Power entered into settlement agreements that resolved claims for damages incurred through December 31, 2010, and also provided for periodic payments after that date for damages incurred through December 31, 2013.

By mutual agreement of the parties, the settlement agreements are extendable to provide for resolution of damages incurred after 2013. The settlement agreements for the Surry, North Anna and Millstone plants have been extended to provide for periodic payments for damages incurred through December 31, 2016. Possible extension of the Kewaunee settlement agreement is being evaluated.

In 2015, Virginia Power and Dominion received payments of $8 million for resolution of claims incurred at North Anna and Surry for the period of January 1, 2013 through December 31, 2013, and $17 million for resolution of claims incurred at Millstone for the period of July 1, 2013 through June 30, 2014.

In 2014, Virginia Power and Dominion received payments of $27 million for the resolution of claims incurred at North Anna and Surry for the period January 1, 2011 through December 31, 2012 and $17 million for the resolution of claims incurred at Millstone for the period of July 1, 2012 through June 30, 2013. In 2014, Dominion also received payments totaling $7 million for the resolution of claims incurred at Kewaunee for periods from January 1, 2011 through December 31, 2013.

Dominion and Virginia Power continue to recognize receivables for certain spent nuclear fuel-related costs that they believe are probable of recovery from the DOE. Dominion's receivables for spent nuclear fuel-related costs totaled $87 million and $69 million at December 31, 2015 and 2014, respectively. Virginia Power's receivables for spent nuclear fuel-related costs totaled $54 million and $41 million at December 31, 2015 and 2014, respectively.

Pursuant to a November 2013 decision of the U.S Court of Appeals for the D.C. Circuit, in January 2014 the Secretary of the DOE sent a recommendation to the U.S. Congress to adjust to zero the current fee of $1 per MWh for electricity paid by civilian nuclear power generators for disposal of spent nuclear fuel. The processes specified in the Nuclear Waste Policy Act for adjustment of the fee have been completed, and as of May 2014, Dominion and Virginia Power are no longer required to pay the waste fee. In 2014, Dominion and Virginia Power recognized fees of $16 million and $10 million, respectively.

Dominion and Virginia Power will continue to manage their spent fuel until it is accepted by the DOE.

Long-Term Purchase Agreements

At December 31, 2015, Virginia Power had the following long-term commitments that are noncancelable or are cancelable only under certain conditions, and that third parties have used to secure financing for the facilities that will provide the contracted goods or services:

	2016	2017	2018	2019	2020	Thereafter	Total
(millions)							
Purchased electric capacity[1]	**$249**	**$157**	**$104**	**$65**	**$52**	**$46**	**$673**

(1) Commitments represent estimated amounts payable for capacity under power purchase contracts with qualifying facilities and independent power producers, the last of which ends in 2021. Capacity payments under the contracts are generally based on fixed dollar amounts per month, subject to escalation using broad-based economic indices. At December 31, 2015, the present value of Virginia Power's total commitment for capacity payments is $577 million. Capacity payments totaled $305 million, $330 million, and $345 million, and energy payments totaled $198 million, $304 million, and $236 million for the years ended 2015, 2014 and 2013, respectively.

Lease Commitments

The Companies' lease various facilities, vehicles and equipment primarily under operating leases. Payments under certain leases are escalated based on an index such as the consumer price index. Future minimum lease payments under noncancelable operating and capital leases that have initial or remaining lease terms in excess of one year as of December 31, 2015 are as follows:

	2016	2017	2018	2019	2020	Thereafter	Total
(millions)							
Dominion	**$67**	**$62**	**$54**	**$43**	**$25**	**$153**	**$404**
Virginia Power	**$30**	**$27**	**$23**	**$17**	**$14**	**$ 27**	**$138**
Dominion Gas	***$26***	***$25***	***$23***	***$18***	***$ 6***	***$ 19***	***$117***

Rental expense for Dominion totaled $99 million, $92 million, and $101 million for 2015, 2014 and 2013, respectively. Rental expense for Virginia Power totaled $51 million, $43 million, and $42 million for 2015, 2014, and 2013, respectively. Rental expense for Dominion Gas totaled $37 million, $35 million and $15 million for 2015, 2014 and 2013, respectively. The majority of rental expense is reflected in other operations and maintenance expense in the Consolidated Statements of Income.

Guarantees, Surety Bonds and Letters of Credit

At December 31, 2015, Dominion had issued $74 million of guarantees, primarily to support equity method investees. No significant amounts related to these guarantees have been recorded. As of December 31, 2015, Dominion's exposure under these guarantees was $39 million, primarily related to certain reserve requirements associated with non-recourse financing.

Dominion also enters into guarantee arrangements on behalf of its consolidated subsidiaries, primarily to facilitate their commercial transactions with third parties. To the extent that a liability subject to a guarantee has been incurred by one of Dominion's consolidated subsidiaries, that liability is included in the Consolidated Financial Statements. Dominion is not required to recognize liabilities for guarantees issued on behalf of its subsidiaries unless it becomes probable that it will have to perform under the guarantees. Terms of the guarantees typically end once obligations have been paid. Dominion currently believes it is unlikely that it would be required to perform or otherwise incur any losses associated with guarantees of its subsidiaries' obligations.

At December 31, 2015, Dominion had issued the following subsidiary guarantees:

	Stated Limit	Value[1]
(millions)		
Subsidiary debt[2]	**$ 27**	**$ 27**
Commodity transactions[3]	**2,371**	**932**
Nuclear obligations[4]	**184**	**75**
Cove Point[5]	**1,910**	**—**
Solar[6]	**1,555**	**647**
Other[7]	**515**	**31**
Total	**$6,562**	**$1,712**

(1) Represents the estimated portion of the guarantee's stated limit that is utilized as of December 31, 2015 based upon prevailing economic conditions and fact patterns specific to each guarantee arrangement. For those guarantees related to obligations that are recorded as liabilities by Dominion's subsidiaries, the value includes the recorded amount.

(2) Guarantee of debt of a DEI subsidiary. In the event of default by the subsidiary, Dominion would be obligated to repay such amounts.
(3) Guarantees related to commodity commitments of certain subsidiaries, including subsidiaries of Virginia Power, Dominion Gas and DEI. These guarantees were provided to counterparties in order to facilitate physical and financial transactions in gas, oil, electricity, pipeline capacity, transportation and related commodities and services. If any of these subsidiaries fail to perform or pay under the contracts and the counterparties seek performance or payment, Dominion would be obligated to satisfy such obligation. Dominion and its subsidiaries receive similar guarantees as collateral for credit extended to others. The value provided includes certain guarantees that do not have stated limits.
(4) Guarantees related to certain DEI subsidiaries' potential retrospective premiums that could be assessed if there is a nuclear incident under Dominion's nuclear insurance programs and guarantees for a DEI subsidiary's and Virginia Power's commitment to buy nuclear fuel. Excludes Dominion's agreement to provide up to $150 million and $60 million to two DEI subsidiaries to pay the operating expenses of Millstone (in the event of a prolonged outage) and Kewaunee, respectively, as part of satisfying certain NRC requirements concerned with ensuring adequate funding for the operations of nuclear power stations. The agreement for Kewaunee also provides for funds through the completion of decommissioning.
(5) Guarantees related to Cove Point, in support of terminal services, transportation and construction. Two of the guarantees have no stated limit, one guarantee has a $150 million limit, and one guarantee has a $1.75 billion aggregate limit with an annual draw limit of $175 million.
(6) Includes guarantees to facilitate the development of solar projects including guarantees that do not have stated limits. Also includes guarantees entered into by DEI on behalf of certain subsidiaries to facilitate the acquisition and development of solar projects.
(7) Guarantees related to other miscellaneous contractual obligations such as leases, environmental obligations and construction projects. Also includes guarantees related to certain DEI subsidiaries' obligations for equity capital contributions and energy generation associated with Fowler Ridge and NedPower. As of December 31, 2015, Dominion's maximum remaining cumulative exposure under these equity funding agreements is $55 million through 2019 and its maximum annual future contributions could range from approximately $4 million to $19 million. The value provided includes certain guarantees that do not have stated limits.

Additionally, at December 31, 2015, Dominion had purchased $92 million of surety bonds, including $34 million at Virginia Power and $23 million at Dominion Gas, and authorized the issuance of letters of credit by financial institutions of $59 million to facilitate commercial transactions by its subsidiaries with third parties. Under the terms of surety bonds, the Companies are obligated to indemnify the respective surety bond company for any amounts paid.

As of December 31, 2015, Virginia Power had issued $14 million of guarantees primarily to support tax-exempt debt issued through conduits. The related debt matures in 2031 and is included in long-term debt in Virginia Power's Consolidated Balance Sheets. In the event of default by a conduit, Virginia Power would be obligated to repay such amounts, which are limited to the principal and interest then outstanding.

Indemnifications

As part of commercial contract negotiations in the normal course of business, the Companies may sometimes agree to make payments to compensate or indemnify other parties for possible future unfavorable financial consequences resulting from specified events. The specified events may involve an adverse judgment in a lawsuit or the imposition of additional taxes due to a change in tax law or interpretation of the tax law. The Companies are unable to develop an estimate of the maximum potential amount of any other future payments under these contracts because events that would obligate them have not yet occurred or, if any such event has occurred, they have not been notified of its occurrence. However, at December 31, 2015, the Companies believe any other future payments, if any, that could ultimately become payable under these contract provisions, would not have a material impact on their results of operations, cash flows or financial position.

NOTE 23. CREDIT RISK

Credit risk is the risk of financial loss if counterparties fail to perform their contractual obligations. In order to minimize overall credit risk, credit policies are maintained, including the evaluation of counterparty financial condition, collateral requirements and the use of standardized agreements that facilitate the netting of cash flows associated with a single counterparty. In addition, counterparties may make available collateral, including letters of credit or cash held as margin deposits, as a result of exceeding agreed-upon credit limits, or may be required to prepay the transaction.

The Companies maintain a provision for credit losses based on factors surrounding the credit risk of their customers, historical trends and other information. Management believes, based on credit policies and the December 31, 2015 provision for credit losses, that it is unlikely that a material adverse effect on financial position, results of operations or cash flows would occur as a result of counterparty nonperformance.

GENERAL

DOMINION

As a diversified energy company, Dominion transacts primarily with major companies in the energy industry and with commercial and residential energy consumers. These transactions principally occur in the Northeast, mid-Atlantic and Midwest regions of the U.S. Dominion does not believe that this geographic concentration contributes significantly to its overall exposure to credit risk. In addition, as a result of its large and diverse customer base, Dominion is not exposed to a significant concentration of credit risk for receivables arising from electric and gas utility operations.

Dominion's exposure to credit risk is concentrated primarily within its energy marketing and price risk management activities, as Dominion transacts with a smaller, less diverse group of counterparties and transactions may involve large notional volumes and potentially volatile commodity prices. Energy marketing and price risk management activities include marketing of merchant generation output, structured transactions and the use of financial contracts for enterprise-wide hedging purposes. 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 is calculated prior to the application of any collateral. At December 31, 2015, Dominion's credit exposure totaled $149 million. Of this amount, investment grade counterparties, including those internally rated, represented 79%, and no single counterparty, whether investment grade or non-investment grade, exceeded $31 million of exposure.

VIRGINIA POWER

Virginia Power sells electricity and provides distribution and transmission services to customers in Virginia and northeastern

North Carolina. Management believes that this geographic concentration risk is mitigated by the diversity of Virginia Power's customer base, which includes residential, commercial and industrial customers, as well as rural electric cooperatives and municipalities. Credit risk associated with trade accounts receivable from energy consumers is limited due to the large number of customers. Virginia Power's exposure to potential concentrations of credit risk results primarily from sales to wholesale customers. Virginia Power's 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 is calculated prior to the application of collateral. At December 31, 2015, Virginia Power's exposure to potential concentrations of credit risk was not considered material.

Dominion Gas

Dominion Gas transacts mainly with major companies in the energy industry and with residential and commercial energy consumers. These transactions principally occur in the Northeast, mid-Atlantic and Midwest regions of the U.S. Dominion Gas does not believe that this geographic concentration contributes to its overall exposure to credit risk. In addition, as a result of its large and diverse customer base, Dominion Gas is not exposed to a significant concentration of credit risk for receivables arising from gas utility operations.

In 2015, DTI provided service to 266 customers with approximately 94% of its storage and transportation revenue being provided through firm services. The ten largest customers provided approximately 42% of the total storage and transportation revenue and the thirty largest provided approximately 72% of the total storage and transportation revenue.

East Ohio distributes natural gas to residential, commercial and industrial customers in Ohio using rates established by the Ohio Commission. Approximately 98% of East Ohio revenues are derived from its regulated gas distribution services. East Ohio's bad debt risk is mitigated by the regulatory framework established by the Ohio Commission. See Note 13 for further information about Ohio's PIPP and UEX Riders that mitigate East Ohio's overall credit risk.

Credit-Related Contingent Provisions

The majority of Dominion's derivative instruments contain credit-related contingent provisions. These provisions require Dominion to provide collateral upon the occurrence of specific events, primarily a credit downgrade. If the credit-related contingent features underlying these instruments that are in a liability position and not fully collateralized with cash were fully triggered as of December 31, 2015 and 2014, Dominion would have been required to post an additional $12 million and $20 million, respectively, of collateral to its counterparties. The collateral that would be required to be posted includes the impacts of any offsetting asset positions and any amounts already posted for derivatives, non-derivative contracts and derivatives elected under the normal purchases and normal sales exception, per contractual terms. Dominion had posted no collateral at December 31, 2015 and $1 million in collateral at December 31, 2014, related to derivatives with credit-related contingent provisions that are in a liability position and not fully collateralized with cash. The collateral posted includes any amounts paid related to non-derivative contracts and derivatives elected under the normal purchases and normal sales exception, per contractual terms. The aggregate fair value of all derivative instruments with credit-related contingent provisions that are in a liability position and not fully collateralized with cash as of December 31, 2015 and 2014 was $49 million, which does not include the impact of any offsetting asset positions. Credit-related contingent provisions for Virginia Power and Dominion Gas were not material as of December 31, 2015 and 2014. See Note 7 for further information about derivative instruments.

Note 24. Related-Party Transactions

Virginia Power and Dominion Gas engage in related party transactions primarily with other Dominion subsidiaries (affiliates). Virginia Power's and Dominion Gas' receivable and payable balances with affiliates are settled based on contractual terms or on a monthly basis, depending on the nature of the underlying transactions. Virginia Power and Dominion Gas are included in Dominion's consolidated federal income tax return. See Note 2 for further information. Dominion's transactions with equity method investments are described in Note 9. A discussion of significant related party transactions follows.

Virginia Power

Transactions with Affiliates

Virginia Power transacts with affiliates for certain quantities of natural gas and other commodities in the ordinary course of business. Virginia Power also enters into certain commodity derivative contracts with affiliates. Virginia Power uses these contracts, which are principally comprised of commodity swaps, to manage commodity price risks associated with purchases of natural gas. See Notes 7 and 19 for more information. As of December 31, 2015, Virginia Power's derivative assets and liabilities with affiliates were $13 million and $22 million, respectively. As of December 31, 2014, Virginia Power's derivative assets and liabilities with affiliates were not material.

Virginia Power participates in certain Dominion benefit plans as described in Note 21. At December 31, 2015 and 2014, Virginia Power's amounts due to Dominion associated with the Dominion Pension Plan and reflected in noncurrent pension and other postretirement benefit liabilities in the Consolidated Balance Sheets were $316 million and $219 million, respectively. At December 31, 2015 and 2014, Virginia Power's amounts due from Dominion associated with the Dominion Retiree Health and Welfare Plan and reflected in other deferred charges and other assets in the Consolidated Balance Sheets were $77 million and $37 million, respectively.

DRS and other affiliates provide accounting, legal, finance and certain administrative and technical services to Virginia Power. In addition, Virginia Power provides certain services to affiliates, including charges for facilities and equipment usage.

Presented below are significant transactions with DRS and other affiliates:

Year Ended December 31,	2015	2014	2013
(millions)			
Commodity purchases from affiliates	**$555**	$543	$417
Services provided by affiliates(1)	**422**	432	415
Services provided to affiliates	**22**	22	21

(1) Includes capitalized expenditures.

Virginia Power has borrowed funds from Dominion under short-term borrowing arrangements. There were $376 million and $427 million in short-term demand note borrowings from Dominion as of December 31, 2015 and 2014, respectively. Virginia Power had no outstanding borrowings, net of repayments under the Dominion money pool for its nonregulated subsidiaries as of December 31, 2015 and 2014. Interest charges related to Virginia Power's borrowings from Dominion were immaterial for the years ended December 31, 2015, 2014 and 2013.

There were no issuances of Virginia Power's common stock to Dominion in 2015, 2014 or 2013.

Dominion Gas

Transactions with Related Parties

Dominion Gas transacts with affiliates for certain quantities of natural gas and other commodities at market prices in the ordinary course of business. Additionally, Dominion Gas provides transportation and storage services to affiliates. Dominion Gas also enters into certain other contracts with affiliates, which are presented separately from contracts involving commodities or services. As of December 31, 2015 and 2014, all of Dominion Gas' commodity derivatives were with affiliates. See Notes 7 and 19 for more information. See Note 9 for information regarding sales of assets to an affiliate.

Dominion Gas participates in certain Dominion benefit plans as described in Note 21. At December 31, 2015 and 2014, Dominion Gas' amounts due from Dominion associated with the Dominion Pension Plan and reflected in noncurrent pension and other postretirement benefit assets in the Consolidated Balance Sheets were $652 million and $614 million, respectively. At December 31, 2015 and 2014, Dominion Gas' liabilities to Dominion associated with the Dominion Retiree Health and Welfare Plan and reflected in other deferred credits and other liabilities in the Consolidated Balance Sheets were $2 million and $7 million, respectively.

DRS and other affiliates provide accounting, legal, finance and certain administrative and technical services to Dominion Gas. Dominion Gas provides certain services to related parties, including technical services. The costs of these services follow:

Year Ended December 31,	2015	2014	2013
(millions)			
Purchases of natural gas and transportation and storage services from affiliates	**$ 10**	$ 34	$ 31
Sales of natural gas and transportation and storage services to affiliates	**69**	84	109
Services provided by related parties(1)	**133**	106	116
Services provided to related parties(2)	**101**	17	4

(1) Includes capitalized expenditures.
(2) Amounts primarily attributable to Atlantic Coast Pipeline.

The following table presents affiliated and related party activity reflected in Dominion Gas' Consolidated Balance Sheets:

At December 31,	2015	2014
(millions)		
Other receivables(1)	**$ 7**	$17
Customer receivables from related parties	**4**	5
Imbalances receivable from affiliates(2)	**1**	3
Affiliated notes receivable(3)	**14**	9

(1) Represents amounts due from Atlantic Coast Pipeline, a related party VIE.
(2) Amounts are presented in other current assets in Dominion Gas' Consolidated Balance Sheets.
(3) Amounts are presented in other deferred charges and other assets in Dominion Gas' Consolidated Balance Sheets.

Dominion Gas' borrowings under the IRCA with Dominion totaled $95 million and $384 million as of December 31, 2015 and 2014, respectively. Interest charges related to Dominion Gas' total borrowings from Dominion were immaterial for the year ended December 31, 2015 and $4 million and $35 million for the years ended December 31, 2014 and 2013, respectively.

Note 25. Operating Segments

The Companies are organized primarily on the basis of products and services sold in the U.S. 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.

In addition to the operating segments above, the Companies also report a Corporate and Other segment.

Dominion

The Corporate and Other Segment of Dominion includes its corporate, service company and other functions (including unallocated debt) and the net impact of operations that are discontinued or sold. 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.

In March 2014, Dominion exited the electric retail energy marketing business. As a result, the earnings impact from the electric retail energy marketing business has been included in the Corporate and Other Segment of Dominion for 2014 first quarter results of operations.

In the second quarter of 2013, Dominion commenced a restructuring of its producer services business, which aggregates natural gas supply, engages in natural gas trading and marketing activities and natural gas supply management and provides price risk management services to Dominion affiliates. The restructuring, which was completed in the first quarter of 2014, resulted in the termination of natural gas trading and certain energy marketing activities. As a result, the earnings impact from natural gas trading and certain energy marketing activities has been included in the Corporate and Other Segment of Dominion for 2014.

In 2015, Dominion reported after-tax net expense of $391 million in the Corporate and Other segment, with $136 million of these net expenses attributable to specific items related to its operating segments.

The net expenses for specific items in 2015 primarily related to the impact of the following items:

- A $99 million ($60 million after-tax) charge related to future ash pond and landfill closure costs at certain utility generation facilities, attributable to Dominion Generation; and
- An $85 million ($52 million after-tax) write-off of deferred fuel costs associated with Virginia legislation enacted in February 2015, attributable to Dominion Generation.

In 2014, Dominion reported after-tax net expense of $970 million in the Corporate and Other segment, with $544 million of these net expenses attributable to specific items related to its operating segments.

The net expenses for specific items in 2014 primarily related to the impact of the following items:

- $374 million ($248 million after-tax) 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, attributable to Dominion Generation;
- A $319 million ($193 million after-tax) net loss related to the producer services business discussed above, attributable to Dominion Energy; and
- A $121 million ($74 million after-tax) charge related to a settlement offer to incur future ash pond closure costs at certain utility generation facilities, attributable to Dominion Generation.

In 2013, Dominion reported after-tax net expense of $452 million in the Corporate and Other segment, with $184 million of these net expenses attributable to specific items related to its operating segments.

The net expenses for specific items in 2013 primarily related to the impact of the following items:

- A $135 million ($92 million after-tax) net loss from discontinued operations of Brayton Point and Kincaid, including debt extinguishment of $64 million ($38 million after-tax) related to the sale, impairment charges of $48 million ($28 million after-tax), a $17 million ($18 million after-tax) loss on the sale which includes a $16 million write-off of goodwill, and a $6 million ($8 million after-tax) loss from operations, attributable to Dominion Generation; and
- A $182 million ($109 million after-tax) net loss, including a $55 million ($33 million after-tax) impairment charge related to certain natural gas infrastructure assets and a $127 million ($76 million after-tax) loss related to the producer services business discussed above, attributable to Dominion Energy; partially offset by
- An $81 million ($49 million after-tax) net gain on investments held in nuclear decommissioning trust funds, attributable to Dominion Generation.

The following table presents segment information pertaining to Dominion's operations:

Year Ended December 31,	DVP	Dominion Generation[1]	Dominion Energy[1]	Corporate and Other	Adjustments & Eliminations[1]	Consolidated Total
(millions)						
2015						
Total revenue from external customers	**$2,091**	**$7,001**	**$1,877**	**$ (27)**	**$ 741**	**$11,683**
Intersegment revenue	**20**	**15**	**695**	**554**	**(1,284)**	**—**
Total operating revenue	**2,111**	**7,016**	**2,572**	**527**	**(543)**	**11,683**
Depreciation, depletion and amortization	**498**	**591**	**262**	**44**	**—**	**1,395**
Equity in earnings of equity method investees	**—**	**(15)**	**60**	**11**	**—**	**56**
Interest income	**—**	**64**	**25**	**13**	**(44)**	**58**
Interest and related charges	**230**	**262**	**27**	**429**	**(44)**	**904**
Income taxes	**307**	**465**	**423**	**(290)**	**—**	**905**
Net income (loss) attributable to Dominion	**490**	**1,120**	**680**	**(391)**	**—**	**1,899**
Investment in equity method investees	**—**	**245**	**1,042**	**33**	**—**	**1,320**
Capital expenditures	**1,607**	**2,190**	**2,153**	**43**	**—**	**5,993**
Total assets (billions)	**14.7**	**25.6**	**15.3**	**9.0**	**(5.8)**	**58.8**
2014						
Total revenue from external customers	$1,918	$7,135	$2,446	$ (12)	$ 949	$12,436
Intersegment revenue	18	34	880	572	(1,504)	—
Total operating revenue	1,936	7,169	3,326	560	(555)	12,436
Depreciation, depletion and amortization	462	514	243	73	—	1,292
Equity in earnings of equity method investees	—	(18)	54	10	—	46
Interest income	—	58	23	20	(33)	68
Interest and related charges	205	240	11	770	(33)	1,193
Income taxes	317	365	463	(693)	—	452
Net income (loss) attributable to Dominion	502	1,061	717	(970)	—	1,310
Investment in equity method investees	—	262	796	23	—	1,081
Capital expenditures	1,652	2,466	1,329	104	—	5,551
Total assets (billions)	13.0	23.9	13.0	8.7	(4.3)	54.3
2013						
Total revenue from external customers	$1,825	$6,664	$3,566	$ 3	$ 1,062	$13,120
Intersegment revenue	9	283	739	609	(1,640)	—
Total operating revenue	1,834	6,947	4,305	612	(578)	13,120
Depreciation, depletion and amortization	427	511	235	35	—	1,208
Equity in earnings of equity method investees	—	(14)	21	7	—	14
Interest income	—	59	19	42	(66)	54
Interest and related charges	175	220	26	522	(66)	877
Income taxes	287	436	456	(287)	—	892
Loss from discontinued operations, net of tax	—	—	—	(92)	—	(92)
Net income (loss) attributable to Dominion	475	963	711	(452)	—	1,697
Capital expenditures	1,361	1,605	1,043	95	—	4,104

(1) Amounts have been recast to reflect nonregulated retail energy marketing operations in the Dominion Energy segment.

Intersegment sales and transfers for Dominion are based on contractual arrangements and may result in intersegment profit or loss that is eliminated in consolidation.

Virginia Power

The majority of Virginia Power's revenue is provided through tariff rates. Generally, such revenue is allocated for management reporting based on an unbundled rate methodology among Virginia Power's DVP and Dominion Generation segments.

The Corporate and Other Segment of Virginia Power 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.

In 2015, Virginia Power reported after-tax net expenses of $153 million for specific items attributable to its operating segments in the Corporate and Other segment.

The net expenses for specific items in 2015 primarily related to the impact of the following:

- A $99 million ($60 million after-tax) charge related to future ash pond and landfill closure costs at certain utility generation facilities, attributable to Dominion Generation; and
- An $85 million ($52 million after-tax) write-off of deferred fuel costs associated with Virginia legislation enacted in February 2015, attributable to Dominion Generation.

In 2014, Virginia Power reported after-tax net expenses of $342 million for specific items attributable to its operating segments in the Corporate and Other segment.

The net expenses for specific items in 2014 primarily related o the impact of the following:

- $374 million ($248 million after-tax) 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, attributable to Dominion Generation; and
- A $121 million ($74 million after-tax) charge related to a settlement offer to incur future ash pond closure costs at certain utility generation facilities, attributable to Dominion Generation.

In 2013, Virginia Power reported after-tax net expenses of $47 million for specific items attributable to its operating segments in the Corporate and Other segment.

The net expenses for specific items in 2013 primarily related to the impact of the following:

- A $40 million ($28 million after-tax) charge in connection with the 2013 Biennial Review Order, attributable to Dominion Generation.

The following table presents segment information pertaining to Virginia Power's operations:

Year Ended December 31,	DVP	Dominion Generation	Corporate and Other	Adjustments & Eliminations	Consolidated Total
(millions)					
2015					
Operating revenue	**$2,099**	**$5,566**	**$ (43)**	**$ —**	**$7,622**
Depreciation and amortization	**498**	**453**	**2**	**—**	**953**
Interest income	**—**	**7**	**—**	**—**	**7**
Interest and related charges	**230**	**210**	**4**	**(1)**	**443**
Income taxes	**308**	**437**	**(86)**	**—**	**659**
Net income (loss)	**490**	**750**	**(153)**	**—**	**1,087**
Capital expenditures	**1,569**	**1,120**	**—**	**—**	**2,689**
Total assets (*billions*)	**14.7**	**17.0**	**—**	**(0.1)**	**31.6**
2014					
Operating revenue	$1,928	$5,651	$ —	$ —	$7,579
Depreciation and amortization	462	416	37	—	915
Interest income	—	8	—	—	8
Interest and related charges	205	203	3	—	411
Income taxes	317	416	(185)	—	548
Net income (loss)	509	691	(342)	—	858
Capital expenditures	1,651	1,456	—	—	3,107
Total assets (billions)	13.2	16.4	—	(0.1)	29.5
2013					
Operating revenue	$1,826	$5,475	$ (6)	$ —	$7,295
Depreciation and amortization	427	425	1	—	$ 853
Interest income	—	6	—	—	$ 6
Interest and related charges	175	192	2	—	$ 369
Income taxes	286	399	(26)	—	$ 659
Net income (loss)	483	702	(47)	—	$1,138
Capital expenditures	1,360	1,173	—	—	$2,533

DOMINION GAS

The Corporate and Other Segment of Dominion Gas primarily includes specific items attributable to Dominion Gas' operating segment that are not included in profit measures evaluated by executive management in assessing the segment's performance and the effect of certain items recorded at Dominion Gas as a result of Dominion's basis in the net assets contributed.

In 2015, Dominion Gas reported after-tax net expenses of $21 million in its Corporate and Other segment, with $13 million of these net expenses attributable to specific items related to its operating segment.

The net expenses for specific items in 2015 primarily related to the impact of the following:

- $16 million ($10 million after-tax) ceiling test impairment charge.

In 2014, Dominion Gas reported after-tax net expenses of $9 million in its Corporate and Other segment, with none of these net expenses attributable to specific items related to its operating segment.

In 2013, Dominion Gas reported after-tax net expenses of $49 million in the Corporate and Other segment, with $41 million of these net expenses attributable to specific items related to its operating segment.

The net expenses for specific items in 2013 primarily related to the impact of the following:

- $55 million ($33 million after-tax) of impairment charges related to certain natural gas infrastructure assets; and
- A $14 million ($8 million after-tax) charge primarily reflecting severance pay and other benefits related to workforce reductions.

The following table presents segment information pertaining to Dominion Gas' operations:

Year Ended December 31,	Dominion Energy	Corporate and Other[1]	Consolidated Total
(millions)			
2015			
Operating revenue	**$1,716**	**$ —**	**$1,716**
Depreciation and amortization	**213**	**4**	**217**
Equity in earnings of equity method investees	**23**	**—**	**23**
Interest income	**1**	**—**	**1**
Interest and related charges	**72**	**1**	**73**
Income taxes	**296**	**(13)**	**283**
Net income (loss)	**478**	**(21)**	**457**
Investment in equity method investees	**102**	**—**	**102**
Capital expenditures	**795**	**—**	**795**
Total assets (billions)	**9.7**	**0.6**	**10.3**
2014			
Operating revenue	$1,898	$ —	$1,898
Depreciation and amortization	197	—	197
Equity in earnings of equity method investees	21	—	21
Interest income	1	—	1
Interest and related charges	27	—	27
Income taxes	340	(6)	334
Net income (loss)	521	(9)	512
Investment in equity method investees	107	—	107
Capital expenditures	719	—	719
Total assets (billions)	9.2	0.6	9.8
2013			
Operating revenue	$1,937	$ —	$1,937
Depreciation and amortization	188	—	188
Equity in earnings of equity method investees	22	—	22
Interest income	2	—	2
Interest and related charges	28	—	28
Income taxes	333	(32)	301
Net income (loss)	510	(49)	461
Capital expenditures	650	—	650

Note 26. Quarterly Financial and Common Stock Data (Unaudited)

A summary of the Companies' quarterly results of operations for the years ended December 31, 2015 and 2014 follows. Amounts reflect all adjustments necessary in the opinion of management for a fair statement of the results for the interim periods. Results for interim periods may fluctuate as a result of weather conditions, changes in rates and other factors.

Dominion

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
(millions, except per share amounts)					
2015					
Operating revenue	**$ 3,409**	**$ 2,747**	**$ 2,971**	**$ 2,556**	**$ 11,683**
Income from operations	**1,002**	**773**	**1,123**	**638**	**3,536**
Net income including noncontrolling interests	**540**	**418**	**599**	**366**	**1,923**
Income from continuing operations(1)	**536**	**413**	**593**	**357**	**1,899**
Net income attributable to Dominion	**536**	**413**	**593**	**357**	**1,899**
Basic EPS:					
Income from continuing operations(1)	**0.91**	**0.70**	**1.00**	**0.60**	**3.21**
Net income attributable to Dominion	**0.91**	**0.70**	**1.00**	**0.60**	**3.21**
Diluted EPS:					
Income from continuing operations(1)	**0.91**	**0.70**	**1.00**	**0.60**	**3.20**
Net income attributable to Dominion	**0.91**	**0.70**	**1.00**	**0.60**	**3.20**
Dividends declared per share	**0.6475**	**0.6475**	**0.6475**	**0.6475**	**2.5900**
Common stock prices (intraday high-low)	**$79.89 - 68.25**	**$74.34 - 66.52**	**$76.59 - 66.65**	**$74.88 - 64.54**	**$ 79.89 - 64.54**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
(millions, except per share amounts)					
2014					
Operating revenue	$ 3,630	$ 2,813	$ 3,050	$ 2,943	$12,436
Income from operations	768	394	921	638	2,721
Net income including noncontrolling interests	385	161	531	249	1,326
Income from continuing operations(1)	379	159	529	243	1,310
Net income attributable to Dominion	379	159	529	243	1,310
Basic EPS:					
Income from continuing operations(1)	0.65	0.27	0.91	0.42	2.25
Net income attributable to Dominion	0.65	0.27	0.91	0.42	2.25
Diluted EPS:					
Income from continuing operations(1)	0.65	0.27	0.90	0.42	2.24
Net income attributable to Dominion	0.65	0.27	0.90	0.42	2.24
Dividends declared per share	0.60	0.60	0.60	0.60	2.40
Common stock prices (intraday high-low)	$72.22 - 63.14	$73.75 - 67.06	$71.62 - 64.71	$80.89 - 65.53	$80.89 - 63.14

(1) Amounts attributable to Dominion's common shareholders.

There were no significant items impacting Dominion's 2015 quarterly results.

Dominion's 2014 results include the impact of the following significant items:

- Fourth quarter results include $172 million in after-tax charges associated with the Liability Management Exercise in 2014 and $74 million in after-tax costs related to Virginia Power's settlement offer to incur future ash pond closure costs at certain utility generation facilities.
- Second quarter results include $191 million in 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.
- First quarter results include a $193 million after-tax reduction in revenues associated with the repositioning of Dominion's producer services business which was completed in the first quarter of 2014.

Virginia Power

Virginia Power's quarterly results of operations were as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
(millions)					
2015					
Operating revenue	**$2,137**	**$1,813**	**$2,058**	**$1,614**	**$7,622**
Income from operations	**525**	**481**	**741**	**374**	**2,121**
Net income	**269**	**246**	**385**	**187**	**1,087**
Balance available for common stock	**269**	**246**	**385**	**187**	**1,087**
2014					
Operating revenue	$1,983	$1,729	$2,053	$1,814	$7,579
Income from operations	613	205	594	312	1,724
Net income	324	69	314	151	858
Balance available for common stock	318	67	312	148	845

Virginia Power's 2015 results include the impact of the following significant items:

- Fourth quarter results include a $32 million after-tax charge related to incremental future ash pond and landfill closure costs at certain utility generation facilities.
- Second quarter results include a $28 million after-tax charge related to incremental future ash pond and landfill closure costs at certain utility generation facilities due to the enactment of the final CCR rule in April 2015.
- First quarter results include a $52 million after-tax write-off of deferred fuel costs associated with Virginia legislation enacted in February 2015.

Virginia Power's 2014 results include the impact of the following significant items:

- Fourth quarter results include $74 million in after-tax costs related to Virginia Power's settlement offer to incur future ash pond closure costs at certain utility generation facilities.
- Second quarter results include a $191 million after-tax charge 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.

Dominion Gas

Dominion Gas' quarterly results of operations were as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
(millions)					
2015					
Operating revenue	**$531**	**$395**	**$365**	**$425**	**$1,716**
Income from operations	**271**	**153**	**202**	**163**	**789**
Net income	**161**	**85**	**111**	**100**	**457**
2014					
Operating revenue	$569	$428	$391	$510	$1,898
Income from operations	265	154	177	255	851
Net income	164	93	107	148	512

Dominion Gas' 2015 results include the impact of the following significant items:

- Third quarter results include a $29 million after-tax gain from an agreement to convey shale development rights underneath a natural gas storage field.
- First quarter results include a $43 million after-tax gain from agreements to convey shale development rights underneath several natural gas storage fields.

Dominion Gas' 2014 results include the impact of the following significant item:

- Fourth quarter results include a $36 million after-tax gain from agreements to convey Marcellus Shale development rights underneath several natural gas storage fields.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

DOMINION

Senior management, including Dominion's CEO and CFO, evaluated the effectiveness of Dominion's disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation process, Dominion's CEO and CFO have concluded that Dominion's disclosure controls and procedures are effective. There were no changes in Dominion's internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, Dominion's internal control over financial reporting.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Dominion understands and accepts responsibility for Dominion's financial statements and related disclosures and the effectiveness of internal control over financial reporting (internal control). Dominion continuously strives to identify opportunities to enhance the effectiveness and efficiency of internal control, just as Dominion does throughout all aspects of its business.

Dominion maintains a system of internal control designed to provide reasonable assurance, at a reasonable cost, that its assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed and recorded in accordance with established procedures. This system includes written policies, an organizational structure designed to ensure appropriate segregation of responsibilities, careful selection and training of qualified personnel and internal audits.

The Audit Committee of the Board of Directors of Dominion, composed entirely of independent directors, meets periodically with the independent registered public accounting firm, the internal auditors and management to discuss auditing, internal control, and financial reporting matters of Dominion and to ensure that each is properly discharging its responsibilities. Both the independent registered public accounting firm and the internal auditors periodically meet alone with the Audit Committee and have free access to the Committee at any time.

SEC rules implementing Section 404 of the Sarbanes-Oxley Act of 2002 require Dominion's 2015 Annual Report to contain a management's report and a report of the independent registered public accounting firm regarding the effectiveness of internal control. As a basis for the report, Dominion tested and evaluated the design and operating effectiveness of internal controls. Based on its assessment as of December 31, 2015, Dominion makes the following assertions:

Management is responsible for establishing and maintaining effective internal control over financial reporting of Dominion.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Management evaluated Dominion's internal control over financial reporting as of December 31, 2015. This assessment was based on criteria for effective internal control over financial reporting described in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that Dominion maintained effective internal control over financial reporting as of December 31, 2015.

Dominion's independent registered public accounting firm is engaged to express an opinion on Dominion's internal control over financial reporting, as stated in their report which is included herein.

February 26, 2016

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Dominion Resources, Inc.
Richmond, Virginia

We have audited the internal control over financial reporting of Dominion Resources, Inc. and subsidiaries ("Dominion") as of December 31, 2015, based on criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Dominion's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on Dominion's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Dominion maintained, in all material respects, effective 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.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2015 of Dominion and our report dated February 26, 2016 expressed an unqualified opinion on those financial statements.

/s/ Deloitte & Touche LLP
Richmond, Virginia
February 26, 2016

Virginia Power

Senior management, including Virginia Power's CEO and CFO, evaluated the effectiveness of Virginia Power's disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation process, Virginia Power's CEO and CFO have concluded that Virginia Power's disclosure controls and procedures are effective. There were no changes in Virginia Power's internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, Virginia Power's internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Management of Virginia Power understands and accepts responsibility for Virginia Power's financial statements and related disclosures and the effectiveness of internal control over financial reporting (internal control). Virginia Power continuously strives to identify opportunities to enhance the effectiveness and efficiency of internal control, just as it does throughout all aspects of its business.

Virginia Power maintains a system of internal control designed to provide reasonable assurance, at a reasonable cost, that its assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed and recorded in accordance with established procedures. This system includes written policies, an organizational structure designed to ensure appropriate segregation of responsibilities, careful selection and training of qualified personnel and internal audits.

The Board of Directors also serves as Virginia Power's Audit Committee and meets periodically with the independent registered public accounting firm, the internal auditors and management to discuss Virginia Power's auditing, internal accounting control and financial reporting matters and to ensure that each is properly discharging its responsibilities.

SEC rules implementing Section 404 of the Sarbanes-Oxley Act require Virginia Power's 2015 Annual Report to contain a management's report regarding the effectiveness of internal control. As a basis for the report, Virginia Power tested and evaluated the design and operating effectiveness of internal controls. Based on the assessment as of December 31, 2015, Virginia Power makes the following assertions:

Management is responsible for establishing and maintaining effective internal control over financial reporting of Virginia Power.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Management evaluated Virginia Power's internal control over financial reporting as of December 31, 2015. This assessment was based on criteria for effective internal control over financial reporting described in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that Virginia Power maintained effective internal control over financial reporting as of December 31, 2015.

This annual report does not include an attestation report of Virginia Power's independent registered public accounting firm regarding internal control over financial reporting. Management's report is not subject to attestation by Virginia Power's independent registered public accounting firm pursuant to a permanent exemption under the Dodd-Frank Act.

February 26, 2016

Dominion Gas

Senior management, including Dominion Gas' CEO and CFO, evaluated the effectiveness of Dominion Gas' disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation process, Dominion Gas' CEO and CFO have concluded that Dominion Gas' disclosure controls and procedures are effective. There were no changes in Dominion Gas' internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, Dominion Gas' internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Management of Dominion Gas understands and accepts responsibility for Dominion Gas' financial statements and related disclosures and the effectiveness of internal control over financial reporting (internal control). Dominion Gas continuously strives to identify opportunities to enhance the effectiveness and efficiency of internal control, just as it does throughout all aspects of its business.

Dominion Gas maintains a system of internal control designed to provide reasonable assurance, at a reasonable cost, that its assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed and recorded in accordance with established procedures. This system includes written policies, an organizational structure designed to ensure appropriate segregation of responsibilities, careful selection and training of qualified personnel and internal audits.

The Board of Directors also serves as Dominion Gas' Audit Committee and meets periodically with the independent registered public accounting firm, the internal auditors and management to discuss Dominion Gas' auditing, internal accounting control and financial reporting matters and to ensure that each is properly discharging its responsibilities.

SEC rules implementing Section 404 of the Sarbanes-Oxley Act require Dominion Gas' 2015 Annual Report to contain a management's report regarding the effectiveness of internal control. As a basis for the report, Dominion Gas tested and evaluated the design and operating effectiveness of internal controls. Based on the assessment as of December 31, 2015, Dominion Gas makes the following assertions:

Management is responsible for establishing and maintaining effective internal control over financial reporting of Dominion Gas.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Management evaluated Dominion Gas' internal control over financial reporting as of December 31, 2015. This assessment was based on criteria for effective internal control over financial reporting described in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that Dominion Gas maintained effective internal control over financial reporting as of December 31, 2015.

This annual report does not include an attestation report of Dominion Gas' independent registered public accounting firm regarding internal control over financial reporting. Management's report is not subject to attestation by Dominion Gas' independent registered public accounting firm pursuant to a permanent exemption under the Dodd-Frank Act.

February 26, 2016

Item 9B. Other Information

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

DOMINION

The following information for Dominion is incorporated by reference from the Dominion 2016 Proxy Statement, which will be filed on or around March 23, 2016:

- Information regarding the directors required by this item is found under the heading *Election of Directors.*
- Information regarding a material change in the procedures by which shareholders recommend director nominees required by this item is found under the headings *Election of Directors* and *Shareholder Proposals and Director Nominations.*
- Information regarding compliance with Section 16 of the Securities Exchange Act of 1934, as amended, required by this item is found under the heading *Section 16(a) Beneficial Ownership Reporting Compliance.*
- Information regarding the Dominion Audit Committee Financial expert(s) required by this item is found under the heading *Board of Directors Committees—Audit Committee.*
- Information regarding the Dominion Audit Committee required by this item is found under the headings *Board of Directors Committees—Audit Committee* and *Audit Committee Report.*
- Information regarding Dominion's Code of Ethics required by this item is found under the heading *Corporate Governance and Board Matters.*

The information concerning the executive officers of Dominion required by this item is included in Part I of this Form 10-K under the caption *Executive Officers of Dominion.* Each executive officer of Dominion is elected annually.

Item 11. Executive Compensation

DOMINION

The following information about Dominion is contained in the 2016 Proxy Statement and is incorporated by reference: the information regarding executive compensation contained under the headings *Compensation Discussion and Analysis* and *Executive Compensation*; the information regarding Compensation Committee interlocks contained under the heading *Compensation Committee Interlocks and Insider Participation*; *The Compensation, Governance and Nominating Committee Report*; and the information regarding director compensation contained under the heading *Compensation of Non-Employee Directors.*

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

DOMINION

The information concerning stock ownership by directors, executive officers and five percent beneficial owners contained under the heading *Securities Ownership* in the 2016 Proxy Statement is incorporated by reference.

The information regarding equity securities of Dominion that are authorized for issuance under its equity compensation plans contained under the heading *Executive Compensation-Equity Compensation Plans* in the 2016 Proxy Statement is incorporated by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

DOMINION

The information regarding related party transactions required by this item found under the heading *Other Information-Related Party Transactions,* and information regarding director independence found under the heading *Corporate Governance and Board Matters—Independence of Directors,* in the 2016 Proxy Statement is incorporated by reference.

Item 14. Principal Accountant Fees and Services

DOMINION

The information concerning principal accountant fees and services contained under the heading *Auditor Fees and Pre-Approval Policy* in the 2016 Proxy Statement is incorporated by reference.

Virginia Power and Dominion Gas

The following table presents fees paid to Deloitte & Touche LLP for services related to Virginia Power and Dominion Gas for the fiscal years ended December 31, 2015 and 2014.

Type of Fees	2015	2014
(millions)		
Virginia Power		
Audit fees	**$1.87**	$1.96
Audit-related fees	—	—
Tax fees	—	—
All other fees	—	—
Total Fees	**$1.87**	$1.96
Dominion Gas		
Audit fees	**$1.06**	$0.52
Audit-related fees	**0.19**	0.14
Tax fees	—	—
All other fees	—	—
Total Fees	**$1.25**	$0.66

Audit fees represent fees of Deloitte & Touche LLP for the audit of Virginia Power's and Dominion Gas' annual consolidated financial statements, the review of financial statements included in Virginia Power's and Dominion Gas' quarterly Form 10-Q reports, 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 consist of assurance and related services that are reasonably related to the performance of the audit or review of Virginia Power's and Dominion Gas' 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, due diligence related to mergers, acquisitions, and investments, and accounting consultations about the application of GAAP to proposed transactions.

Virginia Power's and Dominion Gas' Boards of Directors have adopted the Dominion Audit Committee pre-approval policy for their independent auditor's services and fees and have delegated the execution of this policy to the Dominion Audit Committee. In accordance with this delegation, each year the Dominion Audit Committee pre-approves a schedule that details the services to be provided for the following year and an estimated charge for such services. At its January 2016 meeting, the Dominion Audit Committee approved Virginia Power's and Dominion Gas' schedules of services and fees for 2016. In accordance with the pre-approval policy, any changes to the pre-approved schedule may be pre-approved by the Dominion Audit Committee or a member of the Dominion Audit Committee.

The fees for Dominion Gas presented above for the year ended December 31, 2014, were for professional services rendered during the period subsequent to Dominion Gas becoming an SEC registrant. Total audit fees and audit-related fees incurred prior to Dominion Gas becoming an SEC registrant were $680 thousand and $70 thousand, respectively, and were paid by Dominion.

Part IV
Item 15. Exhibits and Financial Statement Schedules

(a) Certain documents are filed as part of this Form 10-K and are incorporated by reference and found on the pages noted.

1. Financial Statements
   See Index on page 58.

2. All schedules are omitted because they are not applicable, or the required information is either not material or is shown in the financial statements or the related notes.

3. Exhibits (incorporated by reference unless otherwise noted)

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
2	Purchase and Sale Agreement between Dominion Resources, Inc., Dominion Energy, Inc., Dominion Transmission, Inc. and CONSOL Energy Holdings LLC VI (Exhibit 99.1, Form 8-K filed March 15, 2010, File No. 1-8489).	X		
3.1.a	Dominion Resources, Inc. Articles of Incorporation as amended and restated, effective May 20, 2010 (Exhibit 3.1, Form 8-K filed May 20, 2010, File No. 1-8489).	X		
3.1.b	Virginia Electric and Power Company Amended and Restated Articles of Incorporation, as in effect on October 30, 2014 (Exhibit 3.1.b, Form 10-Q filed November 3, 2014, File No. 1-2255).		X	
3.1.c	Articles of Organization of Dominion Gas Holdings, LLC (Exhibit 3.1, Form S-4 filed April 4, 2014, File No. 333-195066).			X
3.2.a	Dominion Resources, Inc. Amended and Restated Bylaws, effective December 17, 2015 (Exhibit 3.1, Form 8-K filed December 17, 2015, File No. 1-8489).	X		
3.2.b	Virginia Electric and Power Company Amended and Restated Bylaws, effective June 1, 2009 (Exhibit 3.1, Form 8-K filed June 3, 2009, File No. 1-2255).		X	
3.2.c	Operating Agreement of Dominion Gas Holdings, LLC dated as of September 12, 2013 (Exhibit 3.2, Form S-4 filed April 4, 2014, File No. 333-195066).			X
4	Dominion Resources, Inc., Virginia Electric and Power Company and Dominion Gas Holdings, LLC agree to furnish to the Securities and Exchange Commission upon request any other instrument with respect to long-term debt as to which the total amount of securities authorized does not exceed 10% of each of their total consolidated assets.	X	X	X
4.1.a	See Exhibit 3.1.a above.	X		
4.1.b	See Exhibit 3.1.b above.		X	
4.2	Indenture of Mortgage of Virginia Electric and Power Company, dated November 1, 1935, as supplemented and modified by Fifty-Eighth Supplemental Indenture (Exhibit 4(ii), Form 10-K for the fiscal year ended December 31, 1985, File No. 1-2255); Ninety-Second Supplemental Indenture, dated as of July 1, 2012 (Exhibit 4.1, Form 10-Q for the quarter ended June 30, 2012 filed August 1, 2012, File No. 1-2255).	X	X	
4.3	Form of Senior Indenture, dated June 1, 1998, between Virginia Electric and Power Company and The Bank of New York Mellon (as successor trustee to JP Morgan Chase Bank (formerly The Chase Manhattan Bank)), as Trustee (Exhibit 4(iii), Form S-3 Registration Statement filed February 27, 1998, File No. 333-47119); Form of Tenth Supplemental Indenture, dated December 1, 2003 (Exhibit 4.3, Form 8-K filed December 4, 2003, File No. 1-2255); Form of Twelfth Supplemental Indenture, dated January 1, 2006 (Exhibit 4.2, Form 8-K filed January 12, 2006, File No. 1-2255); Form of Thirteenth Supplemental Indenture, dated as of January 1, 2006 (Exhibit 4.3, Form 8-K filed January 12, 2006, File No. 1-2255); Form of Fourteenth Supplemental Indenture, dated May 1, 2007 (Exhibit 4.2, Form 8-K filed May 16, 2007, File No. 1-2255); Form of Fifteenth Supplemental Indenture, dated September 1, 2007 (Exhibit 4.2, Form 8-K filed September 10, 2007, File No. 1-2255); Form of Seventeenth Supplemental Indenture, dated November 1, 2007 (Exhibit 4.3, Form 8-K filed November 30, 2007, File No. 1-2255); Form of Eighteenth Supplemental Indenture, dated April 1, 2008 (Exhibit 4.2, Form 8-K filed April 15, 2008, File No. 1-2255); Form of Nineteenth Supplemental and Amending Indenture, dated November 1, 2008 (Exhibit 4.2, Form 8-K filed	X	X	

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
	November 5, 2008, File No. 1-2255); Form of Twentieth Supplemental Indenture, dated June 1, 2009 (Exhibit 4.3, Form 8-K filed June 24, 2009, File No. 1-2255); Form of Twenty-First Supplemental Indenture, dated August 1, 2010 (Exhibit 4.3, Form 8-K filed September 1, 2010, File No. 1-2255); Twenty-Second Supplemental Indenture, dated as of January 1, 2012 (Exhibit 4.3, Form 8-K filed January 12, 2012, File No. 1-2255); Twenty-Third Supplemental Indenture, dated as of January 1, 2013 (Exhibit 4.3, Form 8-K filed January 8, 2013, File No. 1-2255); Twenty-Fourth Supplemental Indenture, dated as of January 1, 2013 (Exhibit 4.4, Form 8-K filed January 8, 2013, File No. 1-2255); Twenty-Fifth Supplemental Indenture, dated as of March 1, 2013 (Exhibit 4.3, Form 8-K filed March 14, 2013, File No. 1-2255); Twenty-Sixth Supplemental Indenture, dated as of August 1, 2013 (Exhibit 4.3, Form 8-K filed August 15, 2013, File No. 1-2255); Twenty-Seventh Supplemental Indenture, dated February 1, 2014 (Exhibit 4.3, Form 8-K filed February 7, 2014, File No. 1-2255); Twenty-Eighth Supplemental Indenture, dated February 1, 2014 (Exhibit 4.4, Form 8-K filed February 7, 2014, File No. 1-2255); Twenty-Ninth Supplemental Indenture, dated May 1, 2015 (Exhibit 4.3, Form 8-K filed May 13, 2015, File No. 1-02255); Thirtieth Supplemental Indenture, dated May 1, 2015 (Exhibit 4.4, Form 8-K filed May 13, 2015, File No. 1-02255); Thirty-First Supplemental Indenture, dated January 1, 2016 (Exhibit 4.3, Form 8-K filed January 14, 2016, File No. 000-55337).			
4.4	Indenture, Junior Subordinated Debentures, dated December 1, 1997, between Dominion Resources, Inc. and The Bank of New York Mellon (as successor trustee to JP Morgan Chase Bank (formerly The Chase Manhattan Bank)) as supplemented by a Form of Second Supplemental Indenture, dated January 1, 2001 (Exhibit 4.6, Form 8-K filed January 12, 2001, File No. 1-8489).	X		
4.5	Indenture, dated April 1, 1995, between Consolidated Natural Gas Company and The Bank of New York Mellon (as successor trustee to United States Trust Company of New York) (Exhibit (4), Certificate of Notification No. 1 filed April 19, 1995, File No. 70-8107); Securities Resolution No. 2 effective as of October 16, 1996 (Exhibit 2, Form 8-A filed October 18, 1996, File No. 1-3196 and relating to the 6 7/8% Debentures Due October 15, 2026); Securities Resolution No. 4 effective as of December 9, 1997 (Exhibit 2, Form 8-A filed December 12, 1997, File No. 1-3196 and relating to the 6.80% Debentures Due December 15, 2027).	X		
4.6	Form of Senior Indenture, dated June 1, 2000, between Dominion Resources, Inc. and The Bank of New York Mellon (as successor trustee to JP Morgan Chase Bank (formerly The Chase Manhattan Bank)), as Trustee (Exhibit 4(iii), Form S-3 Registration Statement filed December 21, 1999, File No. 333-93187); Form of Sixteenth Supplemental Indenture, dated December 1, 2002 (Exhibit 4.3, Form 8-K filed December 13, 2002, File No. 1-8489); Form of Twenty-First Supplemental Indenture, dated March 1, 2003 (Exhibits 4.3, Form 8-K filed March 4, 2003, File No. 1-8489); Form of Twenty-Second Supplemental Indenture, dated July 1, 2003 (Exhibit 4.2, Form 8-K filed July 22, 2003, File No. 1-8489); Form of Twenty-Ninth Supplemental Indenture, dated June 1, 2005 (Exhibit 4.3, Form 8-K filed June 17, 2005, File No. 1-8489); Forms of Thirty-Fifth and Thirty-Sixth Supplemental Indentures, dated June 1, 2008 (Exhibits 4.2 and 4.3, Form 8-K filed June 16, 2008, File No. 1-8489); Form of Thirty-Ninth Supplemental Indenture, dated August 1, 2009 (Exhibit 4.3, Form 8-K filed August 12, 2009, File No. 1-8489); Fortieth Supplemental Indenture, dated August 1, 2010 (Exhibit 4.3, Form 8-K filed September 2, 2010, File No. 1-8489); Forty-First Supplemental Indenture, dated March 1, 2011 (Exhibit 4.3, Form 8-K, filed March 7, 2011, File No. 1-8489); Forty-Third Supplemental Indenture, dated August 1, 2011 (Exhibit 4.3, Form 8-K, filed August 5, 2011, File No. 1-8489); Forty-Fourth Supplemental Indenture, dated August 1, 2011 (Exhibit 4.3, Form 8-K, filed August 15, 2011, File No. 1-8489); Forty-Fifth Supplemental Indenture, dated September 1, 2012 (Exhibit 4.3, Form 8-K, filed September 13, 2012, File No. 1-8489); Forty-Sixth Supplemental Indenture, dated September 1, 2012 (Exhibit 4.4, Form 8-K, filed September 13, 2012, File No. 1-8489); Forty-Seventh Supplemental Indenture, dated September 1, 2012 (Exhibit 4.5, Form 8-K, filed September 13, 2012, File No. 1-8489); Forty-Eighth Supplemental Indenture, dated March 1, 2014 (Exhibit 4.3, Form 8-K, filed March 24, 2014, File No. 1-8489); Forty-Ninth Supplemental Indenture, dated November 1, 2014 (Exhibit 4.3, Form 8-K, filed November 25, 2014, File No. 1-8489); Fiftieth Supplemental Indenture, dated November 1, 2014 (Exhibit 4.4, Form 8-K, filed November 25, 2014, File No. 1-8489); Fifty-First Supplemental Indenture, dated November 1, 2014 (Exhibit 4.5, Form 8-K, filed November 25, 2014, File No. 1-8489).	X		

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
4.7	Indenture, dated as of June 1, 2015, between Dominion Resources, Inc. and Deutsche Bank Trust Company Americas, as Trustee (Exhibit 4.1, Form 8-K filed June 15, 2015, File No. 1-8489); First Supplemental Indenture, dated as of June 1, 2015 (Exhibit 4.2, Form 8-K filed June 15, 2015, File No. 1-8489); Second Supplemental Indenture, dated as of September 1, 2015 (Exhibit 4.2, Form 8-K filed September 24, 2015, File No. 1-8489); Third Supplemental Indenture, dated as of February 1, 2016 (filed herewith).	X		
4.8	Junior Subordinated Indenture II, dated June 1, 2006, between Dominion Resources, Inc. and The Bank of New York Mellon (successor to JPMorgan Chase Bank, N.A.), as Trustee (Exhibit 4.1, Form 10-Q for the quarter ended June 30, 2006 filed August 3, 2006, File No. 1-8489); First Supplemental Indenture dated as of June 1, 2006 (Exhibit 4.2, Form 10-Q for the quarter ended June 30, 2006 filed August 3, 2006, File No. 1-8489); Second Supplemental Indenture, dated as of September 1, 2006 (Exhibit 4.2, Form 10-Q for the quarter ended September 30, 2006 filed November 1, 2006, File No. 1-8489); Fourth Supplemental Indenture, dated as of June 1, 2013 (Exhibit 4.3, Form 8-K filed June 7, 2013, File No. 1-8489); Fifth Supplemental Indenture, dated as of June 1, 2013 (Exhibit 4.4, Form 8-K filed June 7, 2013, File No. 1-8489); Sixth Supplemental Indenture, dated as of June 1, 2014 (Exhibit 4.3, Form 8-K filed July 1, 2014, File No. 1-8489); Seventh Supplemental Indenture, dated as of September 1, 2014 (Exhibit 4.3, Form 8-K filed October 3, 2013, File No. 1-8489).	X		
4.9	Replacement Capital Covenant entered into by Dominion Resources, Inc. dated June 23, 2006 (Exhibit 4.3, Form 10-Q for the quarter ended June 30, 2006 filed August 3, 2006, File No. 1-8489), as amended by Amendment No. 1 to Replacement Capital Covenant dated September 26, 2011 (Exhibit 4.2, Form 10-Q for the quarter ended September 30, 2011 filed October 28, 2011, File No. 1-8489).	X		
4.10	Replacement Capital Covenant entered into by Dominion Resources, Inc. dated September 29, 2006 (Exhibit 4.3, Form 10-Q for the quarter ended September 30, 2006 filed November 1, 2006, File No. 1-8489), as amended by Amendment No. 1 to Replacement Capital Covenant dated September 26, 2011 (Exhibit 4.3, Form 10-Q for the quarter ended September 30, 2011 filed October 28, 2011, File No. 1-8489).	X		
4.11	Replacement Capital Covenant entered into by Dominion Resources, Inc. dated June 17, 2009 (Exhibit 4.3, Form 8-K filed June 15, 2009, File No. 1-8489), as amended by Amendment No. 1 to Replacement Capital Covenant dated July 18, 2014 (Exhibit 4.3, Form 10-Q for the quarter ended June 30, 2014 filed July 30, 2014, File No. 1-8489).	X		
4.12	Series A Purchase Contract and Pledge Agreement, dated as of June 7, 2013, between Dominion Resources, Inc. and Deutsche Bank Trust Company Americas, as Purchase Contract Agent, Collateral Agent, Custodial Agent and Securities Intermediary (Exhibit 4.7, Form 8-K filed June 7, 2013, File No. 1-8489).	X		
4.13	Series B Purchase Contract and Pledge Agreement, dated as of June 7, 2013, between Dominion Resources, Inc. and Deutsche Bank Trust Company Americas, as Purchase Contract Agent, Collateral Agent, Custodial Agent and Securities Intermediary (Exhibit 4.8, Form 8-K filed June 7, 2013, File No. 1-8489).	X		
4.14	2014 Series A Purchase Contract and Pledge Agreement, dated as of July 1, 2014, between Dominion Resources, Inc. and Deutsche Bank Trust Company Americas, as Purchase Contract Agent, Collateral Agent, Custodial Agent and Securities Intermediary (Exhibit 4.5, Form 8-K filed July 1, 2014, File No. 1-8489).	X		
4.15	Indenture, dated as of October 1, 2013, between Dominion Gas Holdings, LLC and Deutsche Bank Trust Company Americas, as Trustee (Exhibit 4.1, Form S-4 filed April 4, 2014, File No. 333-195066); First Supplemental Indenture, dated as of October 1, 2013 (Exhibit 4.2, Form S-4 filed April 4, 2014, File No. 333-195066); Second Supplemental Indenture, dated as of October 1, 2013 (Exhibit 4.3, Form S-4 filed April 4, 2014, File No. 333-195066); Third Supplemental Indenture, dated as of October 1, 2013 (Exhibit 4.4, Form S-4 filed April 4, 2014, File No. 333-195066); Fourth Supplemental Indenture, dated as of December 1, 2014 (Exhibit 4.2, Form 8-K filed December 8, 2014, File No. 333-195066); Fifth Supplemental Indenture, dated as of December 1, 2014 (Exhibit 4.3, Form 8-K filed December 8, 2014, File	X		X

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
	No. 333-195066); Sixth Supplemental Indenture, dated as of December 1, 2014 (Exhibit 4.4, Form 8-K filed December 8, 2014, File No. 333-195066); Seventh Supplemental Indenture, dated as of November 1, 2015 (Exhibit 4.2, Form 8-K filed November 17, 2015, File No. 001-37591).			
10.1	$4,000,000,000 Five-Year Amended and Restated Revolving Credit Agreement, dated May 19, 2014, among Dominion Resources, Inc., Virginia Electric and Power Company, Dominion Gas Holdings, LLC, JPMorgan Chase Bank, N.A., as Administrative Agent, The Royal Bank of Scotland plc, Bank of America, N.A., Barclays Bank PLC and Wells Fargo Bank, N.A., as Syndication Agents, and other lenders named therein (Exhibit 10.1, Form 8-K filed May 19, 2014, File No. 1-8489 and File No. 1-2255).	X	X	X
10.2	$500,000,000 Five-Year Amended and Restated Revolving Credit Agreement among Dominion Resources, Inc., Virginia Electric and Power Company, Dominion Gas Holdings, LLC, Keybank National Association, as Administrative Agent, U.S. Bank National Association, as Syndication Agent, and other lenders named therein (Exhibit 10.1, Form 8-K filed June 2, 2014, File No. 1-8489 and File No. 1-2255).	X	X	X
10.3	DRS Services Agreement, dated January 1, 2003, between Dominion Resources, Inc. and Dominion Resources Services, Inc. (Exhibit 10.1, Form 10-K for the fiscal year ended December 31, 2011 filed February 28, 2012, File No. 1-8489).	X		
10.4	DRS Services Agreement, dated as of January 2012, between Dominion Resources Services, Inc. and Virginia Electric and Power Company (Exhibit 10.2, Form 10-K for the fiscal year ended December 31, 2011 filed February 28, 2012, File No. 1-8489 and File No. 1-2255).		X	
10.5	DRS Services Agreement, dated September 12, 2013, between Dominion Gas Holdings, LLC and Dominion Resources Services, Inc. (Exhibit 10.3, Form S-4 filed April 4, 2014, File No. 333-195066).			X
10.6	DRS Services Agreement, dated January 1, 2003, between Dominion Transmission, Inc. and Dominion Resources Services, Inc. (Exhibit 10.4, Form S-4 filed April 4, 2014, File No. 333-195066).			X
10.7	DRS Services Agreement, dated January 1, 2003, between The East Ohio Company and Dominion Resources Services, Inc. (Exhibit 10.5, Form S-4 filed April 4, 2014, File No. 333-195066).			X
10.8	DRS Services Agreement, dated January 1, 2003, between Dominion Iroquois, Inc. and Dominion Resources Services, Inc. (Exhibit 10.6, Form S-4 filed April 4, 2014, File No. 333-195066).			X
10.9	Agreement between PJM Interconnection, L.L.C. and Virginia Electric and Power Company (Exhibit 10.1, Form 8-K filed April 26, 2005, File No. 1-2255 and File No. 1-8489).	X	X	
10.10	Form of Settlement Agreement in the form of a proposed Consent Decree among the United States of America, on behalf of the United States Environmental Protection Agency, the State of New York, the State of New Jersey, the State of Connecticut, the Commonwealth of Virginia and the State of West Virginia and Virginia Electric and Power Company (Exhibit 10, Form 10-Q for the quarter ended March 31, 2003 filed May 9, 2003, File No. 1-8489 and File No. 1-2255).	X	X	
10.11*	Dominion Resources, Inc. Executive Supplemental Retirement Plan, as amended and restated effective December 17, 2004 (Exhibit 10.5, Form 8-K filed December 23, 2004, File No. 1-8489), as amended September 26, 2014 (Exhibit 10.1, Form 10-Q for the fiscal quarter ended September 30, 2014 filed November 3, 2014).	X	X	X
10.12*	Form of Employment Continuity Agreement for certain officers of Dominion Resources, Inc. and Virginia Electric and Power Company, amended and restated July 15, 2003 (Exhibit 10.1, Form 10-Q for the quarter ended June 30, 2003 filed August 11, 2003, File No. 1-8489 and File No. 1-2255), as amended March 31, 2006 (Form 8-K filed April 4, 2006, File No. 1-8489).	X	X	X

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
10.13*	Form of Employment Continuity Agreement for certain officers of Dominion Resources, Inc. and Virginia Electric and Power Company dated January 24, 2013 (effective for certain officers elected subsequent to February 1, 2013) (Exhibit 10.9, Form 10-K for the fiscal year ended December 31, 2013 filed February 27, 2014, File No. 1-8489 and File No. 1-2255).	X	X	X
10.14*	Dominion Resources, Inc. Retirement Benefit Restoration Plan, as amended and restated effective December 17, 2004 (Exhibit 10.6, Form 8-K filed December 23, 2004, File No. 1-8489), as amended September 26, 2014 (Exhibit 10.2, Form 10-Q for the fiscal quarter ended September 30, 2014 filed November 3, 2014).	X	X	X
10.15*	Dominion Resources, Inc. Executives' Deferred Compensation Plan, amended and restated effective December 17, 2004 (Exhibit 10.7, Form 8-K filed December 23, 2004, File No. 1-8489).	X	X	X
10.16*	Dominion Resources, Inc. New Executive Supplemental Retirement Plan, as amended and restated effective July 1, 2013 (Exhibit 10.2, Form 10-Q for the quarter ended June 30, 2013 filed August 6, 2013 File No. 1-8489), as amended September 26, 2014 (Exhibit 10.3, Form 10-Q for the fiscal quarter ended September 30, 2014 filed November 3, 2014).	X	X	X
10.17*	Dominion Resources, Inc. New Retirement Benefit Restoration Plan, as amended and restated effective January 1, 2009 (Exhibit 10.17, Form 10-K for the fiscal year ended December 31, 2008 filed February 26, 2009, File No. 1-8489 and Exhibit 10.20, Form 10-K for the fiscal year ended December 31, 2008 filed February 26, 2009, File No. 1-2255), as amended September 26, 2014 (Exhibit 10.4, Form 10-Q for the fiscal quarter ended September 30, 2014 filed November 3, 2014).	X	X	X
10.18*	Dominion Resources, Inc. Stock Accumulation Plan for Outside Directors, amended as of February 27, 2004 (Exhibit 10.15, Form 10-K for the fiscal year ended December 31, 2003 filed March 1, 2004, File No. 1-8489) as amended effective December 31, 2004 (Exhibit 10.1, Form 8-K filed December 23, 2004, File No. 1-8489).	X		
10.19*	Dominion Resources, Inc. Directors Stock Compensation Plan, as amended February 27, 2004 (Exhibit 10.16, Form 10-K for the fiscal year ended December 31, 2003 filed March 1, 2004, File No. 1-8489) as amended effective December 31, 2004 (Exhibit 10.2, Form 8-K filed December 23, 2004, File No. 1-8489).	X		
10.20*	Dominion Resources, Inc. Directors' Deferred Cash Compensation Plan, as amended and in effect September 20, 2002 (Exhibit 10.4, Form 10-Q for the quarter ended September 30, 2002 filed November 8, 2002, File No. 1-8489) as amended effective December 31, 2004 (Exhibit 10.3, Form 8-K filed December 23, 2004, File No. 1-8489).	X		
10.21*	Dominion Resources, Inc. Non-Employee Directors' Compensation Plan, effective January 1, 2005, as amended and restated effective December 17, 2009 (Exhibit 10.18, Form 10-K filed for the fiscal year ended December 31, 2009 filed February 26, 2010, File No. 1-8489).	X		
10.22*	Dominion Resources, Inc. Executive Stock Purchase Tool Kit, effective September 1, 2001, amended and restated May 7, 2014 (Exhibit 10.4, Form 10-Q for the fiscal quarter ended June 30, 2014 filed July 30, 2014, File No. 1-8489 and File No. 1-2250).	X	X	X
10.23*	Dominion Resources, Inc. Security Option Plan, effective January 1, 2003, amended December 31, 2004 and restated effective January 1, 2005 (Exhibit 10.13, Form 8-K filed December 23, 2004, File No. 1-8489).	X	X	X
10.24*	Letter agreement between Dominion Resources, Inc. and Thomas F. Farrell II, dated February 27, 2003 (Exhibit 10.24, Form 10-K for the fiscal year ended December 31, 2002 filed March 20, 2003, File No. 1-8489), as amended December 16, 2005 (Exhibit 10.1, Form 8-K filed December 16, 2005, File No. 1-8489).	X	X	X
10.25*	Employment agreement dated February 13, 2007 between Dominion Resources Services, Inc. and Mark F. McGettrick (Exhibit 10.34, Form 10-K for the fiscal year ended December 31, 2006 filed February 28, 2007, File No. 1-8489).	X	X	X

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
10.26*	Supplemental Retirement Agreement dated October 22, 2003 between Dominion Resources, Inc. and Paul D. Koonce (Exhibit 10.18, Form 10-K for the fiscal year ended December 31, 2003 filed March 1, 2004, File No. 1-2255).	X	X	X
10.27*	Supplemental Retirement Agreement dated December 12, 2000, between Dominion Resources, Inc. and David A. Christian (Exhibit 10.25, Form 10-K for the fiscal year ended December 31, 2001 filed March 11, 2002, File No. 1-2255).	X	X	X
10.28*	Form of Advancement of Expenses for certain directors and officers of Dominion Resources, Inc., approved by the Dominion Resources, Inc. Board of Directors on October 24, 2008 (Exhibit 10.2, Form 10-Q for the quarter ended September 30, 2008 filed October 30, 2008, File No. 1-8489 and Exhibit 10.3, Form 10-Q for the quarter ended September 30, 2008 filed October 30, 2008, File No. 1-2255).	X	X	X
10.29*	Dominion Resources, Inc. 2005 Incentive Compensation Plan, originally effective May 1, 2005, as amended and restated effective December 20, 2011 (Exhibit 10.32, Form 10-K for the fiscal year ended December 31, 2011 filed February 28, 2012, File No. 1-8489 and File No. 1-2255).	X	X	X
10.30*	Supplemental Retirement Agreement with Mark F. McGettrick effective May 19, 2010 (Exhibit 10.1, Form 8-K filed May 20, 2010, File No. 1-8489).	X	X	X
10.31*	Form of Restricted Stock Award Agreement under 2011 Long-Term Compensation Program approved January 20, 2011 (Exhibit 10.2, Form 8-K filed January 21, 2011, File No. 1-8489).	X	X	X
10.32*	Form of Restricted Stock Award Agreement for Mark F. McGettrick, Paul D. Koonce and David A. Christian approved December 17, 2012 (Exhibit 10.1, Form 8-K filed December 21, 2012, File No. 1-8489).	X	X	X
10.33*	2012 Performance Grant Plan under the 2012 Long-Term Incentive Program approved January 19, 2012 (Exhibit 10.1, Form 8-K filed January 20, 2012, File No. 1-8489).	X	X	X
10.34*	Form of Restricted Stock Award Agreement under the 2012 Long-term Incentive Program approved January 19, 2012 (Exhibit 10.2, Form 8-K filed January 20, 2012, File No. 1-8489)	X	X	X
10.35*	2013 Performance Grant Plan under 2013 Long-Term Incentive Program approved January 24, 2013 (Exhibit 10.1, Form 8-K filed January 25, 2013, File No. 1-8489).	X	X	X
10.36*	Form of Restricted Stock Award Agreement under the 2013 Long-term Incentive Program approved January 24, 2013 (Exhibit 10.2, Form 8-K filed January 25, 2013, File No. 1-8489)	X	X	X
10.37*	Restricted Stock Award Agreement for Thomas F. Farrell II, dated December 17, 2010 (Exhibit 10.1, Form 8-K filed December 17, 2010, File No. 1-8489).	X	X	X
10.38*	Retirement Agreement, dated as of June 20, 2013, between Dominion Resources, Inc. and Gary L. Sypolt (Exhibit 10.1, Form 8-K filed June 24, 2013, File No. 1-8489).	X		
10.39*	2014 Performance Grant Plan under 2014 Long-Term Incentive Program approved January 16, 2014 (Exhibit 10.40, Form 10-K for the fiscal year ended December 31, 2013, File No. 1-8489).	X	X	X
10.40*	Form of Restricted Stock Award Agreement under the 2014 Long-term Incentive Program approved January 16, 2014 (Exhibit 10.41, Form 10-K for the fiscal year ended December 31, 2013, File No. 1-8489).	X	X	X

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
10.41*	Form of Special Performance Grant for Thomas F. Farrell II and Mark F. McGettrick approved January 16, 2014 (Exhibit 10.42, Form 10-K for the fiscal year ended December 31, 2013, File No. 1-8489).	X	X	X
10.42*	Dominion Resources, Inc. 2014 Incentive Compensation Plan, effective May 7, 2014 (Exhibit 10.1, Form 8-K filed May 7, 2014, File No. 1-8489).	X	X	X
10.43	Registration Rights Agreement, dated as of October 22, 2013, by and among Dominion Gas Holdings, LLC and RBC Capital Markets, LLC, RBS Securities Inc. and Scotia Capital (USA) Inc., as the initial purchasers of the Notes (Exhibit 10.1, Form S-4 filed April 4, 2014, File No. 333-195066).			X
10.44	Inter-Company Credit Agreement, dated October 17, 2013, between Dominion Resources, Inc. and Dominion Gas Holdings, LLC (Exhibit 10.2, Form S-4 filed April 4, 2014, File No. 333-195066).	X		X
10.45*	2015 Performance Grant Plan under 2015 Long-Term Incentive Program approved January 22, 2015 (Exhibit 10.42, Form 10-K for the fiscal year ended December 31, 2014, File No. 1-8489).	X	X	X
10.46*	Form of Restricted Stock Award Agreement under the 2015 Long-term Incentive Program approved January 22, 2015 (Exhibit 10.43, Form 10-K for the fiscal year ended December 31, 2014, File No. 1-8489).	X	X	X
10.47*	2016 Performance Grant Plan under 2016 Long-Term Incentive Program approved January 21, 2016 (filed herewith).	X	X	X
10.48*	Form of Restricted Stock Award Agreement under the 2016 Long-term Incentive Program approved January 21, 2016 (filed herewith).	X	X	X
10.49*	Base salaries for named executive officers of Dominion Resources, Inc. (filed herewith).	X		
10.50*	Non-employee directors' annual compensation for Dominion Resources, Inc. (filed herewith).	X		
12.a	Ratio of earnings to fixed charges for Dominion Resources, Inc. (filed herewith).	X		
12.b	Ratio of earnings to fixed charges for Virginia Electric and Power Company (filed herewith).		X	
12.c	Ratio of earnings to fixed charges for Dominion Gas Holdings, LLC (filed herewith).			X
21	Subsidiaries of Dominion Resources, Inc. (filed herewith).	X		
23	Consent of Deloitte & Touche LLP (filed herewith).	X	X	X
31.a	Certification by Chief Executive Officer of Dominion Resources, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).	X		
31.b	Certification by Chief Financial Officer of Dominion Resources, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).	X		
31.c	Certification by Chief Executive Officer of Virginia Electric and Power Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).		X	
31.d	Certification by Chief Financial Officer of Virginia Electric and Power Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).		X	
31.e	Certification by Chief Executive Officer of Dominion Gas Holdings, LLC pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).			X
31.f	Certification by Chief Financial Officer of Dominion Gas Holdings, LLC pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).			X
32.a	Certification to the Securities and Exchange Commission by Chief Executive Officer and Chief Financial Officer of Dominion Resources, Inc. as required by Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).	X		

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
32.b	Certification to the Securities and Exchange Commission by Chief Executive Officer and Chief Financial Officer of Virginia Electric and Power Company as required by Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).		X	
32.c	Certification to the Securities and Exchange Commission by Chief Executive Officer and Chief Financial Officer of Dominion Gas Holdings, LLC as required by Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).			X
101	The following financial statements from Dominion Resources, Inc., Virginia Electric and Power Company and Dominion Gas Holdings, LLC Annual Report on Form 10-K for the year ended December 31, 2015, filed on February 26, 2016, formatted in XBRL: (i) Consolidated Statements of Income, (ii) Consolidated Balance Sheets, (iii) Consolidated Statements of Common Shareholders' Equity (iv) Consolidated Statements of Comprehensive Income (v) Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements.	X	X	X

* *Indicates management contract or compensatory plan or arrangement*

Signatures

DOMINION

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DOMINION RESOURCES, INC.

By: /s/ Thomas F. Farrell II
(Thomas F. Farrell II, Chairman, President and Chief Executive Officer)

Date: February 26, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 26th day of February, 2016.

Signature	Title
/s/ Thomas F. Farrell II Thomas F. Farrell II	Chairman of the Board of Directors, President and Chief Executive Officer
/s/ William P. Barr William P. Barr	Director
/s/ Helen E. Dragas Helen E. Dragas	Director
/s/ James O. Ellis, Jr. James O. Ellis, Jr.	Director
/s/ John W. Harris John W. Harris	Director
/s/ Mark J. Kington Mark J. Kington	Director
/s/ Pamela J. Royal Pamela J. Royal	Director
/s/ Robert H. Spilman, Jr. Robert H. Spilman, Jr.	Director
/s/ Michael E. Szymanczyk Michael E. Szymanczyk	Director
/s/ David A. Wollard David A. Wollard	Director
/s/ Mark F. McGettrick Mark F. McGettrick	Executive Vice President and Chief Financial Officer
/s/ Michele L. Cardiff Michele L. Cardiff	Vice President, Controller and Chief Accounting Officer

Virginia Power

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VIRGINIA ELECTRIC AND POWER COMPANY

By: /s/ THOMAS F. FARRELL II
(Thomas F. Farrell II, Chairman of the Board of Directors and Chief Executive Officer)

Date: February 26, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 26th day of February, 2016.

Signature	Title
/s/ Thomas F. Farrell II Thomas F. Farrell II	Chairman of the Board of Directors and Chief Executive Officer
/s/ Mark F. McGettrick Mark F. McGettrick	Director, Executive Vice President and Chief Financial Officer
/s/ Mark O. Webb Mark O. Webb	Director
/s/ Michele L. Cardiff Michele L. Cardiff	Vice President, Controller and Chief Accounting Officer

Dominion Gas

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DOMINION GAS HOLDINGS, LLC

By: /s/ THOMAS F. FARRELL II

(Thomas F. Farrell II, Chairman of the Board of Directors and Chief Executive Officer)

Date: February 26, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 26th day of February, 2016.

Signature	Title
/s/ Thomas F. Farrell II Thomas F. Farrell II	Chairman of the Board of Directors and Chief Executive Officer
/s/ Mark F. McGettrick Mark F. McGettrick	Director, Executive Vice President and Chief Financial Officer
/s/ Mark O. Webb Mark O. Webb	Director
/s/ Michele L. Cardiff Michele L. Cardiff	Vice President, Controller and Chief Accounting Officer

Exhibit Index

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
2	Purchase and Sale Agreement between Dominion Resources, Inc., Dominion Energy, Inc., Dominion Transmission, Inc. and CONSOL Energy Holdings LLC VI (Exhibit 99.1, Form 8-K filed March 15, 2010, File No. 1-8489).	X		
3.1.a	Dominion Resources, Inc. Articles of Incorporation as amended and restated, effective May 20, 2010 (Exhibit 3.1, Form 8-K filed May 20, 2010, File No. 1-8489).	X		
3.1.b	Virginia Electric and Power Company Amended and Restated Articles of Incorporation, as in effect on October 30, 2014 (Exhibit 3.1.b, Form 10-Q filed November 3, 2014, File No. 1-2255).		X	
3.1.c	Articles of Organization of Dominion Gas Holdings, LLC (Exhibit 3.1, Form S-4 filed April 4, 2014, File No. 333-195066).			X
3.2.a	Dominion Resources, Inc. Amended and Restated Bylaws, effective December 17, 2015 (Exhibit 3.1, Form 8-K filed December 17, 2015, File No. 1-8489).	X		
3.2.b	Virginia Electric and Power Company Amended and Restated Bylaws, effective June 1, 2009 (Exhibit 3.1, Form 8-K filed June 3, 2009, File No. 1-2255).		X	
3.2.c	Operating Agreement of Dominion Gas Holdings, LLC dated as of September 12, 2013 (Exhibit 3.2, Form S-4 filed April 4, 2014, File No. 333-195066).			X
4	Dominion Resources, Inc., Virginia Electric and Power Company and Dominion Gas Holdings, LLC agree to furnish to the Securities and Exchange Commission upon request any other instrument with respect to long-term debt as to which the total amount of securities authorized does not exceed 10% of each of their total consolidated assets.	X	X	X
4.1.a	See Exhibit 3.1.a above.	X		
4.1.b	See Exhibit 3.1.b above.		X	
4.2	Indenture of Mortgage of Virginia Electric and Power Company, dated November 1, 1935, as supplemented and modified by Fifty-Eighth Supplemental Indenture (Exhibit 4(ii), Form 10-K for the fiscal year ended December 31, 1985, File No. 1-2255); Ninety-Second Supplemental Indenture, dated as of July 1, 2012 (Exhibit 4.1, Form 10-Q for the quarter ended June 30, 2012 filed August 1, 2012, File No. 1-2255).	X	X	
4.3	Form of Senior Indenture, dated June 1, 1998, between Virginia Electric and Power Company and The Bank of New York Mellon (as successor trustee to JP Morgan Chase Bank (formerly The Chase Manhattan Bank)), as Trustee (Exhibit 4(iii), Form S-3 Registration Statement filed February 27, 1998, File No. 333-47119); Form of Tenth Supplemental Indenture, dated December 1, 2003 (Exhibit 4.3, Form 8-K filed December 4, 2003, File No. 1-2255); Form of Twelfth Supplemental Indenture, dated January 1, 2006 (Exhibit 4.2, Form 8-K filed January 12, 2006, File No. 1-2255); Form of Thirteenth Supplemental Indenture, dated as of January 1, 2006 (Exhibit 4.3, Form 8-K filed January 12, 2006, File No. 1-2255); Form of Fourteenth Supplemental Indenture, dated May 1, 2007 (Exhibit 4.2, Form 8-K filed May 16, 2007, File No. 1-2255); Form of Fifteenth Supplemental Indenture, dated September 1, 2007 (Exhibit 4.2, Form 8-K filed September 10, 2007, File No. 1-2255); Form of Seventeenth Supplemental Indenture, dated November 1, 2007 (Exhibit 4.3, Form 8-K filed November 30, 2007, File No. 1-2255); Form of Eighteenth Supplemental Indenture, dated April 1, 2008 (Exhibit 4.2, Form 8-K filed April 15, 2008, File No. 1-2255); Form of Nineteenth Supplemental and Amending Indenture, dated November 1, 2008 (Exhibit 4.2, Form 8-K filed November 5, 2008, File No. 1-2255); Form of Twentieth Supplemental Indenture, dated June 1, 2009 (Exhibit 4.3, Form 8-K filed June 24, 2009, File No. 1-2255); Form of Twenty-First Supplemental Indenture, dated August 1, 2010 (Exhibit 4.3, Form 8-K filed September 1, 2010, File No. 1-2255); Twenty-Second Supplemental Indenture, dated as of January 1, 2012 (Exhibit 4.3, Form 8-K filed January 12, 2012, File No. 1-2255); Twenty-Third Supplemental Indenture, dated as of January 1, 2013 (Exhibit 4.3, Form 8-K filed January 8, 2013, File No. 1-2255); Twenty-Fourth Supplemental Indenture, dated as of January 1, 2013 (Exhibit 4.4, Form 8-K filed January 8, 2013, File No. 1-2255); Twenty-Fifth Supplemental Indenture, dated as of March 1, 2013 (Exhibit 4.3, Form 8-K filed March 14, 2013, File No. 1-2255); Twenty-Sixth	X	X	

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
	Supplemental Indenture, dated as of August 1, 2013 (Exhibit 4.3, Form 8-K filed August 15, 2013, File No. 1-2255); Twenty-Seventh Supplemental Indenture, dated February 1, 2014 (Exhibit 4.3, Form 8-K filed February 7, 2014, File No. 1-2255); Twenty-Eighth Supplemental Indenture, dated February 1, 2014 (Exhibit 4.4, Form 8-K filed February 7, 2014, File No. 1-2255); Twenty-Ninth Supplemental Indenture, dated May 1, 2015 (Exhibit 4.3, Form 8-K filed May 13, 2015, File No. 1-02255); Thirtieth Supplemental Indenture, dated May 1, 2015 (Exhibit 4.4, Form 8-K filed May 13, 2015, File No. 1-02255); Thirty-First Supplemental Indenture, dated January 1, 2016 (Exhibit 4.3, Form 8-K filed January 14, 2016, File No. 000-55337).			
4.4	Indenture, Junior Subordinated Debentures, dated December 1, 1997, between Dominion Resources, Inc. and The Bank of New York Mellon (as successor trustee to JP Morgan Chase Bank (formerly The Chase Manhattan Bank)) as supplemented by a Form of Second Supplemental Indenture, dated January 1, 2001 (Exhibit 4.6, Form 8-K filed January 12, 2001, File No. 1-8489).	X		
4.5	Indenture, dated April 1, 1995, between Consolidated Natural Gas Company and The Bank of New York Mellon (as successor trustee to United States Trust Company of New York) (Exhibit (4), Certificate of Notification No. 1 filed April 19, 1995, File No. 70-8107); Securities Resolution No. 2 effective as of October 16, 1996 (Exhibit 2, Form 8-A filed October 18, 1996, File No. 1-3196 and relating to the 6 7/8% Debentures Due October 15, 2026); Securities Resolution No. 4 effective as of December 9, 1997 (Exhibit 2, Form 8-A filed December 12, 1997, File No. 1-3196 and relating to the 6.80% Debentures Due December 15, 2027).	X		
4.6	Form of Senior Indenture, dated June 1, 2000, between Dominion Resources, Inc. and The Bank of New York Mellon (as successor trustee to JP Morgan Chase Bank (formerly The Chase Manhattan Bank)), as Trustee (Exhibit 4(iii), Form S-3 Registration Statement filed December 21, 1999, File No. 333-93187); Form of Sixteenth Supplemental Indenture, dated December 1, 2002 (Exhibit 4.3, Form 8-K filed December 13, 2002, File No. 1-8489); Form of Twenty-First Supplemental Indenture, dated March 1, 2003 (Exhibits 4.3, Form 8-K filed March 4, 2003, File No. 1-8489); Form of Twenty-Second Supplemental Indenture, dated July 1, 2003 (Exhibit 4.2, Form 8-K filed July 22, 2003, File No. 1-8489); Form of Twenty-Ninth Supplemental Indenture, dated June 1, 2005 (Exhibit 4.3, Form 8-K filed June 17, 2005, File No. 1-8489); Forms of Thirty-Fifth and Thirty-Sixth Supplemental Indentures, dated June 1, 2008 (Exhibits 4.2 and 4.3, Form 8-K filed June 16, 2008, File No. 1-8489); Form of Thirty-Ninth Supplemental Indenture, dated August 1, 2009 (Exhibit 4.3, Form 8-K filed August 12, 2009, File No. 1-8489); Fortieth Supplemental Indenture, dated August 1, 2010 (Exhibit 4.3, Form 8-K filed September 2, 2010, File No. 1-8489); Forty-First Supplemental Indenture, dated March 1, 2011 (Exhibit 4.3, Form 8-K, filed March 7, 2011, File No. 1-8489); Forty-Third Supplemental Indenture, dated August 1, 2011 (Exhibit 4.3, Form 8-K, filed August 5, 2011, File No. 1-8489); Forty-Fourth Supplemental Indenture, dated August 1, 2011 (Exhibit 4.3, Form 8-K, filed August 15, 2011, File No. 1-8489); Forty-Fifth Supplemental Indenture, dated September 1, 2012 (Exhibit 4.3, Form 8-K, filed September 13, 2012, File No. 1-8489); Forty-Sixth Supplemental Indenture, dated September 1, 2012 (Exhibit 4.4, Form 8-K, filed September 13, 2012, File No. 1-8489); Forty-Seventh Supplemental Indenture, dated September 1, 2012 (Exhibit 4.5, Form 8-K, filed September 13, 2012, File No. 1-8489); Forty-Eighth Supplemental Indenture, dated March 1, 2014 (Exhibit 4.3, Form 8-K, filed March 24, 2014, File No. 1-8489); Forty-Ninth Supplemental Indenture, dated November 1, 2014 (Exhibit 4.3, Form 8-K, filed November 25, 2014, File No. 1-8489); Fiftieth Supplemental Indenture, dated November 1, 2014 (Exhibit 4.4, Form 8-K, filed November 25, 2014, File No. 1-8489); Fifty-First Supplemental Indenture, dated November 1, 2014 (Exhibit 4.5, Form 8-K, filed November 25, 2014, File No. 1-8489).	X		
4.7	Indenture, dated as of June 1, 2015, between Dominion Resources, Inc. and Deutsche Bank Trust Company Americas, as Trustee (Exhibit 4.1, Form 8-K filed June 15, 2015, File No. 1-8489); First Supplemental Indenture, dated as of June 1, 2015 (Exhibit 4.2, Form 8-K filed June 15, 2015, File No. 1-8489); Second Supplemental Indenture, dated as of September 1, 2015 (Exhibit 4.2, Form 8-K filed September 24, 2015, File No. 1-8489); Third Supplemental Indenture, dated as of February 1, 2016 (filed herewith).	X		

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
4.8	Junior Subordinated Indenture II, dated June 1, 2006, between Dominion Resources, Inc. and The Bank of New York Mellon (successor to JPMorgan Chase Bank, N.A.), as Trustee (Exhibit 4.1, Form 10-Q for the quarter ended June 30, 2006 filed August 3, 2006, File No. 1-8489); First Supplemental Indenture dated as of June 1, 2006 (Exhibit 4.2, Form 10-Q for the quarter ended June 30, 2006 filed August 3, 2006, File No. 1-8489); Second Supplemental Indenture, dated as of September 1, 2006 (Exhibit 4.2, Form 10-Q for the quarter ended September 30, 2006 filed November 1, 2006, File No. 1-8489); Fourth Supplemental Indenture, dated as of June 1, 2013 (Exhibit 4.3, Form 8-K filed June 7, 2013, File No. 1-8489); Fifth Supplemental Indenture, dated as of June 1, 2013 (Exhibit 4.4, Form 8-K filed June 7, 2013, File No. 1-8489); Sixth Supplemental Indenture, dated as of June 1, 2014 (Exhibit 4.3, Form 8-K filed July 1, 2014, File No. 1-8489); Seventh Supplemental Indenture, dated as of September 1, 2014 (Exhibit 4.3, Form 8-K filed October 3, 2013, File No. 1-8489).	X		
4.9	Replacement Capital Covenant entered into by Dominion Resources, Inc. dated June 23, 2006 (Exhibit 4.3, Form 10-Q for the quarter ended June 30, 2006 filed August 3, 2006, File No. 1-8489), as amended by Amendment No. 1 to Replacement Capital Covenant dated September 26, 2011 (Exhibit 4.2, Form 10-Q for the quarter ended September 30, 2011 filed October 28, 2011, File No. 1-8489).	X		
4.10	Replacement Capital Covenant entered into by Dominion Resources, Inc. dated September 29, 2006 (Exhibit 4.3, Form 10-Q for the quarter ended September 30, 2006 filed November 1, 2006, File No. 1-8489), as amended by Amendment No. 1 to Replacement Capital Covenant dated September 26, 2011 (Exhibit 4.3, Form 10-Q for the quarter ended September 30, 2011 filed October 28, 2011, File No. 1-8489).	X		
4.11	Replacement Capital Covenant entered into by Dominion Resources, Inc. dated June 17, 2009 (Exhibit 4.3, Form 8-K filed June 15, 2009, File No. 1-8489), as amended by Amendment No. 1 to Replacement Capital Covenant dated July 18, 2014 (Exhibit 4.3, Form 10-Q for the quarter ended June 30, 2014 filed July 30, 2014, File No. 1-8489).	X		
4.12	Series A Purchase Contract and Pledge Agreement, dated as of June 7, 2013, between Dominion Resources, Inc. and Deutsche Bank Trust Company Americas, as Purchase Contract Agent, Collateral Agent, Custodial Agent and Securities Intermediary (Exhibit 4.7, Form 8-K filed June 7, 2013, File No. 1-8489).	X		
4.13	Series B Purchase Contract and Pledge Agreement, dated as of June 7, 2013, between Dominion Resources, Inc. and Deutsche Bank Trust Company Americas, as Purchase Contract Agent, Collateral Agent, Custodial Agent and Securities Intermediary (Exhibit 4.8, Form 8-K filed June 7, 2013, File No. 1-8489).	X		
4.14	2014 Series A Purchase Contract and Pledge Agreement, dated as of July 1, 2014, between Dominion Resources, Inc. and Deutsche Bank Trust Company Americas, as Purchase Contract Agent, Collateral Agent, Custodial Agent and Securities Intermediary (Exhibit 4.5, Form 8-K filed July 1, 2014, File No. 1-8489).	X		
4.15	Indenture, dated as of October 1, 2013, between Dominion Gas Holdings, LLC and Deutsche Bank Trust Company Americas, as Trustee (Exhibit 4.1, Form S-4 filed April 4, 2014, File No. 333-195066); First Supplemental Indenture, dated as of October 1, 2013 (Exhibit 4.2, Form S-4 filed April 4, 2014, File No. 333-195066); Second Supplemental Indenture, dated as of October 1, 2013 (Exhibit 4.3, Form S-4 filed April 4, 2014, File No. 333-195066); Third Supplemental Indenture, dated as of October 1, 2013 (Exhibit 4.4, Form S-4 filed April 4, 2014, File No. 333-195066); Fourth Supplemental Indenture, dated as of December 1, 2014 (Exhibit 4.2, Form 8-K filed December 8, 2014, File No. 333-195066); Fifth Supplemental Indenture, dated as of December 1, 2014 (Exhibit 4.3, Form 8-K filed December 8, 2014, File No. 333-195066); Sixth Supplemental Indenture, dated as of December 1, 2014 (Exhibit 4.4, Form 8-K filed December 8, 2014, File No. 333-195066); Seventh Supplemental Indenture, dated as of November 1, 2015 (Exhibit 4.2, Form 8-K filed November 17, 2015, File No. 001-37591).	X		X

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
10.1	$4,000,000,000 Five-Year Amended and Restated Revolving Credit Agreement, dated May 19, 2014, among Dominion Resources, Inc., Virginia Electric and Power Company, Dominion Gas Holdings, LLC, JPMorgan Chase Bank, N.A., as Administrative Agent, The Royal Bank of Scotland plc, Bank of America, N.A., Barclays Bank PLC and Wells Fargo Bank, N.A., as Syndication Agents, and other lenders named therein (Exhibit 10.1, Form 8-K filed May 19, 2014, File No. 1-8489 and File No. 1-2255).	X	X	X
10.2	$500,000,000 Five-Year Amended and Restated Revolving Credit Agreement among Dominion Resources, Inc., Virginia Electric and Power Company, Dominion Gas Holdings, LLC, Keybank National Association, as Administrative Agent, U.S. Bank National Association, as Syndication Agent, and other lenders named therein (Exhibit 10.1, Form 8-K filed June 2, 2014, File No. 1-8489 and File No. 1-2255).	X	X	X
10.3	DRS Services Agreement, dated January 1, 2003, between Dominion Resources, Inc. and Dominion Resources Services, Inc. (Exhibit 10.1, Form 10-K for the fiscal year ended December 31, 2011 filed February 28, 2012, File No. 1-8489).	X		
10.4	DRS Services Agreement, dated as of January 2012, between Dominion Resources Services, Inc. and Virginia Electric and Power Company (Exhibit 10.2, Form 10-K for the fiscal year ended December 31, 2011 filed February 28, 2012, File No. 1-8489 and File No. 1-2255).		X	
10.5	DRS Services Agreement, dated September 12, 2013, between Dominion Gas Holdings, LLC and Dominion Resources Services, Inc. (Exhibit 10.3, Form S-4 filed April 4, 2014, File No. 333-195066).			X
10.6	DRS Services Agreement, dated January 1, 2003, between Dominion Transmission, Inc. and Dominion Resources Services, Inc. (Exhibit 10.4, Form S-4 filed April 4, 2014, File No. 333-195066).			X
10.7	DRS Services Agreement, dated January 1, 2003, between The East Ohio Company and Dominion Resources Services, Inc. (Exhibit 10.5, Form S-4 filed April 4, 2014, File No. 333-195066).			X
10.8	DRS Services Agreement, dated January 1, 2003, between Dominion Iroquois, Inc. and Dominion Resources Services, Inc. (Exhibit 10.6, Form S-4 filed April 4, 2014, File No. 333-195066).			X
10.9	Agreement between PJM Interconnection, L.L.C. and Virginia Electric and Power Company (Exhibit 10.1, Form 8-K filed April 26, 2005, File No. 1-2255 and File No. 1-8489).	X	X	
10.10	Form of Settlement Agreement in the form of a proposed Consent Decree among the United States of America, on behalf of the United States Environmental Protection Agency, the State of New York, the State of New Jersey, the State of Connecticut, the Commonwealth of Virginia and the State of West Virginia and Virginia Electric and Power Company (Exhibit 10, Form 10-Q for the quarter ended March 31, 2003 filed May 9, 2003, File No. 1-8489 and File No. 1-2255).	X	X	
10.11*	Dominion Resources, Inc. Executive Supplemental Retirement Plan, as amended and restated effective December 17, 2004 (Exhibit 10.5, Form 8-K filed December 23, 2004, File No. 1-8489), as amended September 26, 2014 (Exhibit 10.1, Form 10-Q for the fiscal quarter ended September 30, 2014 filed November 3, 2014).	X	X	X
10.12*	Form of Employment Continuity Agreement for certain officers of Dominion Resources, Inc. and Virginia Electric and Power Company, amended and restated July 15, 2003 (Exhibit 10.1, Form 10-Q for the quarter ended June 30, 2003 filed August 11, 2003, File No. 1-8489 and File No. 1-2255), as amended March 31, 2006 (Form 8-K filed April 4, 2006, File No. 1-8489).	X	X	X

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
10.13*	Form of Employment Continuity Agreement for certain officers of Dominion Resources, Inc. and Virginia Electric and Power Company dated January 24, 2013 (effective for certain officers elected subsequent to February 1, 2013) (Exhibit 10.9, Form 10-K for the fiscal year ended December 31, 2013 filed February 27, 2014, File No. 1-8489 and File No. 1-2255).	X	X	X
10.14*	Dominion Resources, Inc. Retirement Benefit Restoration Plan, as amended and restated effective December 17, 2004 (Exhibit 10.6, Form 8-K filed December 23, 2004, File No. 1-8489), as amended September 26, 2014 (Exhibit 10.2, Form 10-Q for the fiscal quarter ended September 30, 2014 filed November 3, 2014).	X	X	X
10.15*	Dominion Resources, Inc. Executives' Deferred Compensation Plan, amended and restated effective December 17, 2004 (Exhibit 10.7, Form 8-K filed December 23, 2004, File No. 1-8489).	X	X	X
10.16*	Dominion Resources, Inc. New Executive Supplemental Retirement Plan, as amended and restated effective July 1, 2013 (Exhibit 10.2, Form 10-Q for the quarter ended June 30, 2013 filed August 6, 2013 File No. 1-8489), as amended September 26, 2014 (Exhibit 10.3, Form 10-Q for the fiscal quarter ended September 30, 2014 filed November 3, 2014).	X	X	X
10.17*	Dominion Resources, Inc. New Retirement Benefit Restoration Plan, as amended and restated effective January 1, 2009 (Exhibit 10.17, Form 10-K for the fiscal year ended December 31, 2008 filed February 26, 2009, File No. 1-8489 and Exhibit 10.20, Form 10-K for the fiscal year ended December 31, 2008 filed February 26, 2009, File No. 1-2255), as amended September 26, 2014 (Exhibit 10.4, Form 10-Q for the fiscal quarter ended September 30, 2014 filed November 3, 2014).	X	X	X
10.18*	Dominion Resources, Inc. Stock Accumulation Plan for Outside Directors, amended as of February 27, 2004 (Exhibit 10.15, Form 10-K for the fiscal year ended December 31, 2003 filed March 1, 2004, File No. 1-8489) as amended effective December 31, 2004 (Exhibit 10.1, Form 8-K filed December 23, 2004, File No. 1-8489).	X		
10.19*	Dominion Resources, Inc. Directors Stock Compensation Plan, as amended February 27, 2004 (Exhibit 10.16, Form 10-K for the fiscal year ended December 31, 2003 filed March 1, 2004, File No. 1-8489) as amended effective December 31, 2004 (Exhibit 10.2, Form 8-K filed December 23, 2004, File No. 1-8489).	X		
10.20*	Dominion Resources, Inc. Directors' Deferred Cash Compensation Plan, as amended and in effect September 20, 2002 (Exhibit 10.4, Form 10-Q for the quarter ended September 30, 2002 filed November 8, 2002, File No. 1-8489) as amended effective December 31, 2004 (Exhibit 10.3, Form 8-K filed December 23, 2004, File No. 1-8489).	X		
10.21*	Dominion Resources, Inc. Non-Employee Directors' Compensation Plan, effective January 1, 2005, as amended and restated effective December 17, 2009 (Exhibit 10.18, Form 10-K filed for the fiscal year ended December 31, 2009 filed February 26, 2010, File No. 1-8489).	X		
10.22*	Dominion Resources, Inc. Executive Stock Purchase Tool Kit, effective September 1, 2001, amended and restated May 7, 2014 (Exhibit 10.4, Form 10-Q for the fiscal quarter ended June 30, 2014 filed July 30, 2014, File No. 1-8489 and File No. 1-2250).	X	X	X
10.23*	Dominion Resources, Inc. Security Option Plan, effective January 1, 2003, amended December 31, 2004 and restated effective January 1, 2005 (Exhibit 10.13, Form 8-K filed December 23, 2004, File No. 1-8489).	X	X	X
10.24*	Letter agreement between Dominion Resources, Inc. and Thomas F. Farrell II, dated February 27, 2003 (Exhibit 10.24, Form 10-K for the fiscal year ended December 31, 2002 filed March 20, 2003, File No. 1-8489), as amended December 16, 2005 (Exhibit 10.1, Form 8-K filed December 16, 2005, File No. 1-8489).	X	X	X
10.25*	Employment agreement dated February 13, 2007 between Dominion Resources Services, Inc. and Mark F. McGettrick (Exhibit 10.34, Form 10-K for the fiscal year ended December 31, 2006 filed February 28, 2007, File No. 1-8489).	X	X	X

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
10.26*	Supplemental Retirement Agreement dated October 22, 2003 between Dominion Resources, Inc. and Paul D. Koonce (Exhibit 10.18, Form 10-K for the fiscal year ended December 31, 2003 filed March 1, 2004, File No. 1-2255).	X	X	X
10.27*	Supplemental Retirement Agreement dated December 12, 2000, between Dominion Resources, Inc. and David A. Christian (Exhibit 10.25, Form 10-K for the fiscal year ended December 31, 2001 filed March 11, 2002, File No. 1-2255).	X	X	X
10.28*	Form of Advancement of Expenses for certain directors and officers of Dominion Resources, Inc., approved by the Dominion Resources, Inc. Board of Directors on October 24, 2008 (Exhibit 10.2, Form 10-Q for the quarter ended September 30, 2008 filed October 30, 2008, File No. 1-8489 and Exhibit 10.3, Form 10-Q for the quarter ended September 30, 2008 filed October 30, 2008, File No. 1-2255).	X	X	X
10.29*	Dominion Resources, Inc. 2005 Incentive Compensation Plan, originally effective May 1, 2005, as amended and restated effective December 20, 2011 (Exhibit 10.32, Form 10-K for the fiscal year ended December 31, 2011 filed February 28, 2012, File No. 1-8489 and File No. 1-2255).	X	X	X
10.30*	Supplemental Retirement Agreement with Mark F. McGettrick effective May 19, 2010 (Exhibit 10.1, Form 8-K filed May 20, 2010, File No. 1-8489).	X	X	X
10.31*	Form of Restricted Stock Award Agreement under 2011 Long-Term Compensation Program approved January 20, 2011 (Exhibit 10.2, Form 8-K filed January 21, 2011, File No. 1-8489).	X	X	X
10.32*	Form of Restricted Stock Award Agreement for Mark F. McGettrick, Paul D. Koonce and David A. Christian approved December 17, 2012 (Exhibit 10.1, Form 8-K filed December 21, 2012, File No. 1-8489).	X	X	X
10.33*	2012 Performance Grant Plan under the 2012 Long-Term Incentive Program approved January 19, 2012 (Exhibit 10.1, Form 8-K filed January 20, 2012, File No. 1-8489).	X	X	X
10.34*	Form of Restricted Stock Award Agreement under the 2012 Long-term Incentive Program approved January 19, 2012 (Exhibit 10.2, Form 8-K filed January 20, 2012, File No. 1-8489)	X	X	X
10.35*	2013 Performance Grant Plan under 2013 Long-Term Incentive Program approved January 24, 2013 (Exhibit 10.1, Form 8-K filed January 25, 2013, File No. 1-8489).	X	X	X
10.36*	Form of Restricted Stock Award Agreement under the 2013 Long-term Incentive Program approved January 24, 2013 (Exhibit 10.2, Form 8-K filed January 25, 2013, File No. 1-8489)	X	X	X
10.37*	Restricted Stock Award Agreement for Thomas F. Farrell II, dated December 17, 2010 (Exhibit 10.1, Form 8-K filed December 17, 2010, File No. 1-8489).	X	X	X
10.38*	Retirement Agreement, dated as of June 20, 2013, between Dominion Resources, Inc. and Gary L. Sypolt (Exhibit 10.1, Form 8-K filed June 24, 2013, File No. 1-8489).	X		
10.39*	2014 Performance Grant Plan under 2014 Long-Term Incentive Program approved January 16, 2014 (Exhibit 10.40, Form 10-K for the fiscal year ended December 31, 2013, File No. 1-8489).	X	X	X
10.40*	Form of Restricted Stock Award Agreement under the 2014 Long-term Incentive Program approved January 16, 2014 (Exhibit 10.41, Form 10-K for the fiscal year ended December 31, 2013, File No. 1-8489).	X	X	X
10.41*	Form of Special Performance Grant for Thomas F. Farrell II and Mark F. McGettrick approved January 16, 2014 (Exhibit 10.42, Form 10-K for the fiscal year ended December 31, 2013, File No. 1-8489).	X	X	X
10.42*	Dominion Resources, Inc. 2014 Incentive Compensation Plan, effective May 7, 2014 (Exhibit 10.1, Form 8-K filed May 7, 2014, File No. 1-8489).	X	X	X

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
10.43	Registration Rights Agreement, dated as of October 22, 2013, by and among Dominion Gas Holdings, LLC and RBC Capital Markets, LLC, RBS Securities Inc. and Scotia Capital (USA) Inc., as the initial purchasers of the Notes (Exhibit 10.1, Form S-4 filed April 4, 2014, File No. 333-195066).			X
10.44	Inter-Company Credit Agreement, dated October 17, 2013, between Dominion Resources, Inc. and Dominion Gas Holdings, LLC (Exhibit 10.2, Form S-4 filed April 4, 2014, File No. 333-195066).	X		X
10.45*	2015 Performance Grant Plan under 2015 Long-Term Incentive Program approved January 22, 2015 (Exhibit 10.42, Form 10-K for the fiscal year ended December 31, 2014, File No. 1-8489).	X	X	X
10.46*	Form of Restricted Stock Award Agreement under the 2015 Long-term Incentive Program approved January 22, 2015 (Exhibit 10.43, Form 10-K for the fiscal year ended December 31, 2014, File No. 1-8489).	X	X	X
10.47*	2016 Performance Grant Plan under 2016 Long-Term Incentive Program approved January 21, 2016 (filed herewith).	X	X	X
10.48*	Form of Restricted Stock Award Agreement under the 2016 Long-term Incentive Program approved January 21, 2016 (filed herewith).	X	X	X
10.49*	Base salaries for named executive officers of Dominion Resources, Inc. (filed herewith).	X		
10.50*	Non-employee directors' annual compensation for Dominion Resources, Inc. (filed herewith).	X		
12.a	Ratio of earnings to fixed charges for Dominion Resources, Inc. (filed herewith).	X		
12.b	Ratio of earnings to fixed charges for Virginia Electric and Power Company (filed herewith).		X	
12.c	Ratio of earnings to fixed charges for Dominion Gas Holdings, LLC (filed herewith).			X
21	Subsidiaries of Dominion Resources, Inc. (filed herewith).	X		
23	Consent of Deloitte & Touche LLP (filed herewith).	X	X	X
31.a	Certification by Chief Executive Officer of Dominion Resources, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).	X		
31.b	Certification by Chief Financial Officer of Dominion Resources, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).	X		
31.c	Certification by Chief Executive Officer of Virginia Electric and Power Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).		X	
31.d	Certification by Chief Financial Officer of Virginia Electric and Power Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).		X	
31.e	Certification by Chief Executive Officer of Dominion Gas Holdings, LLC pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).			X
31.f	Certification by Chief Financial Officer of Dominion Gas Holdings, LLC pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).			X
32.a	Certification to the Securities and Exchange Commission by Chief Executive Officer and Chief Financial Officer of Dominion Resources, Inc. as required by Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).	X		
32.b	Certification to the Securities and Exchange Commission by Chief Executive Officer and Chief Financial Officer of Virginia Electric and Power Company as required by Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).		X	
32.c	Certification to the Securities and Exchange Commission by Chief Executive Officer and Chief Financial Officer of Dominion Gas Holdings, LLC as required by Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).			X

Exhibit Number	Description	Dominion	Virginia Power	Dominion Gas
101	The following financial statements from Dominion Resources, Inc., Virginia Electric and Power Company and Dominion Gas Holdings, LLC Annual Report on Form 10-K for the year ended December 31, 2015, filed on February 26, 2016, formatted in XBRL: (i) Consolidated Statements of Income, (ii) Consolidated Balance Sheets, (iii) Consolidated Statements of Common Shareholders' Equity (iv) Consolidated Statements of Comprehensive Income (v) Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements.	X	X	X

* *Indicates management contract or compensatory plan or arrangement*

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

<u>Exhibit C-3 "Financial Statements"</u>

This contents of this exhibit is being filed under seal pursuant to Rule 4901:1-27-08, Ohio Administrative Code.

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-4 "Financial Arrangements"

Attached is a copy of a signed document from James R. Chapman, Senior Vice President - Mergers & Acquisitions and Treasurer, Dominion Resources, Inc. ("Dominion"), declaring that Dominion will guarantee the obligations of Dominion Retail in connection with Dominion Retail's retail natural gas activities in Ohio.

Dominion Resources, Inc.
120 Tredegar Street, Richmond, VA 23219
Mailing Address: P.O. Box 26532
Richmond, VA 23261
Web Address: www.dom.com

Dominion®

June 3, 2016

Public Utilities Commission of Ohio
180 E. Broad Street
Columbus, Ohio 43215-3793

Re: Renewal Application of Dominion Retail, Inc. for Certification as a Retail Natural Gas Supplier in Ohio; Case No. 02-1757-GA-CRS

To Whom It May Concern:

Dominion Retail, Inc. is a wholly-owned subsidiary of Dominion Resources, Inc. In connection with the renewal application of Dominion Retail, Inc. for certification as a retail natural gas supplier in Ohio, please be advised that Dominion Resources, Inc. stands behind and will guarantee the obligations of Dominion Retail, Inc. related to its activities as a natural gas supplier in Ohio.

Sincerely,

James R. Chapman
Senior Vice President
Mergers & Acquisitions and Treasurer

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

Exhibit C-5 "Forecasted Financial Statements"

This contents of this exhibit is being filed under seal pursuant to Rule 4901:1-27-08, Ohio Administrative Code.

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-6 "Credit Rating"

Dominion Retail is a wholly-owned subsidiary of Dominion Resources, Inc. Therefore, Dominion Retail does not have its own credit report.

Information relating to the credit rating of Dominion Resources, Inc. is attached hereto.

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Research Update:

Dominion Resources Inc. And Subsidiaries Downgraded To 'BBB+' On Acquisition Of Questar Corp.; Outlook Stable

Primary Credit Analyst:
Gabe Grosberg, New York (1) 212-438-6043; gabe.grosberg@standardandpoors.com

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Obioma Ugboaja, New York 212-438-7406; obioma.ugboaja@standardandpoors.com

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Research Update:

Dominion Resources Inc. And Subsidiaries Downgraded To 'BBB+' On Acquisition Of Questar Corp.; Outlook Stable

Overview

- Dominion Resources Inc. announced the acquisition of Questar Corp. for about $6 billion, which includes about $1.6 billion of assumed debt. The transaction is expected to close in about 12 months.
- We are revising our assessment of the company's financial policy modifier to negative from neutral. This reflects our expectations that Dominion will continue to pursue growth related acquisitions at a faster pace than peers.
- We are lowering our issuer credit rating on Dominion Resources and its subsidiaries Virginia Electric & Power Co. and Dominion Gas Holdings LLC to 'BBB+' from 'A-'. We are lowering the senior unsecured debt and junior subordinated debt at Dominion Resources one notch to 'BBB' and 'BBB-'. At the same time, we are lowering the senior unsecured debt at both Virginia Electric & Power and Dominion Gas Holdings one notch to 'BBB+'. We are affirming the 'A-2' short-term rating on DRI.
- The stable outlook reflects our expectations that Dominion will continue to consist of mostly lower-risk regulated utilities and that the financial measures will consistently be in the middle of the range for the significant financial risk profile category, reflecting funds from operations to debt of 16%-18%.

Rating Action

On Feb. 1, 2016, Standard & Poor's Ratings Services lowered its issuer credit rating on Dominion Resources Inc. (DRI) and its subsidiaries Virginia Electric & Power Co. and Dominion Gas Holdings LLC to 'BBB+' from 'A-'. We also lowered our rating on DRI's senior unsecured debt and junior subordinated debt by one notch to 'BBB' and 'BBB-', respectively. At the same time, we lowered the senior unsecured debt at both Virginia Electric & Power and Dominion Gas Holdings one notch to 'BBB+'. We are affirming the 'A-2' short-term rating on Dominion Resources. The rating outlook is stable.

Rationale

The downgrade of DRI and its subsidiaries reflects our expectations that the company will continue to grow through acquisitions at a faster pace than peers. This is based on our assessment of the company's master limited partnership, Dominion Midstream Partners L.P., which adds a degree of complexity to the company's organizational structure, provides incremental

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opportunities and incentive for the company to complete acquisitions. The unpredictable size and timing of mergers and acquisitions are not incorporated into our base case scenario but are reflected through the negative financial policy modifier.

We base the issuer credit rating on DRI on its excellent business risk profile and its significant financial risk profile. We also expect that the company's business and financial risk profiles will be maintained following the company's acquisition of Questar Corp.

The excellent business risk profile reflects the high proportion of the company's lower-risk regulated assets. The company's regulated assets consist of electric transmission, distribution, and generation assets that are mainly in Virginia, gas distribution assets in Ohio and West Virginia, and gas pipeline assets that are regulated by the Federal Energy Regulatory Commission. In addition, we believe the company has, for the most part, effectively managed regulatory risk, which has reduced regulatory lag and generally results in credit-supportive outcomes.

Based on our forward-looking view of the company's revenue, cash flow, and assets, we view DRI as consisting of about 80% regulated businesses and 20% nonregulated businesses. The higher-risk nonregulated businesses consist of merchant power generation, gathering and processing, farm-outs, retail gas, and investments in the Cove Point terminal and Blue Racer Midstream LLC. The nonregulated businesses, particularly merchant generation, pressure the company's business risk profile and exposes the company to increased volumetric, weather, commodity, and operational risks.

The company's organizational structure is more complex than most peers because the company has a master limited partnership, Dominion Midstream Partners L.P., which will gradually purchase many of DRI's nonregulated businesses. The enhanced complexity and sophistication requires increased management oversight, time, and expertise to effectively manage. Overall, because of the company's higher-risk, nonregulated businesses and the company's more complex organizational structure, we view DRI's business risk profile as trending toward the lower end of the excellent business risk profile category.

We assess DRI's financial measures as consistent with the significant financial risk profile category using our medial volatility financial ratio table. Our use of that table reflects the company's generally lower-risk, rate-regulated utility businesses, offset by its higher-risk competitive businesses. Under our base case scenario of rising capital spending in 2016 to about $6 billion, we expect that the company's financial measures will weaken toward the lower half of the significant financial risk profile category. Specifically, we expect funds from operations (FFO) to debt of 15% to 17% for 2016.

All modifiers are neutral expect for the financial policy modifier that we assess as negative and lowers the issuer credit rating by one notch. The negative financial policy modifier reflects our expectation that the company

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will also continue to grow through acquisitions but at a faster pace than peers. This reflects the company's master limited partnership, Dominion Midstream Partners L.P., that adds a degree sophistication and complexity to the company's organizational structure, and also provides incremental opportunities and incentive for the company to complete acquisitions.

We view DRI as the parent of a group that includes Virginia Electric & Power Co. and Dominion Gas Holdings LLC. DRI's group credit profile is 'bbb+', leading to an issuer credit rating of 'BBB+'.

Liquidity

We consider DRI's liquidity as adequate and believe it can more than cover its needs for the next 12 months, even if EBITDA declines by 10%. We expect the company's liquidity sources over the next 12 months to exceed uses by more than 1.1x. Under our stress scenario, we do not expect that DRI would require access to capital markets during that period to meet liquidity needs.

Principal liquidity sources include:

- Cash and short-term investments of about $200 million
- Credit facility availability of about $3 billion
- FFO of more than $4 billion

Principal liquidity uses include:

- Maintenance and committed capital spending of less than $3 billion
- Dividends of about $1.5 billion
- Long-term debt maturities of about $1.3 billion in 2016

Outlook

The stable outlook reflects our expectation that Dominion will continue to consist mostly of lower-risk regulated utilities and that the financial measures will consistently be in the middle of the range for the significant financial risk profile category, reflecting FFO to debt of 16% to 18%.

Downside scenario

We could lower the rating on Dominion if the company's business risk profile weakens through an acquisition of a company with a weaker business risk profile or the company's effective management of regulatory risk weakens. We could also lower the rating if the financial measures consistently weakened to the lower-end of the significant financial risk profile category, reflecting FFO to debt consistently below 15%.

Upside scenario

We could upgrade the ratings if the financial measures consistently improved to the higher-end of the significant financial risk profile category, reflecting FFO to debt that is consistently greater than 20%.

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Ratings Score Snapshot

Corporate Credit Rating: BBB+/Stable/A-2

Business risk: Excellent

- Country risk: Very low
- Industry risk: Very low
- Competitive position: Strong

Financial risk: Significant

- Cash flow/leverage: Significant

Anchor: a-

Modifiers

- Diversification/portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Negative (-1 notch)
- Liquidity: Adequate (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Neutral (no impact)

Stand-alone credit profile: bbb+

- Group credit profile: bbb+

Recovery Analysis/ Notching Analysis

We rate the senior unsecured debt at DRI one notch lower than the issuer credit rating because of structural subordination. This results from priority obligations exceeding 20% of total assets.

Related Criteria And Research

Related Criteria

- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria - Corporates - Utilities: Notching Of U.S. Investment-Grade Investor-Owned Utility Unsecured Debt Now Better Reflects Anticipated Absolute Recovery, Nov. 10, 2008
- General Criteria: Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers, May 7, 2013
- Criteria - Corporates - General: 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

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- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Ratings List

Long-Term Ratings Lowered; Outlook Action; Short-Term Ratings Affirmed

	To	From
Dominion Resources Inc.		
Virginia Electric & Power Co.		
Dominion Gas Holdings LLC		
Corporate Credit Rating	BBB+/Stable/A-2	A-/Negative/A-2

Issue-Level Ratings Lowered

	To	From
Dominion Resources Inc.		
Senior Unsecured	BBB	BBB+
Junior Subordinated	BBB-	BBB
Dominion Gas Holdings LLC		
Senior Unsecured	BBB+	A-
Virginia Electric & Power Co.		
Senior Unsecured	BBB+	A-
Preferred Stock	BBB-	BBB

Short-Term Ratings Affirmed

Dominion Resources Inc.	
Virginia Electric & Power Co.	
Dominion Gas Holdings LLC	
Commercial Paper	A-2

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MOODY'S
INVESTORS SERVICE

CREDIT OPINION
21 January 2016

Update

Rate this Research

RATINGS

DOMINION RESOURCES INC.

Domicile	Richmond, Virginia, United States
Long Term Rating	Baa2
Type	*Senior Unsecured - Dom Curr*
Date	30 Jan 2014
Outlook	Stable
Date	30 Jan 2014

Please see the ratings section at the end of this report for more information.

Contacts

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Dominion Resources Inc.

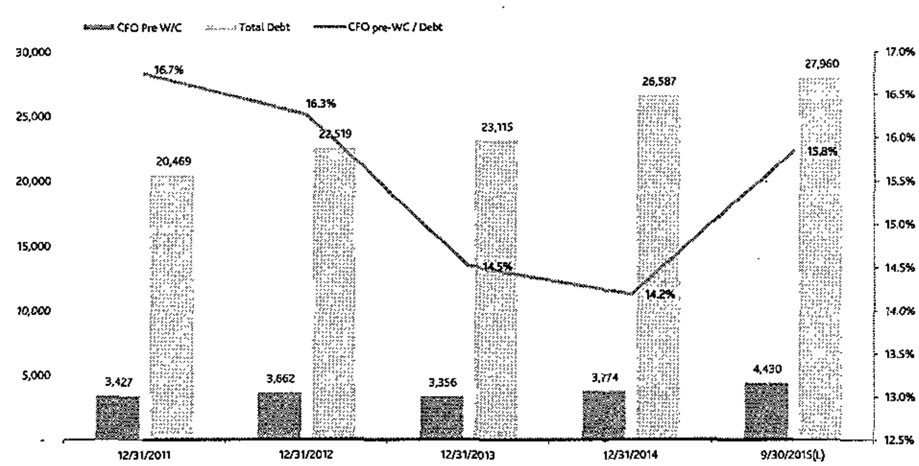
Large and Diversified Energy Holding Company

Summary Rating Rationale

Dominion Resources' (Dominion) Baa2 senior unsecured rating derives primarily from its regulated utilities, Virginia Electric and Power Company, (VEPCO A2 stable) and Dominion Gas Holdings, LLC (DomGas, A2 stable). The Baa2 rating is three notches below that of VEPCO and DomGas, constrained by substantial structural subordination (~44% of consolidated debt is at Dominion) and its non-utility businesses where Dominion is making substantial capital investments over the next few years. The share of cash flows from non-utility businesses is expected to remain stable at about 20% over the next several years. The risk profile of Dominion's non-utility busnesses has benefited from the sale of certain merchant generation assets and the power marketing businesses. Contracted assets such as LNG, gas pipelines and renewables will form the bulk of unregulated cash flows going forward.

We expect that Dominion will finance its large capex program in a manner that will maintain a financial profile adequate for the rating. Ratios will be supported by the issuance of $2.1 billion of equity associated with mandatory convertible securities. Moody's expects cash from operations pre-working capital (CFO pre-WC) and retained cash flow (RCF) coverage of debt to be in the range of 15-18% and 9-12%, respectively, over the next three years.

Exhibit 1
Dominion Resources Inc.



Source: Moody's Investors Service

Credit Strengths

- VEPCO, a regulated electric utility, underpins Dominion's credit quality
- Business mix continuing to shift more towards regulated / contracted operations

Credit Challenges

- Financial profile pressured by substantial capex program but expected to remain adequate
- Dominion Midstream - Newly formed MLP is credit negative but impact marginal for several years

Rating Outlook

Dominion's stable outlook reflects Moody's expectation for strong and stable financial performance at its regulated utilities and a continued focus on new investments with regulated/contracted cash flows. We also expect Dominion to manage its balance sheet and liquidity resources appropriately throughout this period of heavy capital expenditures.

Factors that Could Lead to an Upgrade

- Given the size of Dominion's investment program and the expected financial profile, an upgrade of its rating is unlikely at this time. A positive outlook could be considered when a significant improvement in the financial profile can be forecast within our 12-18 month outlook horizon. This includes cash from operations pre-working capital (CFO Pre-WC) and retained cash flow coverage of debt in the range of 20-22% and 15-17%, respectively, for a sustained period

Factors that Could Lead to a Downgrade

- A negative rating action is possible if Dominion fails to finance its capex program with an appropriate mix of debt and equity, if there is a material delay or cost overrun at the Cove Point LNG export terminal, a material increase in structural subordination at Dominion or an unexpectedly more contentious regulatory environment at VEPCO. A negative rating action could also follow if CFO Pre-WC and retained cash flow coverage of debt falls to the low teens percentage and 8-10%, respectively, for an extended period

Key Indicators

Exhibit 2

KEY INDICATORS [1]

Dominion Resources Inc.

	9/30/2015(L)	12/31/2014	12/31/2013	12/31/2012	12/31/2011
CFO pre-WC + Interest / Interest	4.4x	3.9x	4.4x	5.1x	4.8x
CFO pre-WC / Debt	15.8%	14.2%	14.5%	16.3%	16.7%
CFO pre-WC – Dividends / Debt	10.4%	8.8%	8.7%	10.6%	10.9%
Debt / Capitalization	56.4%	56.8%	54.3%	56.6%	53.7%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Detailed Rating Considerations

- VEPCO, a regulated electric utility, underpins Dominion's credit quality

VEPCO underpins Dominion's credit quality, with its strong A2 credit rating and accounting for approximately 70% of CFO pre-WC in 2014. We consider VEPCO to be well positioned within its A2 senior unsecured ratings category, with a favorable regulatory environment underpinned by specific utility legislation in Virginia and regulatory recovery mechanisms approved by the State Corporation Commission of Virginia (VSCC). The utility legislation provides for numerous riders (including generation, transmission and conservation) that permit a more timely return on investments. The legislation also provides for a biennial look-back at earned returns to determine if a utility's equity returns were within a statutory earnings band of 9.3% to 10.7%.

The state of Virginia passed two bills, Senate Bill 1349 and House Bill 2237, in Q1 2015 with an eye to potential upcoming carbon regulation. The bills froze VEPCO's base rates from 2015-19 and suspended biennial earnings reviews until 2022, although existing rate riders will continue to be revised and VEPCO may also request new riders if needed. The bills also require an annual integrated resource plan (IRP) filing and declared up to 500 MW of utility scale solar to be in the public interest. As a result of these bills, VEPCO will bear the risk of weather events and natural disasters as well as certain costs (eg: asset impairments) related to complying with the Clean Power Plan to reduce carbon emissions through 2019. Much of VEPCO's capex during this period (transmission, generation, and distribution capex for undergrounding lines) will mostly be recovered through rate riders and are thus not subject to the rate freeze. VEPCO estimates that other "base" distribution capex can be recovered under existing base rates without a material lag.

Dominion's DomGas (A2 stable) subsidiary provides additional regulated cash flows, accounting for 10-15% of Dominion's consolidated cash flows. DomGas' A2 rating is underpinned by low risk FERC regulated gas transmission (2/3 of cash flows) and gas local distribution business in Ohio (1/3 of cash flows).

- Dominion Midstream - Newly formed MLP is credit negative but impact marginal for several years

The formation of Dominion Midstream Partners LP (DM, unrated) is credit negative for Dominion over the long term because it increases structural subordination and dilutes cash flow. But DM starts off small and the impact is marginal for several years. Less than 3% of Dominion's current cash flows will be dropped down into DM for the next five years. While the loss of existing cash flows (from dropping assets into the MLP) is typically a concern over time, DM will, for several years to come, primarily be a vehicle for new projects such as the Cove Point LNG project, the Atlantic Coast pipeline and the Blue Racer JV rather than be a recipient of existing assets being dropped into the MLP.

Loss of existing cash flows could become an issue if DomGas was dropped into the MLP. We believe that the Cove Point and Blue Racer operations are worth $1 billion of EBITDA and the Atlantic Coast pipeline is incremental to this figure. This gives DM, which started with just $50 million of EBITDA, several years of growth (perhaps into the next decade) before cash flows from DomGas are needed to sustain growth.

The creation of DM was intended to provide Dominion with an attractive, new source of equity capital to finance its capex plans. While the approximately 40% decline in DM's share price from its peak in summer 2015 makes it less attractive, DM shares still trade about 20% higher than their IPO price. Further, the strong visibility into DM's future dividend growth allows the shares to still trade at a relatively attractive dividend yield of about 3% and perform better than most other yield oriented vehicles.

- Business mix continuing to shift more towards regulated / contracted operations

Despite large capex plans in the unregulated businesses, we expect Dominion to maintain its 80/20 mix of cash flows from regulated and unregulated businesses as a result of strong organic growth at VEPCO. In addition, the unregulated business has been transitioning away from merchant exposure as a result of the sale of some merchant power generation assets (in 2012), and the retail electric business (in 2014) and more towards long-term contracts (LNG, renewables etc), which benefits Dominion's consolidated business risk profile.

Dominion's residual merchant generation fleet is well positioned. It has plants in ISO-NE (the 2,001 MW Millstone nuclear unit and 461 MW of gas units), a region where merchant pricing remains profitable, and in the EMAAC region of PJM (1,196 MW CCGT) where gas plants enjoy strong spark spreads and capacity factors. Dominion has also acquired about 400 MW of contracted utility-scale solar projects across the country which benefit from long-term contracts with utilities.

- Financial profile pressured by substantial capex program but expected to remain adequate

Dominion has a capex program of about $15 billion for the 2016-20 period. Despite substantial unregulated investments, only about 35% of total capital spending is unregulated in 2016, falling to 16% by 2018.

We expect that Dominion will finance its large capex program in a manner that will maintain a financial profile adequate for the Baa2 rating. Moody's expects CFO pre-WC coverage of interest and debt to remain in the range of 5.0-6.0x and 15-18%, respectively, over the next three years. Retained cash flow to debt is expected to range between 9-12% and debt/capital at 50-56%. Ratios will be weakest in 2016 and 2017, and will then strengthen as the Cove Point project starts commercial operations in 2018. How Dominion uses the proceeds from asset dropdowns will matter once the larger assets such as Cove Point begin to be dropped into the MLP starting 2018.

Supporting Dominion's financial profile during the 2016-17 period will be any equity raises through the MLP, about $300 million of equity annually through the DRIP program, and the $2.1 billion of equity issuance in 2016 and 2017 under the outstanding mandatory convertible securities (to which we provide 25% equity credit).

Liquidity Analysis

Dominion's liquidity profile is adequate. Although the company's large capex program and dividend payout implies a reliance on external funding, the company's robust access to capital markets mitigates concerns on this front. Dominion currently has two shared credit facilities (with subsidiaries VEPCO and DomGas as co-borrowers) totaling $4.5 billion, maturing in April 2019. We expect that this facility will shortly be upsized to $5.5 billion. Dominion's sub-limit under these credit facilities is currently $2.25 billion, rising to $2.75 billion post the upsizing. VEPCO has a sub-limit of $1.75 billion while DomGas has $500 million, rising to $1 billion post the upsizing. At 9/30/15, Dominion reported cash on hand of $238 million and $1.89 billion available under the credit facilities.

We note that VEPCO had used 78% of its sub-limits as of 9/30/15. VEPCO has had high utilization rates under its sub-limit for some time now, backing the issue of commercial paper. However, Dominion has the ability to increase the Dominion, VEPCO, and DomGas sub-limits up to six times every year. This flexibility, along with the general strong access to capital markets, mitigates liquidity concerns at VEPCO.

For LTM 9/30/15, Dominion generated roughly $4.5 billion in cash from operations, incurred roughly $5.7 billion in capital expenditures (net of asset sales) and made dividend payments of approximately $1.5 billion, resulting in substantial negative free cash flow of about $2.7 billion. Given the size of the company's capital expenditure program, we expect Dominion will continue to have negative free cash flow over the next several years. On a consolidated basis, Dominion has approximately $1.3 billion of debt maturities in the next twelve months.

Corporate Profile

Dominion Resources is a large and diversified energy holding company. Its largest and most important subsidiary is the regulated electric utility, Virginia Electric and Power Company (VEPCO). Dominion also owns Dominion Gas Holdings, LLC (DomGas), which has a large network of FERC-regulated interstate gas transmission pipelines, mainly in the Marcellus shale region, and a regulated natural gas distribution utility in Ohio.

VEPCO and DomGas represented 94% of Dominion's cash from operations pre-working capital in 2014, although the ratio is historically between 80-90%. Dominion's non-regulated businesses include a fully contracted, 5.25 mtpa LNG export/liquefaction facility currently under construction; a 50% ownership in Blue Racer, a midstream gas gathering and processing company in the Utica shale; an approximately 4.2 GW merchant generation fleet (including renewables); and a 1.2 million customer retail gas marketing business in 13 states. In October 2014, Dominion successfully completed an IPO of its MLP Dominion Midstream Partners L.P (DM), raising approximately $422 million against the sale of a 31.5% L.P interest in DM.

Rating Methodology and Scorecard Factors

Exhibit 3
Dominion Resources Inc.

Rating Factors				
Dominion Resources Inc.				
Regulated Electric and Gas Utilities Industry Grid [1][2]	Current LTM 9/30/2015		Moody's 12-18 Month Forward View As of 1/19/2016 [3]	
Factor 1 : Regulatory Framework (25%)	Measure	Score	Measure	Score
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	Aa	Aa	Aa	Aa
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	A	A	A	A
b) Generation and Fuel Diversity	A	A	A	A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	4.5x	Baa	4x - 6x	A
b) CFO pre-WC / Debt (3 Year Avg)	14.8%	Baa	15% - 18%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	9.2%	Baa	9% - 12%	Baa
d) Debt / Capitalization (3 Year Avg)	55.9%	Ba	52% - 56%	Baa
Rating:				
Grid-Indicated Rating Before Notching Adjustment		A3		A3
HoldCo Structural Subordination Notching	-2	-2	-2	-2
a) Indicated Rating from Grid		Baa2		Baa2
b) Actual Rating Assigned		Baa2		Baa2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 9/30/2015(L)
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Ratings

Exhibit 4

Category	Moody's Rating
DOMINION RESOURCES INC.	
Outlook	Stable
Senior Unsecured	Baa2
Jr Subordinate	Baa3
Pref. Shelf	(P)Ba1
Commercial Paper	P-2
VIRGINIA ELECTRIC AND POWER COMPANY	
Outlook	Stable
Issuer Rating	A2
Senior Unsecured	A2
Pref. Stock	Baa1
Commercial Paper	P-1
DOMINION GAS HOLDINGS, LLC	
Outlook	Stable
Senior Unsecured	A2
Jr Subordinate Shelf	(P)A3
Commercial Paper	P-1
CONSOLIDATED NATURAL GAS COMPANY	
Outlook	No Outlook
Senior Unsecured	Baa2

PANDA-ROSEMARY FUNDING CORPORATION	
Outlook	Stable
Bkd Senior Unsecured	A2
DOMINION RESOURCES CAPITAL TRUST III	
Outlook	Stable
BACKED Pref. Stock	Baa3

Source: Moody's Investors Service

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REPORT NUMBER 1014098

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MOODY'S
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FitchRatings

Fitch Affirms Dominion Ratings Following Questar Acquisition

Fitch Ratings-New York-01 February 2016: Fitch Ratings has affirmed the 'BBB+' Issuer Default Rating (IDR) of Dominion Resources, Inc. (DRI) following the announcement of its proposed acquisition of Questar Corp. for $4.4 billion in cash. The Rating Outlook is Stable. The ratings of Virginia Electric and Power Co. and Dominion Gas Holdings, LLC are also affirmed with a Stable Rating Outlook. A full list of the ratings is provided at the end of this release.

The rating affirmation reflects the moderate impact on consolidated credit metrics and the strong financial position and low risk nature of Questar Corp.'s natural gas businesses. The acquisition premium and EBITDA multiple are below those of other recent transactions. The purchase price equates to a premium of approximately 30% above Questar's average closing price over the past 20 trading days. Including the assumption of approximately $1.6 billion of Questar consolidated debt the enterprise value of this transaction is $6 billion and the EBITDA multiple about 9.8x.

KEY RATING DRIVERS
Moderate Impact on Credit Metrics: Based on the expected financing plan and Questar Corp.'s strong financial position, Fitch expects consolidated financial metrics to be moderately weaker than previously expected, but to remain supportive of existing ratings. Fitch still expects DRI's financial profile to begin to strengthen over the next several years as the company realizes anticipated earnings contributions from projects currently under construction, including the Cove Point export facility. Fitch expects DRI's ratio of lease adjusted debt/funds from operations (FFO) to remain below the 5.0x ratings sensitivity previously identified for a downgrade.

Financing Plan: The financing plan includes $1.5 billion of DRI corporate debt and $500 million of common equity. The remainder of the initial funding will consist of a combination of mandatory convertible debt, a term loan and equity from the drop down of Questar's pipeline business into Dominion Midstream Partners, L.P. (DM), a master limited partnership created by DRI in 2014. Fitch expects the equity from the planned drop downs will be realized within a year of closing the transaction and used to retire acquisition debt. Fitch considers execution of the drop down and associated debt retirement to be important to maintaining ratings. Any material deviation could adversely affect current ratings. It should be noted that Fitch does not attribute equity credit to mandatory convertible debt in the form of equity units which have previously been issued by DRI and is prevalent in the sector.

Cash Flow Subordination: The subordination of cash flows through drop downs into DM is a credit concern that grows over time. The concern is mitigated by DRI's ownership of the general partnership and significant portion of the limited partnership units. In addition, the planned drop down of Questar pipeline assets will delay the previously planned drop down of the Blue Racer joint venture assets to 2020 from 2017. The subordination concern would heighten if DRI were to significantly reduce its ownership in DM without reducing DRI debt or raise significant debt at DM (DM is currently debt free).

Low Risk Assets: Questar's assets are considered low risk by Fitch and consistent with DRI's existing risk profile. The largely regulated businesses provide further business and geographic diversity and growth opportunities particularly related to the Clean Power plan.

Cove Point: The expected commercial operation of the Cove Point LNG facility in late 2017 should enhance earnings and cash flow and lower capex. Capacity is fully subscribed to investment grade counterparties under twenty year agreements and DRI takes no commodity or volumetric risks during the contract term.

Financial Profile: Consolidated leverage is high for the rating level, but should gradually improve over the next several years as DRI realizes anticipated earnings contributions from projects currently under construction, including the Cove Point export facility, and approximately $2.1 billion of proceeds from the conversion and subsequent remarketing of mandatory convertible debt in 2016 and 2017. Even with the acquisition financing, Fitch expects debt/EBITDAR to fall below 4.5x in 2018 and FFO leverage to remain below 5.0x.

KEY ASSUMPTIONS
--DRI completes the drop down of Questar's pipeline business in a timely fashion and uses proceeds to pay down acquisition debt;
--DRI raises $2.1 billion of equity from mandatory convertible notes in 2016 and 2017;
--Organic growth capex will remain elevated through 2017 coinciding with the completion of Cove Point;
--VEPCo's base rates remain frozen through 2019;
--Timely execution of capex plan.

RATING SENSITIVITIES

Positive Rating Action: Positive rating action is not expected at this time given the large capital investment plan and high consolidated leverage. However, ratings could be upgraded if adjusted debt to EBITDAR falls below 3.5x and FFO lease-adjusted leverage below 4.25x on a sustainable basis.

Negative Rating Action: Ratings could be downgraded if there are substantial cost overruns or delays in completing the Cove Point LNG export project. Weaker earnings, lower dividends from VEPCo, or FFO-adjusted leverage above 5.0x on a sustained basis could also lead to negative rating action. The inability to reduce acquisition debt with equity proceeds from asset drop downs could also adversely affect ratings.

LIQUIDITY

Liquidity is considered sufficient supported by operating cash flow and two separate revolving credit facilities aggregating $5.5 billion. The credit facility supports commercial paper borrowings and up to $1.5 billion of letters of credit. The credit facilities expire in April 2019.

Fitch affirms the following ratings with a Stable Outlook:

Dominion Resources, Inc.
--Long-term IDR at 'BBB+';
--Senior unsecured debt at 'BBB+';
--Preferred and junior subordinated debt at 'BBB-';
--Short-term IDR at 'F2';
--Commercial paper at 'F2'.

Virginia Electric and Power Co.
--Long-term IDR at 'A-';
--Senior secured debt and revenue bonds at 'A+/F2';
--Senior unsecured debt and revenue bonds at 'A';
--Short-term IDR at 'F2';
--Commercial paper at 'F2'.

Dominion Gas Holdings, LLC

–Long-term IDR at 'A-';
–Senior unsecured debt at 'A-';
–Short-term IDR at 'F2';
–Commercial paper at 'F2'.

Consolidated Natural Gas Co. (debt assumed by Dominion Resources)
–Long-term IDR at 'BBB+';
–Senior unsecured debt at 'BBB+'.

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Additional information is available at 'www.fitchratings.com'.

Applicable Criteria
Corporate Rating Methodology - Including Short-Term Ratings and Parent and Subsidiary Linkage (pub. 17 Aug 2015)
(https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?
rpt_id=869362&cft=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJleHAiOjE0NTg4NjlyMTEslnNlc3Npb25LZXkiOiJFWTUxS0NHQzdIOUZESFJBQVpLOE5VMVJCOU.
PSiA)

Additional Disclosures
Dodd-Frank Rating Information Disclosure Form (https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?
pr_id=998849&cft=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJleHAiOjE0NTg4NjlyMTEslnNlc3Npb25LZXkiOiJFWTUxS0NHQzdIOUZESFJBQVpLOE5VMVJCOUJ
PSiA)
Solicitation Status (https://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=998849)
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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-7 "Credit Report"

Attached is a Dun & Bradstreet report for Dominion Retail, Inc., dated June 17, 2016.

DNBi Risk Management

Printed By: Lisa Lewis
Date Printed: June 17, 2016

Live Report : DOMINION RETAIL, INC.

D-U-N-S® Number: 12-991-1954
Trade Names: (SUBSIDIARY OF DOMINION RESOURCES, INC., RICHMOND, VA)
Endorsement/Billing Reference: lisa.lewis@dom.com

D&B Address

Address	120 Tredegar St 500 Richmond, VA, US - 23219	**Location Type**	Single (Subsidiary)
Phone	804 819-2000	**Web**	www.dom.com
Fax			

Endorsement : lisa.lewis@dom.com

Company Summary

Currency: Shown in USD unless otherwise indicated

Score Bar

PAYDEX®	80	Paying on time.
Commercial Credit Score Percentile	80	Low to Moderate Risk of severe payment delinquency.
Financial Stress Score National Percentile	67	Moderate Risk of severe financial stress.
D&B Viability Rating	3 2 B 2	View More Details
Bankruptcy Found	No	
D&B Rating	1R3	1R indicates 10 or more Employees, Credit appraisal of 3 is fair

Detailed Trade Risk Insight™

Days Beyond Terms Past 3 Months
There is not sufficient reporting trading activity to generate 3 months Days Beyond Terms (a minimum of 3 trade experiences from at least 2 suppliers

Recent Derogatory Events

	Apr-16	May-16	Jun-16
Placed for Collection	-	-	-
Bad Debt Written Off	-	-	-

Total Amount Current & Past Due - 13 Month Trend

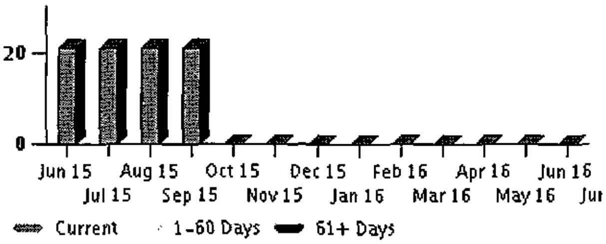
Detailed Trade Risk Insight™

Days Beyond Terms Past 3 Months
There is not sufficient reporting trading activity to generate 3 months Days Beyond Terms (a minimum of 3 trade experiences from at least 2 suppliers

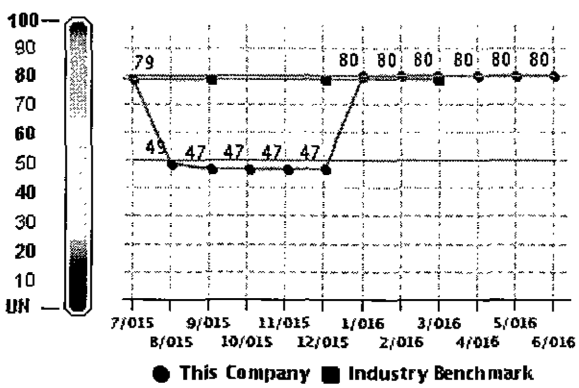
Recent Derogatory Events

	Apr-16	May-16	Jun-16
Placed for Collection	-	-	-
Bad Debt Written Off	-	-	-

Total Amount Current & Past Due - 13 Month Trend



PAYDEX® Trend Chart



D&B Viability Rating

3 **Viability Score**
9 High Risk — 5 — 1 Low Risk

2 **Portfolio Comparison**
9 High Risk — 5 — 1 Low Risk

B **Data Depth Indicator**
G Descriptive — A Predictive

Z **Company Profile**
Subsidiary

D&B Company Overview

This is a single (subsidiary) location

Chief Executive	ROBERT M. BLUE, PRES
Year Started	1997
Employees	60
Financing	SECURED
SIC	8742
Line of business	Management consulting services
NAICS	541611
History Status	CLEAR

FirstRain Company News

This Company is not currently tracked for Company News

Powered by FirstRain

Public Filings

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	**Number of Records**	**Most Recent Filing Date**
Bankruptcies	0	-
Judgments	0	-
Liens	0	-
Suits	1	03/18/14
UCCs	9	04/27/16

The public record items contained herein may have been paid, terminated, vacated or released prior to todays date.

Corporate Linkage

This is a **Single (Subsidiary)** location

DOMINION RETAIL, INC.
Richmond , VA
D-U-N-S® Number 12-991-1954

The Parent Company is
DOMINION RESOURCES, INC.
Virginia
D-U-N-S® Number 10-171-5035

Corporate Linkage

Parent

Company	City , State	D-U-N-S® NUMBER
DOMINION RESOURCES, INC.	RICHMOND , Virginia	10-171-5035

Affiliates (Domestic)

Company	City , State	D-U-N-S® NUMBER
CONSOLIDATED NATURAL GAS COMPANY	RICHMOND , Virginia	00-698-2383
THE EAST OHIO GAS COMPANY	MAPLE HEIGHTS , Ohio	00-790-0475
HOPE GAS, INC.	CLARKSBURG , West Virginia	00-794-4721
VIRGINIA ELECTRIC AND POWER COMPANY	RICHMOND , Virginia	00-794-1446
DOMINION NUCLEAR CONNECTICUT, INC.	RICHMOND , Virginia	01-561-4543
DOMINION TRANSMISSION CORP	WAYNESBURG , Pennsylvania	02-619-4261
VIRGINIA POWER ENERGY MARKETING, INC.	RICHMOND , Virginia	02-704-6650
DOMINION FIBER VENTURES, LLC	RICHMOND , Virginia	04-092-7746
DOMINION TRANSMISSION, INC.	RICHMOND , Virginia	11-602-5180
DOMINION RESOURCES SERVICES, INC.	RICHMOND , Virginia	13-589-6798
DOMINION CAPITAL, INC	RICHMOND , Virginia	14-986-1437
DOMINION ENERGY NEW ENGLAND INC	BOSTON , Massachusetts	19-015-6955
DOMINION ENERGY, INC.	RICHMOND , Virginia	19-657-9130
CNG RESEARCH COMPANY	PITTSBURGH , Pennsylvania	79-283-2891
DOMINION COVE POINT LNG, LP	LUSBY , Maryland	87-683-3500
CNG POWER SERVICES CORP	PITTSBURGH , Pennsylvania	88-437-3606
STONEHOUSE DEVELOPMENT COMPANY LLC	TOANO , Virginia	96-436-1638
UAE MECKLENBURG COGENERATION LP	CLARKSVILLE , Virginia	83-877-3083
DRESDEN ENERGY LLC	DRESDEN , Ohio	36-178-0997
ELWOOD ENERGY LLC	ELWOOD , Illinois	07-264-0738
DOMINION GENERATION CORPORATION	RICHMOND , Virginia	80-864-9904
DOMINION GAS TRANSMISSION INC	GENESEE , Pennsylvania	96-078-3793
DOMINION ENERGY KEWAUNEE, INC.	KEWAUNEE , Wisconsin	96-186-6758
DOMINION TECHNICAL SOLUTIONS, INC.	RICHMOND , Virginia	78-424-6089
VIRGINIA POWER NUCLEAR SERVICES COMPANY	RICHMOND , Virginia	07-838-0419

This list is limited to the first 25 affiliates.
For the complete list, Please logon to DNBi and view the Dynamic Family Tree Information.

Affiliates (International)

Company	City , Country	D-U-N-S® NUMBER
Dominion Energy Central America Inc.	Belice , BELIZE	85-002-2211

Predictive Scores

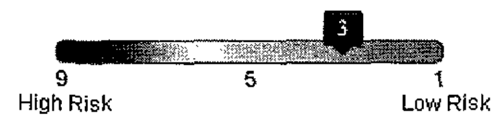
Currency: Shown in USD unless otherwise indicated

D&B Viability Rating Summary

The D&B Viability Rating uses D&B's proprietary analytics to compare the most predictive business risk indicators and deliver a highly reliable assessment of the probability that a company will go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months. The D&B Viability Rating is made up of 4 components:

3

Viability Score

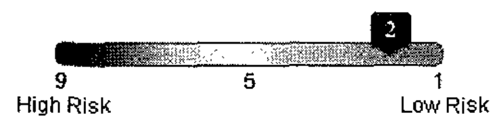


Compared to All US Businesses within the D&B Database:

- Level of Risk: **Low Risk**
- Businesses ranked 3 have a probability of becoming no longer viable: **3 %**
- Percentage of businesses ranked 3: **15 %**
- Across all US businesses, the average probability of becoming no longer viable: **14 %**

2

Portfolio Comparison

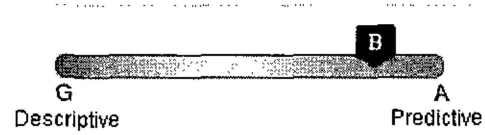


Compared to All US Businesses within the same MODEL SEGMENT:

- Model Segment : **Established Trade Payments**
- Level of Risk: **Low Risk**
- Businesses ranked 2 within this model segment have a probability of becoming no longer viable: **3 %**
- Percentage of businesses ranked 2 with this model segment: **16 %**
- Within this model segment, the average probability of becoming no longer viable: **5 %**

B

Data Depth Indicator



Data Depth Indicator:

- ✓ Rich Firmographics
- ✓ Extensive Commercial Trading Activity
- ✓ Basic Financial Attributes

Greater data depth can increase the precision of the D&B Viability Rating assessment.

Company Profile	Subsidiary

Credit Capacity Summary

This credit rating was assigned because of D&B's assessment of the company's creditworthiness. For more information, see the

D&B Rating Key

D&B Rating : **1R3**

Number of employees: 1R indicates 10 or more employees
Composite credit appraisal: 3 is fair

The 1R and 2R ratings categories reflect company size based on the total number of employees for the business. They are assigned to business files that do not contain a current financial statement. In 1R and 2R Ratings, the 2, 3, or 4 creditworthiness indicator is based on analysis by D&B of public filings, trade payments, business age and other important factors. 2 is the highest Composite Credit Appraisal a company not supplying D&B with current financial information can receive.

Below is an overview of the companys rating history since 02-01-2008

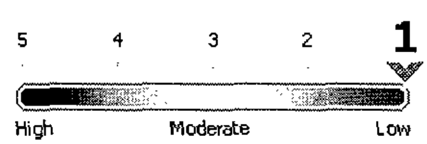
Number of Employees Total: 60

D&B Rating	Date Applied
1R3	02-28-2008
--	02-01-2008

Payment Activity:	**(based on 6 experiences)**
Average High Credit:	133
Highest Credit:	250
Total Highest Credit:	700

D&B Credit Limit Recommendation

Conservative credit Limit	40,000
Aggressive credit Limit:	90,000
Risk category for this business :	**LOW**



The Credit Limit Recommendation (CLR) is intended to serve as a directional benchmark for all businesses within the same line of business or industry, and is not calculated based on any individual business. Thus, the CLR is intended to help guide the credit limit decision, and must be balanced in combination with other elements which reflect the individual company's size, financial strength, payment history, and credit worthiness, all of which can be derived from D&B reports.

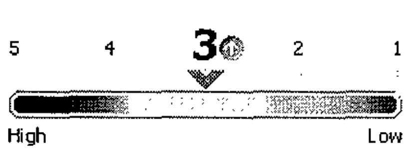
Risk is assessed using D&Bs scoring methodology and is one factor used to create the recommended limits. See Help for details.

Financial Stress Class Summary

The Financial Stress Score predicts the likelihood of a firm ceasing business without paying all creditors in full, or reorganization or obtaining relief from creditors under state/federal law over the next 12 months. Scores were calculated using a statistically valid model derived from D&Bs extensive data files.

The Financial Stress Class of 3 for this company shows that firms with this class had a failure rate of 0.24% (24 per 10,000), which is lower than the average of businesses in D & B's database

Financial Stress Class :



Moderately lower than average risk of severe financial stress, such as a bankruptcy or going out of business with unpaid debt, over the next 12 months.

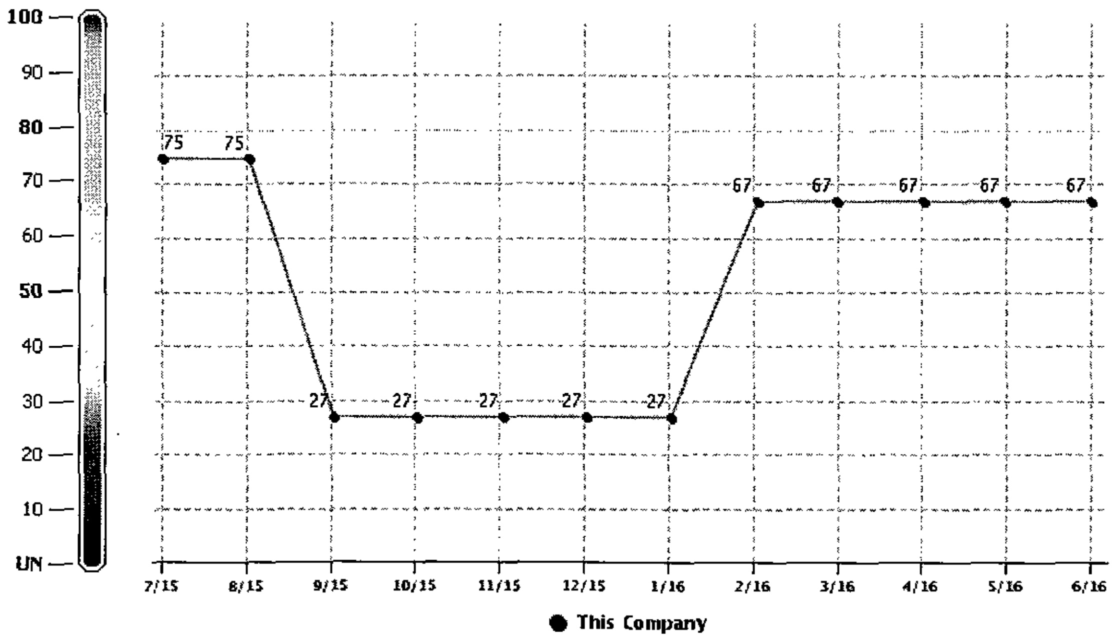
Probability of Failure:

Risk of Severe Financial Stress for Businesses with this Class: **0.24 %** (24 per 10,000)
Financial Stress National Percentile : **67** (Highest Risk: **1**; Lowest Risk: 100)
Financial Stress Score : **1507** (Highest Risk: **1**,001; Lowest Risk: 1,875)
Average Risk of Severe Financial Stress for Businesses in D&B database: **0.48 %** (48 per 10,000)

The Financial Stress Class of this business is based on the following factors:

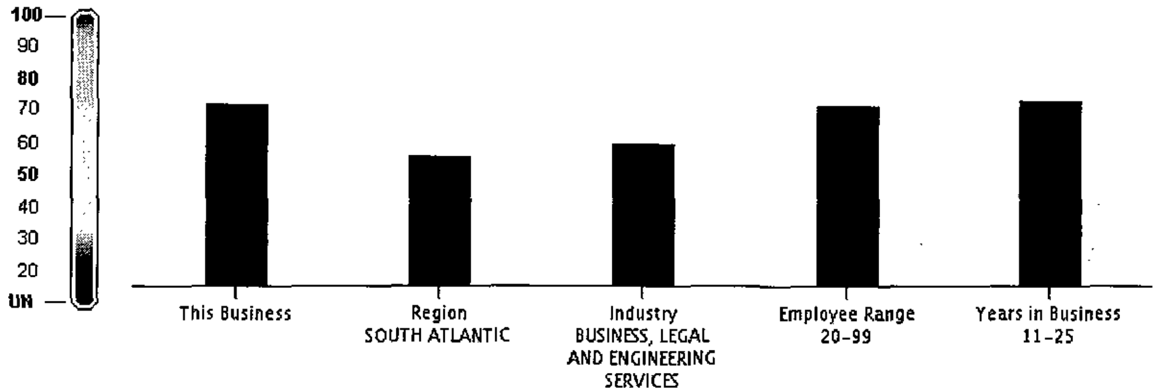
UCC Filings reported.
Unstable Paydex over last 12 months.
Composite credit appraisal is rated fair.
Business does not own facilities.
Higher risk legal structure.
Insufficient number of payment experiences.

Financial Stress Percentile Trend:



Notes:

The Financial Stress Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience financial stress.
The Probability of Failure shows the percentage of firms in a given Class that discontinued operations over the past year with loss to creditors. The Probability of Failure - National Average represents the national failure rate and is provided for comparative purposes.
The Financial Stress National Percentile reflects the relative ranking of a company among all scorable companies in D&Bs file.
The Financial Stress Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.



Norms	National %
This Business	67
Region: SOUTH ATLANTIC	48
Industry: BUSINESS, LEGAL AND ENGINEERING SERVICES	52
Employee range: 20-99	66
Years in Business: 11-25	68

This Business has a Financial Stress Percentile that shows:

Lower risk than other companies in the same region.

Lower risk than other companies in the same industry.

Lower risk than other companies in the same employee size range.

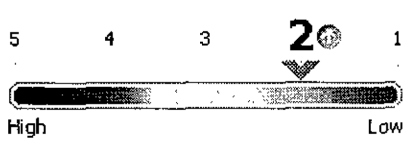
Higher risk than other companies with a comparable number of years in business.

Credit Score Summary

The Commercial Credit Score (CCS) predicts the likelihood of a business paying its bills in a severely delinquent manner (91 days or more past terms).

The Credit Score class of 2 for this company shows that 2.5% of firms with this class paid one or more bills severely delinquent, which is lower than the average of businesses in D & B's database.

Credit Score Class :



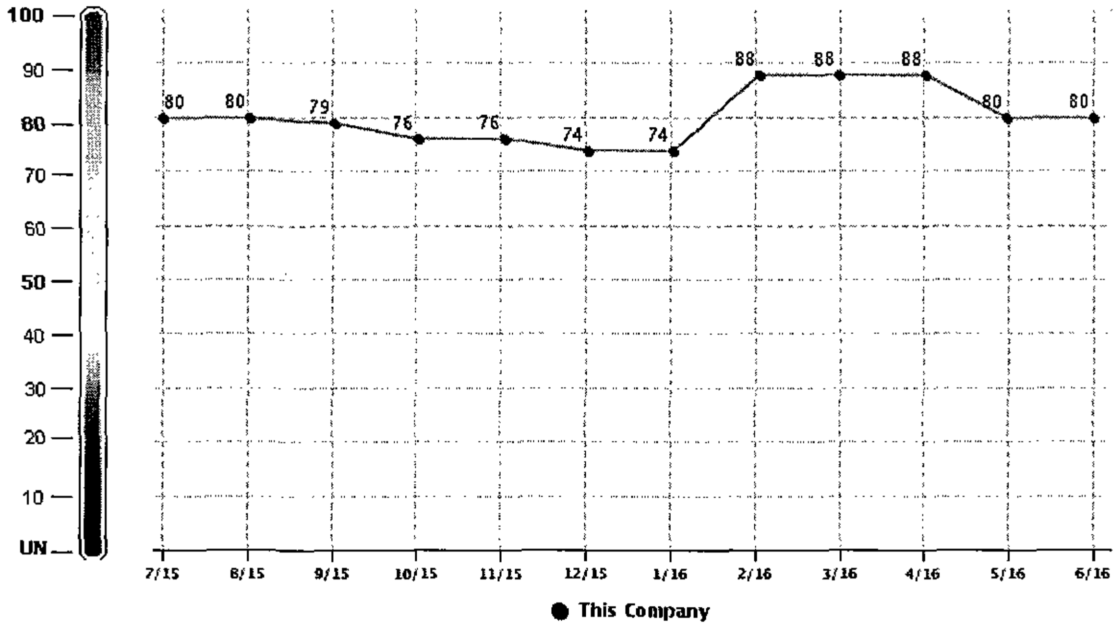
Incidence of Delinquent Payment

Among Companies with this Classification: **2.50 %**
Average compared to businesses in D&Bs database: **10.20 %**
Credit Score Percentile : **80** (Highest Risk: 1; Lowest Risk: 100)
Credit Score : **550** (Highest Risk: 101; Lowest Risk:670)

The Credit Score Class of this business is based on the following factors:

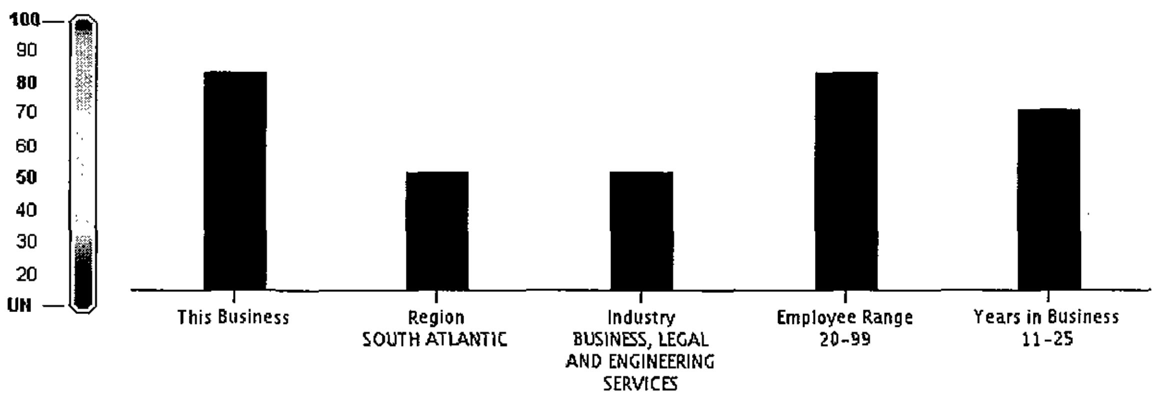
Higher risk industry based on delinquency rates for this industry
Evidence of open suits

Credit Score Class Percentile Trend:



Notes:

The Commercial Credit Score Risk Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience severe delinquency.
The Incidence of Delinquent Payment is the percentage of companies with this classification that were reported 91 days past due or more by creditors. The calculation of this value is based on D&B's trade payment database.
The Commercial Credit Score percentile reflects the relative ranking of a firm among all scorable companies in D&B's file.
The Commercial Credit Score offers a more precise measure of the level of risk than the Risk Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.



Norms	National %
This Business	80
Region: SOUTH ATLANTIC	43
Industry: BUSINESS, LEGAL AND ENGINEERING SERVICES	43
Employee range: 20-99	80
Years in Business: 11-25	66

This business has a Credit Score Percentile that shows:

Lower risk than other companies in the same region.

Lower risk than other companies in the same industry.

Similar risk compared to other companies in the same employee size range.

Lower risk than other companies with a comparable number of years in business.

Trade Payments

Currency: Shown in USD unless otherwise indicated

D&B PAYDEX®

The D&B PAYDEX is a unique, weighted indicator of payment performance based on payment experiences as reported to D&B by trade references.
Learn more about the D&B PAYDEX

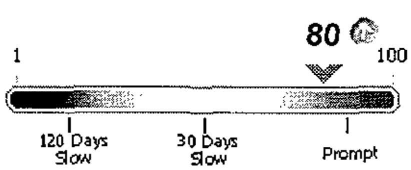
Timeliness of historical payments for this company.

Current PAYDEX is	**80**	Equal to generally within terms (Pays more promptly than the average for its industry of 2 days beyond terms)
Industry Median is	**79**	Equal to 2 days beyond terms
Payment Trend currently is		Unchanged, compared to payments three months ago

Indications of slowness can be the result of dispute over merchandise, skipped invoices etc. Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

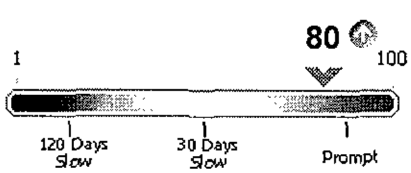
Total payment Experiences in D&Bs File (HQ)	6
Payments Within Terms (not weighted)	100 %
Trade Experiences with Slow or Negative Payments(%)	0.00%
Total Placed For Collection	0
High Credit Average	133
Largest High Credit	250
Highest Now Owing	0
Highest Past Due	0

D&B PAYDEX



High risk of late payment (Average 30 to 120 days beyond terms)
Medium risk of late payment (Average 30 days or less beyond terms)
Low risk of late payment (Average prompt to 30+ days sooner)
When weighted by amount, payments to suppliers average generally within terms

3-Month D&B PAYDEX



High risk of late payment (Average 30 to 120 days beyond terms)
Medium risk of late payment (Average 30 days or less beyond terms)
Low risk of late payment (Average prompt to 30+ days sooner)
Based on payments collected over last 3 months.

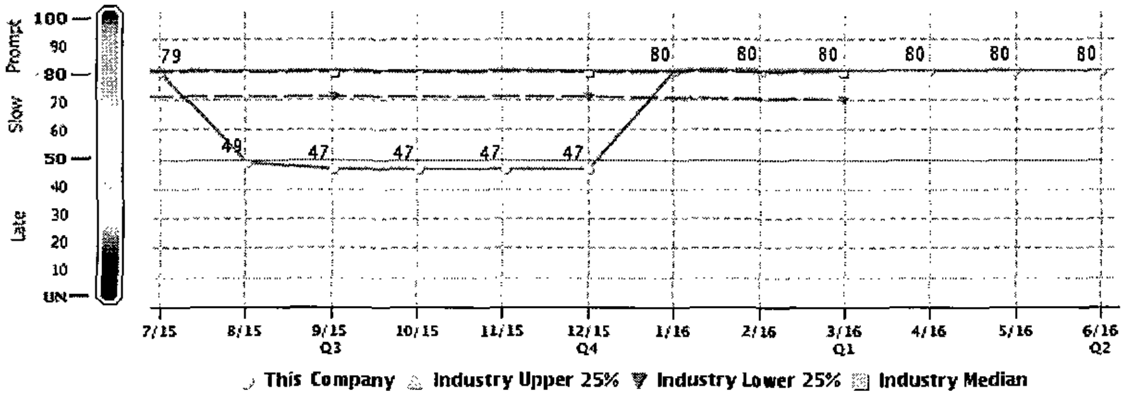
When weighted by amount, payments to suppliers average within terms

D&B PAYDEX® Comparison

Current Year

PAYDEX® of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Management consulting services , *based on SIC code 8742* .

Shows the trend in D&B PAYDEX scoring over the past 12 months.

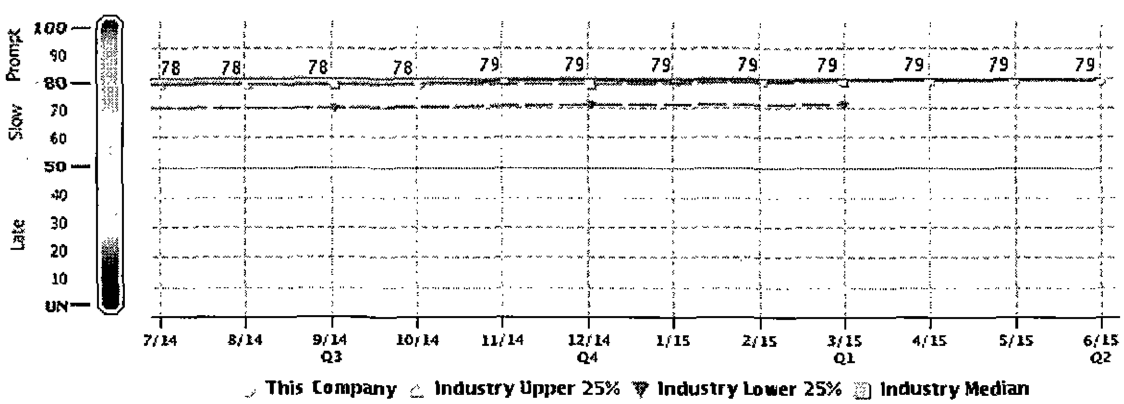


	7/15	8/15	9/15	10/15	11/15	12/15	1/16	2/16	3/16	4/16	5/16	6/16
This Business	79	49	47	47	47	47	80	80	80	80	80	80
Industry Quartiles												
Upper	.	.	80	.	.	80	.	.	80	.	.	.
Median	.	.	79	.	.	79	.	.	79	.	.	.
Lower	.	.	71	.	.	71	.	.	70	.	.	.

Current PAYDEX for this Business is 80 , or equal to generally within terms
The 12-month high is 80 , or equal to GENERALLY WITHIN terms
The 12-month low is 47 , or equal to 39 DAYS BEYOND terms

Previous Year

Shows PAYDEX of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Management consulting services , based on SIC code 8742 .



Previous Year	06/14 Q2'14	09/14 Q3'14	12/14 Q4'14	03/15 Q1'15
This Business	UN	78	79	79
Industry Quartiles				
Upper	80	80	80	80
Median	78	78	78	79
Lower	70	70	71	71

Based on payments collected over the last 4 quarters.

Current PAYDEX for this Business is 80 , or equal to generally within terms
The present industry median Score is 79 , or equal to 2 days beyond terms
Industry upper quartile represents the performance of the payers in the 75th percentile
Industry lower quartile represents the performance of the payers in the 25th percentile

Payment Habits

For all payment experiences within a given amount of credit extended, shows the percent that this Business paid within terms. Provides number of experiences to calculate the percentage, and the total credit value of the credit extended.

$ Credit Extended	# Payment Experiences	Total Amount	% of Payments Within Terms
Over 100,000	0	0	0%
50,000-100,000	0	0	0%
15,000-49,999	0	0	0%
5,000-14,999	0	0	0%
1,000-4,999	0	0	0%
Under 1,000	3	400	100%

0% 50% 100%

Based on payments collected over last 24 months.

All Payment experiences reflect how bills are paid in relation to the terms granted. In some instances, payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Payment Summary

There are 6 payment experience(s) in D&Bs file for the most recent 24 months, with 3 experience(s) reported during the last three month period.

The highest Now Owes on file is 0 . The highest Past Due on file is 0

Below is an overview of the companys currency-weighted payments, segmented by its suppliers primary industries:

	Total Revd (#)	Total Amts	Largest High Credit	Within Terms (%)	Days Slow <31	31-60	61-90 (%)	90> (%)
Top Industries								
Federal savings bank	1	250	250	100	0	0	0	0
Lithographic printing	1	100	100	100	0	0	0	0
Nonclassified	1	50	50	100	0	0	0	0
Other payment categories								
Cash experiences	3	300	100					
Payment record unknown	0	0	0					
Unfavorable comments	0	0	0					
Placed for collections	0	N/A	0					
Total in D&B's file	6	700	250					

Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Indications of slowness can be result of dispute over merchandise, skipped invoices etc.

Detailed payment history for this company

Date Reported (mm/yy)	Paying Record	High Credit	Now Owes	Past Due	Selling Terms	Last Sale Within (month)
05/16	Ppt	250	0	0		2-3 mos
	Ppt	50	0	0		6-12 mos
04/16	Ppt	100				1 mo
09/15	(004) Cash own option .	100			Cash account	1 mo
07/15	(005)	100			Cash account	1 mo
	(006)	100			Cash account	1 mo

Payments Detail Key: ■ 30 or more days beyond terms

Payment experiences reflect how bills are paid in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices, etc. Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

Public Filings

Currency: Shown in USD unless otherwise indicated

Summary

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	*# of Records*	*Most Recent Filing Date*
Bankruptcy Proceedings	0	-
Judgments	0	-
Liens	0	-
Suits	1	03/18/14
UCCs	9	04/27/16

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

Suits

Status	**Pending**
BOOK/PAGE	CV/14-823762
Plaintiff	NATIONWIDE INSURANCE COMPANY
Defendant	DOMINION RETAIL INC DBA DOMINION EAST OHIO ENERGY AND OTHERS
Where filed	CUYAHOGA COUNTY COMMON PLEAS COURT, CLEVELAND, OH

Date status attained	03/18/14
Date filed	03/18/14
Latest Info Received	04/18/14

If it is indicated that there are defendants other than the report subject, the lawsuit may be an action to clear title to property and does not necessarily imply a claim for money against the subject.

UCC Filings

Collateral	Accounts receivable including proceeds and products - Account(s) including proceeds and products
Type	Original
Sec. Party	NATIONAL GRID, SYRACUSE, NY NIAGARA MOHAWK POWER CORPORATION, SYRACUSE, NY

Debtor	DOMINION RETAIL, INC. and OTHERS
Filing No.	2015 4555214
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2015-10-07
Latest Info Received	11/13/15

Collateral	Accounts receivable including proceeds and products - Account(s) including proceeds and products - General intangibles(s) including proceeds and products
Type	Original
Sec. Party	MASSACHUSETTS ELECTRIC COMPANY, WALTHAM, MA NANTUCKET ELECTRIC COMPANY, WALTHAM, MA NATIONAL GRID, WALTHAM, MA
Debtor	DOMINION RETAIL, INC.
Filing No.	2014 2234086
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2014-06-09
Latest Info Received	07/22/14

Collateral	Accounts receivable including proceeds and products
Type	Original
Sec. Party	NIAGARA MOHAWK POWER CORPORATION, SYRACUSE, NY
Debtor	DOMINION RETAIL, INC.
Filing No.	6190049 7
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2006-06-05
Latest Info Received	07/06/06

Collateral	Inventory and proceeds - Computer equipment and proceeds
Type	Original
Sec. Party	COLUMBIA GAS OF OHIO, INC., COLUMBUS, OH
Debtor	DOMINION RETAIL, INC
Filing No.	2009 3326268
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2009-10-15
Latest Info Received	11/17/09

Collateral	Account(s) and proceeds
Type	Original
Sec. Party	AMEREN SERVICES COMPANY, ST. LOUIS, MO
Debtor	DOMINION RETAIL, INC.
Filing No.	2011 4731678
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2011-12-09
Latest Info Received	01/06/12

Collateral	Account(s) and proceeds
Type	Original
Sec. Party	AMEREN SERVICES COMPANY, AS DESIGNATED AGENT, ST. LOUIS, MO
Debtor	DOMINION RETAIL, INC.
Filing No.	2011 4731520
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2011-12-09
Latest Info Received	01/06/12

Collateral	RIGHT, TITLE AND INTEREST and proceeds
Type	Original
Sec. Party	COLUMBIA GAS OF VIRGINIA, INC., COLUMBUS, OH
Debtor	DOMINION RETAIL, INC.
Filing No.	2016 2506952
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2016-04-27
Latest Info Received	05/27/16

Collateral	RIGHT, TITLE AND INTEREST and proceeds
Type	Original
Sec. Party	COLUMBIA GAS OF OHIO, INC., COLUMBUS, OH
Debtor	DOMINION RETAIL, INC.
Filing No.	2016 2506945
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2016-04-27
Latest Info Received	05/27/16

Type	Original
Sec. Party	COLUMBIA GAS OF PENNSYLVANIA, INC., COLUMBUS, OH
Debtor	DOMINION RETAIL, INC.
Filing No.	2011 3837161
Filed With	SECRETARY OF STATE/UCC DIVISION, DOVER, DE
Date Filed	2011-10-05
Latest Info Received	11/17/11

Government Activity

Activity summary

Borrower (Dir/Guar)	NO
Administrative Debt	NO
Contractor	YES
Grantee	NO

Party excluded from federal program(s)	NO

Possible candidate for socio-economic program consideration

Labour Surplus Area	N/A
Small Business	N/A
8(A) firm	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

History & Operations

Currency: Shown in USD unless otherwise indicated

Company Overview

Company Name:	DOMINION RETAIL, INC.
Doing Business As :	(SUBSIDIARY OF DOMINION RESOURCES, INC., RICHMOND, VA)
Street Address:	120 Tredegar St 500 Richmond , VA 23219
Phone:	804 819-2000
URL:	http://www.dom.com
History	Is clear
Present management control	19 years

History

The following information was reported: **06/08/2016**

Officer(s):	ROBERT M. BLUE, PRES PHILIP E RILEY, PRES
DIRECTOR(S) :	THE OFFICER(S)

The Delaware Secretary of State's business registrations file showed that Dominion Retail, Inc. was registered as a Corporation on January 30, 1997.

Business started 1997. 100% of capital stock is owned by Philip E Riley, Pres.

ROBERT M. BLUE. Antecedents not available.

PHILIP E RILEY. Antecedents not available.

Operations

06/08/2016

Description:	Subsidiary of DOMINION RESOURCES, INC., RICHMOND, VA. Operates as a provider of management consulting services, specializing in retail trade (100%). Terms are undetermined. Sells to undetermined. Nonseasonal.
Employees:	60 which includes officer(s).
Facilities:	Occupies premises in building.

SIC & NAICS

SIC:

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific about a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

8742 0408 Retail trade consultant

NAICS:

541611 Administrative Management and General Management Consulting Services

Financials

Company Financials: D&B

Additional Financial Data

D & B has updated this report using available sources.

Request Financial Statements

Request Financial Statements

Requested financials are provided byDOMINION RETAIL, INC.and are not DUNSRight certified.

Key Business Ratios

D & B has been unable to obtain sufficient financial information from this company to calculate business ratios. Our check of additional outside sources also found no information available on its financial performance.

To help you in this instance, ratios for other firms in the same industry are provided below to support your analysis of this business.

Based on this Number of Establishments 15

Industry Norms Based On 15 Establishments

	This Business	Industry Median	Industry Quartile
Profitability			
Return on Sales %	UN	3.4	UN
Return on Net Worth %	UN	9.9	UN
Short-Term Solvency			
Current Ratio	UN	2.3	UN
Quick Ratio	UN	2.2	UN
Efficiency			
Assets to Sales %	UN	61.0	UN
Sales / Net Working Capital	UN	4.4	UN
Utilization			
Total Liabilities / Net Worth (%)	UN	36.0	UN

UN = Unavailable

Detailed Trade Risk Insight™

Detailed Trade Risk Insight provides detailed updates on over 1.5 billion commercial trade experiences collected from more than 260 million unique supplier/purchaser relationships.

Days Beyond Terms - Past 3 & 12 Months

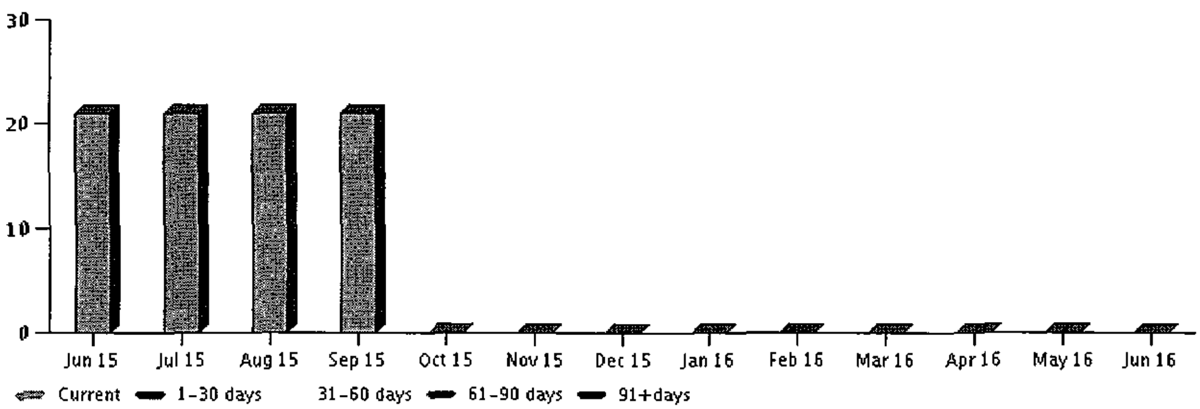
There is not sufficient reported trading activity to generate 3 month Days Beyond Terms (a minimum of 3 trade experiences from at least 2 companies).

There is not sufficient reported trading activity to generate 12 month Days Beyond Terms (a minimum of 3 trade experiences from at least 2 companies).

Derogatory Events Last 13 Months from Jun 15 to Jun 16

No Derogatory trade Event has been reported on this company for the past 13 Months

Total Amount Current and Past Due - 13 month trend from Jun 15 to Jun 16



Status	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Total	21	21	21	21	0	0	0	0	0	0	0	0	0
Current	21	21	21	21	-	-	-	-	-	-	-	-	-
1-30 Days Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-
31-60 Days Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-
61-90 Days Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-
90+ Days Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-

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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-8 "Bankruptcy Information"

No such filings have been made by Dominion Retail or any of its corporate parents or affiliates since applicant last filed for certification.

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 C-9 "Merger Information"</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-10 "Corporate Structure"

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

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

Dominion Resources, Inc. 1st Tier Companies

- CNG Coal Company
- Diamond Beehive Corp.
- Dominion ACP Holding, Inc.
- Dominion Alternative Energy Holdings, Inc.
- Dominion Capital, Inc.
- Dominion Carolina Gas Services, Inc.
- Dominion Cove Point, Inc.
- Dominion Energy, Inc.
- Dominion Field Services, Inc.
- Dominion Gas Holdings, LLC
- Dominion Greenbrier, Inc.
- Dominion High Voltage Holdings, Inc.
- Dominion Investments, Inc.
- Dominion Keystone Pipeline Holdings, Inc.
- Dominion MLP Holding Company II, Inc.
- Dominion MLP Holding Company III, Inc.
- Dominion Natrium Holdings, Inc.
- Dominion Oklahoma Texas Exploration & Production, Inc.
- Dominion Payroll Company, Inc
- Dominion Privatization Holdings, Inc.
- Dominion Products and Services, Inc.
- Dominion Projects Services, Inc.
- Dominion Resources Capital Trust III
- Dominion Resources Services, Inc.
- Dominion Retail, Inc.
- Dominion South Holdings I, Inc.
- Dominion Technical Solutions, Inc.
- Hope Gas, Inc.
- Virginia Electric and Power Company
- Virginia Power Energy Marketing, Inc.

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

Exhibit D-1 "Operations"

Dominion Retail possesses extensive operational experience and expertise in delivering natural gas to all classes of customers under utility retail choice programs. As noted, it has been engaged in the direct access sale of natural gas since 1997.

As it has done in Ohio since 1997, Dominion Retail will continue to acquire natural gas for resale to retail customers in Ohio from various wholesale sources. Dominion Retail will continue to arrange for transmission and delivery, as well as applicable ancillary services, in connection with its procurement of natural gas for its Ohio customers.

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 D-2 "Operations Expertise"</u>

Dominion Retail's operations staff has years of experience in delivering natural gas supplies to retail choice customers in Ohio, Pennsylvania, New Jersey and Virginia. At present, Applicant serves a total of approximately 328,000 natural gas customers in those states. In Pennsylvania, Applicant serves customers on the following utility systems: The Peoples Natural Gas Company, Equitable Gas Company and Columbia Gas of Pennsylvania. In Ohio, Applicant provides natural gas service to retail customers on The East Ohio Gas Company and Columbia Gas of Ohio systems. In New Jersey, Applicant serves customers in the New Jersey Natural Gas and PSEG service territories, and in Virginia Applicant provides natural gas service to customers in the Virginia Natural Gas service territory.

Dominion Retail also currently holds licenses to sell natural gas in the states of Connecticut, Illinois, Maryland, and the District of Columbia, although it is not currently marketing natural gas in those states.

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

Exhibit D-3 "Key Technical Personnel"

Applicant has operated as a competitive natural gas supplier since 1997 in the states of Ohio and Pennsylvania. In that nineteen year period, Applicant has gained considerable experience and expertise in the competitive retail supply business. The majority of Applicant's personnel – including managerial staff – who will be engaged in providing service to Ohio customers have in excess of sixteen years of natural gas experience in the marketing and operational areas and in excess of fourteen years working with GISB rules and practices. Applicant's managerial staff has been engaged in enterprise financial and administrative responsibilities for over eighteen years and possesses in excess of eighteen years of natural gas sales experience. Information on selected management personnel follows:

Diane Leopold, President – Dominion Energy
Diane.Lepold@dom.com; 804-771-6990

Diane Leopold is President – Dominion Energy, which serves more than 1.3 million customer accounts in Ohio and West Virginia and also includes Dominion Gas Transmission and Cove Point LNG. Dominion Transmission, Inc. operates one of the largest underground storage complexes in the world.

Since joining the company in 1995, she has held various operational, project management, commercial and financial management roles in several business units. Recent positions include Senior Vice President – Business Development & Generation Construction and Senior Vice President – Dominion Transmission. She assumed her current post in January 2014.

Thomas J. Butler, Director, Retail
Thomas.J.Butler@Dom.com; 412-237-4765

Mr. Butler has over 28 years of total experience in the natural gas business, including the following positions:

Director Retail: 3 Months
Director, Retail Gas Sales & Supply, Dominion Retail: 1 Year
Director, Business Development, Dominion Retail: 12 years
Director, Marketing, Dominion Retail: 2 years
Manager, Customer Acquisition, Dominion Retail: 3 years
Manager, Marketing, Dominion Retail: 2 years
Director, Industrial Sales, Dominion Peoples: 3 years
Manager, Residential Marketing, Dominion Peoples: 2 years
Manager, Electric Utility Sales, Dominion Peoples: 2 years
Assistant to Vice President, Marketing, Dominion Peoples: 1 year

Prior to joining Dominion in 1988, Mr. Butler worked as an engineer and turn supervisor for LTV Steel Corporation. Mr. Butler possesses broad and extensive experience in the marketing, operations and gas sales areas, including GISB, by virtue of his 28 years of service in both the regulated and unregulated sides of the business. He also has had direct accountability for enterprise financial and administrative performance for more than eighteen years.

P. Ian Arbogast, Director, Retail Gas Sales & Supply, Dominion Retail, Inc.
P.Ian.Argobast@dom.com; 804-787-6134

Director, Retail Gas Sales & Supply, Dominion Retail, Inc.: 3 Months
Director, Retail Gas Operations, Dominion Retail, Inc.: 8 Months
Director, Financial Analysis – AES: 1 ½ years
Manager, Retail Finance, Dominion Resources, Inc.: 6 years
Manager, Retail Accounting, Dominion Resources, Inc.: 2 years
Lead Operational Accounting Analyst, Dominion Resources, Inc.: 2 ½ years

Prior to joining Dominion in 2004, Mr. Arbogast worked as a financial analyst for McKesson Pharmaceuticals. Mr. Arbogast has extensive experience in excess of ten years working with operations and other financial and administrative aspects of the natural gas business.