



Dominion®

2012-2013
Citizenship &
Sustainability
Report

SEEKING SUSTAINABLE SOLUTIONS, NURTURING OUR COMMUNITIES, ENERGIZING OUR CUSTOMERS



ENGAGING OUR EMPLOYEES, REWARDING OUR SHAREHOLDERS, PRACTICING ENVIRONMENTAL STEWARDSHIP



About Us

COMPANY PROFILE

Dominion [NYSE: D] is one of the nation's largest electric power and natural gas companies, serving 6 million utility and retail energy customers in 15 states.

COMPANY HISTORY

We trace our corporate roots to the first years of our nation's independence – 1787 – when the Virginia General Assembly authorized, by charter, the creation of the Appomattox Trustees.

GOVERNANCE

We believe that good governance is central to successful, sustainable performance. It helps identify Dominion as a competent and trustworthy steward of the resources entrusted to our care.



ETHICS

Ethics is a core value at Dominion. That means qualities such as integrity, individual responsibility and accountability matter as much as bottom-line results. Doing right and doing well are inseparable.

PUBLIC POLICY

We participate in the political process to help shape policies that advance our business goals, promote effective public and government relations, and serve the interests of stakeholders.

Message From The Chairman



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

*"We are, quite simply,
an energy society.
We are not an
energy-optional
society."*

At Dominion, sustainability is part of a broad commitment to responsible citizenship that includes the health and safety of our employees, the well-being of the communities we serve, the vitality of the environment we share, and the economic value we create.

This commitment is deeply embedded in the values, traditions and cultural fabric of our company. But seeing it through the lens of sustainability has provided new opportunities for transparency, growth and engagement with our partners, including our customers, employees, suppliers, governments and non-profits.

Our Values-Based Approach

As I have noted in previous letters, Dominion's approach to sustainability and our prospects for long-term success are anchored in the company's core values of safety, ethical behavior, performance excellence and teamwork. I am convinced that if we can consistently put these values into play in our working lives, we can make sustainability second nature and a touchstone of continuous improvement.

Sustainability Focus Areas

To help frame our sustainability initiatives, we have established four broad strategic focus areas that are integral to our business: innovation, environmental stewardship, collaboration and engagement. These focus areas have corresponding goals and initiatives designed to accomplish them. They encompass the sustainability issues that are most material to our company and represent areas in which we are well-positioned to have a positive impact.

Dominion's 12-member Executive Sustainability Council oversees our program and performance to ensure that our sustainability initiatives align with and support our business objectives. The ESC meets quarterly with Dominion's Sustainability Director to review progress against defined targets, address any performance gaps and evaluate new initiatives in conjunction with our Employee Sustainability Team. The [Scorecard](#) section of this report provides an overview of the progress we are making toward achieving our goals.

Economic Performance

We believe that economic prosperity is a pre-condition for community well-being, environmental quality and a sustainable society. In other words, the more economic value we create and the higher the real growth in per capita income, the better equipped we are as a company – and as a society – to address social ills and environmental concerns.

Farrell Recognized as Industry Leader



Dominion chairman, president and CEO, Tom Farrell, received the "Distinguished Leadership Award" in January 2013 from Tom Kuhn, president of the Edison Electric Institute, a trade association representing most of the U.S. electric power industry.

"During his tenure at Dominion," Kuhn said, "Tom Farrell has been a consensus-builder within the electric power industry. His leadership has helped EEI become a more effective and powerful organization."

Farrell is one of five industry CEOs ever to have received the award.

Message From The Chairman

Economic Performance (continued)

Energy is a fundamental component of our economy and our everyday lives. Its sufficiency, reliability and cost help define the way we live. We are, quite simply, an energy society. We are not an energy-optional society.

At Dominion, we are in the midst of a multi-year, multi-billion-dollar infrastructure investment program to modernize the power grid, build new power stations and expand our natural gas processing and pipeline system to serve our customers' future energy needs. These initiatives are creating jobs, providing tax revenues to local and state governments and stimulating additional spending and investment by suppliers and consumers.

In Virginia, for example, a study conducted by George Mason University found that Dominion generated more than \$8 billion in total economic impact in 2012, including almost \$4.6 billion in direct spending by the company, which provided close to \$4 billion in earnings for Virginia residents and supported almost 60,000 jobs within the state.

Thanks to our employees' keen focus on operational efficiency and productivity improvements, these investments are taking place without any increase to electric customers' base electric rates – which we have held steady for more than two decades. Base rates make up the single largest part of household electric bills – about 60 percent – and include such things as operating costs, salaries and some earnings, but they exclude Dominion's fuel costs.

Even better, in March 2013, we announced that we will not seek an increase in these rates for at least another two years – despite an additional \$450 million in costs incurred in 2011 and 2012 for major storm repairs, an earthquake and other factors. That is good news for our customers' pocketbooks and Virginia's ability to remain among the best states in the nation in which to do business.

More detailed information about Dominion's economic impact and performance is available in the Infrastructure Modernization and Economic Development sections of this report and in the company's 2012 Summary Annual Report on our corporate website.

Social Responsibility

We have a strong local presence wherever we do business by virtue of the products we sell. Natural gas and electricity are constants in modern life. We try to strengthen that presence by being a good employer, a good neighbor and a strong community advocate wherever our employees live and work.

For example, Dominion provided about \$4.5 million in 2012 to EnergyShare, our signature fuel assistance program that has been helping needy families pay their energy bills for more than 30 years. Over that period, we are proud that EnergyShare has been able to assist more than half a million individuals and families.

Philanthropy is also a very important aspect of our community engagement. Through the Dominion Foundation, we channeled more than \$21 million in 2012 to a variety of health and human services providers, community development groups, environmental organizations and cultural and educational institutions.

Foundation grants support such entities as food banks, homeless shelters and feeding programs; they are used to improve educational instruction in STEM subject areas important to our business; they enhance cultural outreach efforts in the performing arts; and they help protect valuable land and wildlife habitats in partnership with The Nature Conservancy and other environmental organizations.

With the full backing of Dominion's senior management team and resources provided by the Dominion Foundation, our employees donated about 130,000 hours of time in 2012 to a broad range of community initiatives. Their enthusiasm and dedication to service are exemplary. Programs targeting children, families and education have long been a top priority for our volunteers. In 2012, about 400 Dominion employees launched an exciting new multi-state program to benefit active members of the military and their families, as well as veteran organizations.

To learn more about these and other aspects of Dominion's social performance and citizenship initiatives, visit the Energy Assistance Programs, Philanthropy, and Volunteerism sections of our report.

Message From The Chairman

Environmental Stewardship

Our customers want and deserve a clean environment, and Dominion is committed to minimizing the environmental footprint of our operations. But our customers also tell us they want affordable and reliable energy, available whenever and wherever they need it.

The challenge of delivering clean energy that is also abundant, affordable and available 24/7 is daunting in its scope and complexity. One could argue it is among the most vital concerns facing our nation and the global community in the 21st century.

I am proud of Dominion's track record of achieving sustained improvements in environmental performance and stewardship in such areas as air and water quality, carbon emissions, wildlife habitat protection, waste reduction and energy conservation. And despite a troubling lack of clarity in today's energy regulatory and public policy arenas, Dominion continues to make strides in balancing reliability concerns with environmental protection through strategic investments in clean energy research and innovation.

I encourage you to visit the Environment section of this CSR, as well as our corporate website, to learn more about our programs, successes and challenges. The [5-Year Summary Performance Table](#) also contains environmental metrics that complement the narrative sections of the report.

2013 and Beyond

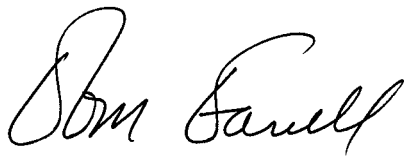
Looking ahead to the remainder of 2013 and beyond, Dominion will continue to execute its business plan and develop infrastructure projects that will provide energy supplies for our customers for decades to come – generating jobs and economic opportunities for local communities along the way.

We also remain committed to responsible citizenship and stewardship of natural resources, reducing the environmental impacts of our operations wherever possible.

We will continue to stress safety in the workplace and in the community as our top priority, challenging our employees to build on their all-time best safety performance in 2012 and do even better.

Finally, in the public policy arena, we will continue to engage and collaborate with our regulators and elected officials to enact laws and rules that support our industry's efforts to invest, innovate and drive down the costs of clean energy as we work for a more stable and secure energy future for our nation.

In closing, I invite you to review this report and to share your comments and suggestions with us via our sustainability@dom.com mailbox. We look forward to hearing from you.



Thomas F. Farrell II
Chairman, President & Chief Executive Officer
August 2013

About This Report

This is Dominion's sixth annual *Citizenship & Sustainability Report* (CSR), which highlights the company's social, economic and environmental performance in 2012 and some notable activities in the first half of 2013. Our previous CSR showcased 2011 results and was published online in July 2012.



REPORT DOWNLOADS

OUR FULL CSR, PREVIOUS REPORTS AND FILINGS ARE AVAILABLE IN PDF FOR [DOWNLOAD](#).

Organization and Process

The contents of this report are organized to address topics of material interest to key stakeholder groups and to our company and industry. For the purposes of this CSR process, we define materiality to include issues that may be helpful to stakeholders in evaluating Dominion's sustainability commitments and performance over time.

Data collection and presentation are based on input received from internal subject matter experts and from external stakeholders via our online mailbox and survey instrument. Our reporting follows the Global Reporting Initiative's [G3.1 Guidelines](#) and [Electric Utility Sector Supplement](#) as outlined in our [GRI Index](#).

Report content was thoroughly reviewed by internal teams and senior company management to ensure its accuracy, reliability and transparency. **We are reporting at a self-declared GRI Application Level "B" based on the [GRI Application Level Grid](#).** We did not seek external assurance for the report. Our reporting process continues to evolve as we learn from experience, best practices and input from stakeholders.

Scope and Guidance

Reporting is structured on a corporate basis and all data is aggregated by means of internal tracking and measurement systems. We have identified about 40 social, economic and environmental performance metrics that we believe are material to our sustainability reporting. These metrics can be found in the [5-Year Performance Table](#). Reporting on topics of material interest to stakeholders has been expanded in this edition to include coverage of new green power options for customers, labor relations, nuclear spent fuel storage and decommissioning, and a section on the company's history.

Feedback and Additional Information

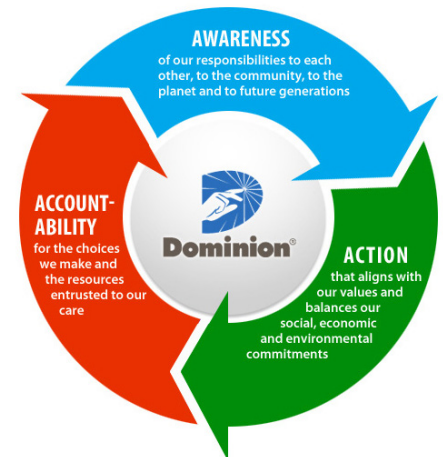
We disclose additional GRI-related information in our submissions to the Carbon Disclosure Project, our annual 10-K filing and other company reports, which are available on our [Downloads](#) page. Our CSR should be read in conjunction with the [2012 Summary Annual Report](#). We encourage you to explore the many aspects of the Dominion enterprise on our website, and we welcome your comments, questions and suggestions at sustainability@dom.com.

Forward-looking Statements

This report may contain forward-looking statements as defined by federal securities laws. Discussion of factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations are described in the company's most recent [Securities & Exchange Commission filings](#) on Forms 10-Q and 10-K.

Company Profile

DOMINION [[NYSE: D](#)] is one of the nation's largest electric power and natural gas companies, serving 6 million utility and retail energy customers in 15 states. Our company is built on a proud legacy of public service, innovation and community involvement. In addition to our core energy production, transportation and storage businesses, we strive to create sustainable value by investing in the communities where we live and work and by practicing responsible environmental stewardship wherever we operate.



At A Glance

Headquarters: Richmond, Va.

Market capitalization: \$29.8 billion

Operating Revenue: \$13.1 billion

Dividends per share: \$2.11

Assets: \$47.3 billion

Taxes paid: \$550 million

Goods & Services: \$4.4 billion

Diverse Supplier Spend: \$398 million

Fortune 500 Rank: 187

Common share outstanding: 576 million

Common stock price range: \$48.87 - \$55.62

Total # of Employees: 15,513

Wages: \$1.6 billion

Total Charitable Giving: \$21.3 million

Volunteer service: \$2.8 million (130,000 hours)

Environmental Expenditures: \$402 million

2012 Data

Operating Segments



Dominion Virginia Power

- Electric distribution
- Electric transmission
- Non-regulated retail energy marketing



Dominion Energy

- Gas distribution
- Gas transmission & storage
- Producer services



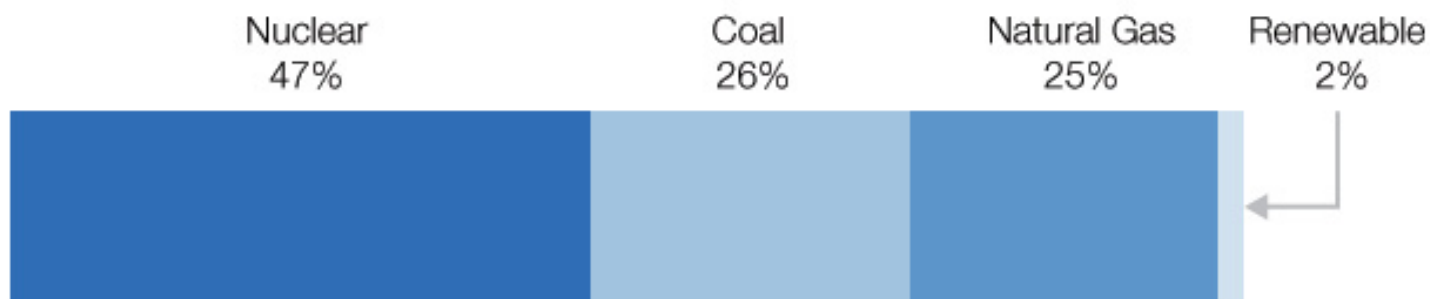
Dominion Generation

- Utility power production
- Merchant power production

Company Profile

Operating Segments (continued)

2012 Generation Fleet Production by Fuel*



*Company-owned and operated facilities.

2012 Renewable Energy Sources, Capacity in Service



Total Capacity = 689 megawatts

Company Profile

By The Numbers

23,500

megawatts of electric generating capacity

63,300

miles of electric transmission and distribution lines

~\$14 billion

in planned infrastructure investments,
2013-2017*

130,000

hours of employee volunteer service

11,000

miles of natural gas transmission, gathering and storage pipeline

947

billion cubic feet of natural gas storage capacity

\$50 million

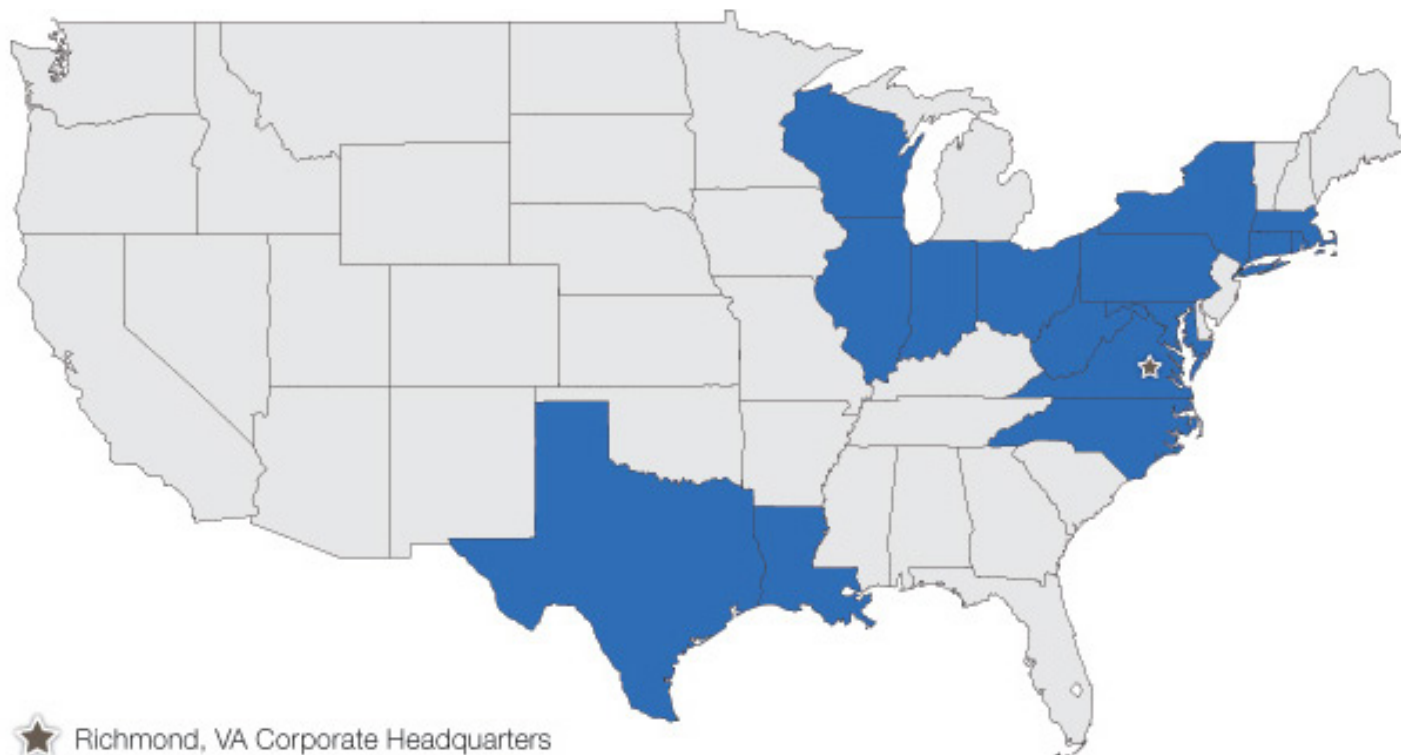
in planned air quality investments by 2018

\$1.4 million

in educational grants to K-12 schools and colleges

**Subject to regulatory and/or board of directors approvals*

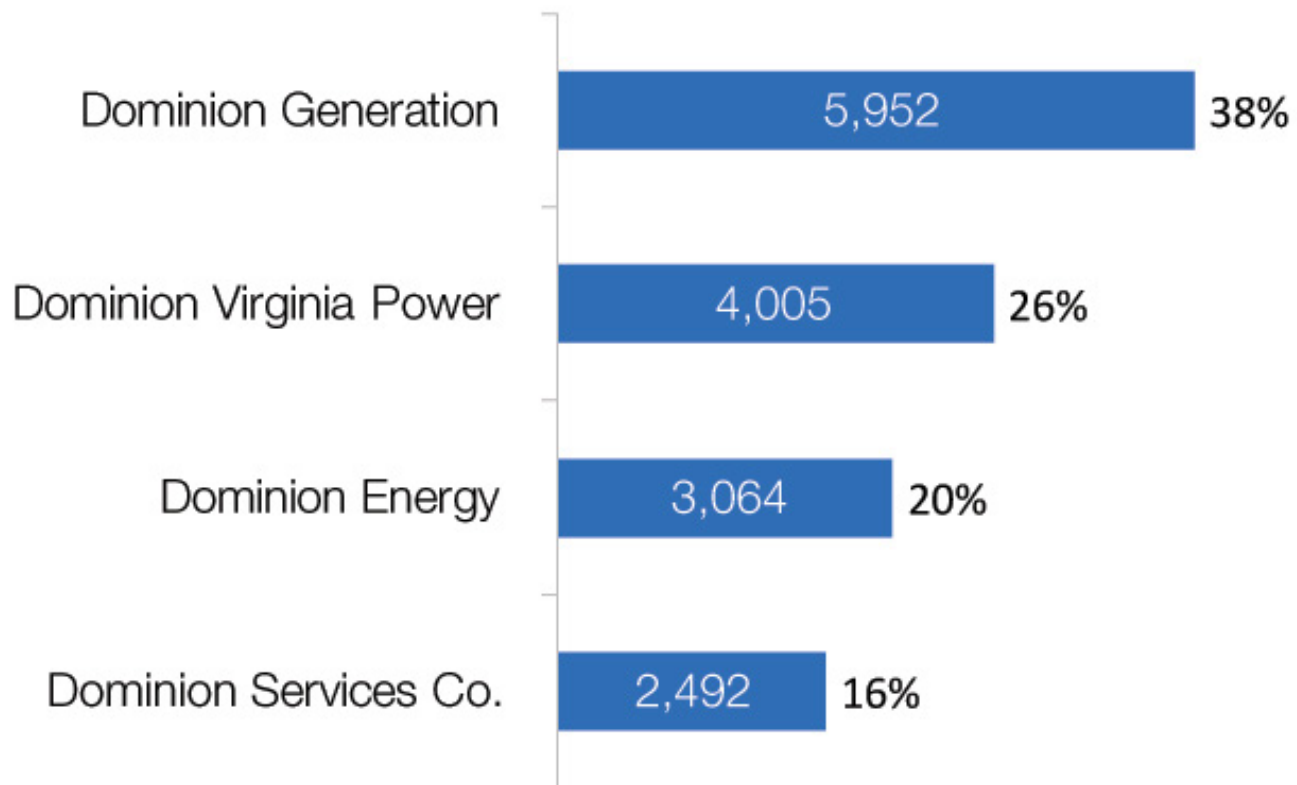
Geographic Footprint



Company Profile

Geographic Footprint (continued)

2012 Workforce by Business Segment*



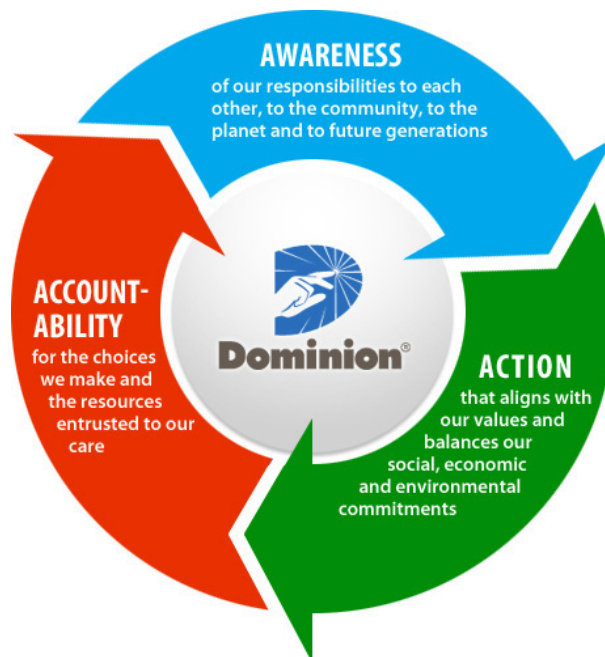
*Excludes student workers, contractors and credit union workers

Mission and Values

Our Mission



Our Sustainability Model



Our Values



Safety

Safety is our highest priority – in the workplace and in the community. The work we do can be dangerous. So our first and fundamental goal is to send every employee home safe and sound, every day. With zero illnesses and zero injuries. That is the only acceptable standard of performance.



Ethics

Integrity, individual responsibility and accountability go hand-in-hand with bottom-line results. We cannot and will not take shortcuts to achieve our goals and fulfill our obligations to stakeholders. Ethical behavior matters, and our reputation depends on it.



Excellence

We set high performance standards and are committed to continuous improvement in all areas of our business. The odds of long-term success improve when we go beyond “good” and strive for “great.” Our aim is not to be the biggest energy company, just the best.



Teamwork

We call it “One Dominion.” It is a unifying outlook that transcends organizational boundaries and focuses on our shared mission and purpose. We know that strong, sustainable performance depends on how well we support each other in executing our business plan.

Company History

Our Roots

We trace our corporate roots to the first years of our nation's independence – 1787 – when the Virginia General Assembly authorized, by charter, the creation of the Appomattox Trustees.

The Trustees oversaw The Upper Appomattox Company, which was formed to clear, improve and extend navigation on the Appomattox River. In the early days of the Republic, canals and rivers were vital arteries of commerce.



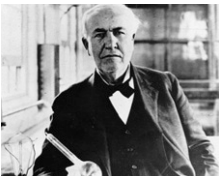



In the ensuing years, a total of 235 companies contributed in some form to Dominion's corporate ancestry. Among those companies are enterprises as diverse as real estate, horse-shoe manufacturing, water power, ice making, coal mining, railway and ferry service, trolley cars and street lighting.



100 Years and Going Strong

Experience [Dominion's History](#) through first-hand recollections, photos and artifacts shared by present and past dominion employees. Enjoy books and videos chronicling our century-long progress.

Key Dates in Dominion's History

1811-1812	1859	1882	1887-1888	1901	1909
					
Two early ancestors were the Rappahannock Company and the Roanoke Navigation Company. The former was organized in 1811 to develop canals and water power along the Rappahannock River in Virginia. The latter was established in 1812 to improve navigation on the Roanoke River in eastern North Carolina.	The Richmond Union Passenger Railway Company was established as one of the country's first horse- or mule-drawn streetcar companies, or horse cars, as they came to be known. This new mode of urban transport became more and more common up until the close of the 19th century.	Thomas Edison introduced the world to direct current, heralding the new era of electricity and the dawn of home lighting. Working as a consultant to George Westinghouse, Nicola Tesla introduced an alternating current system in 1885. Together, these inventions completed transformed our company and society.	The early use of electricity led to another invention – electric trolley cars. Frank Sprague, an assistant of Thomas Edison, installed the nation's first successful large electric street railway system in our home town of Richmond, Va.	The Virginia Passenger and Power Company was franchised to operate electric railways and power plants.	A key milestone in Dominion's history, the Virginia Railway and Power Company was incorporated to operate railways, supply electric power and distribute manufactured gas to customers. This marked the entry of the company into the business of supplying electricity to residential and business customers.

Company History

Key Dates in Dominion's History (Continued)

1925



New York engineering firm Stone & Webster formed a syndicate and purchased Virginia Railway and Power Company from Frank Jay Gould, the principal owner of VRPC. Following a merger with the Spotsylvania Power Company of Fredericksburg, the combined company became Virginia Electric and Power Company – known as “VEPCO” by its customers.

1947



VEPCO became an independent, investor-owned utility. At that time, the company had more than 11,000 stockholders and served about 450,000 gas and electric customers.

1983



Dominion Resources, Inc., or DRI, was formed as a holding company and began trading under that name on the New York Stock Exchange. The holding company structure would allow the company to take advantage of emerging opportunities in deregulated or unregulated sectors of the energy business.

VEPCO became Virginia Power and remained as DRI's regulated electric power subsidiary. In North Carolina, the utility started operating as North Carolina Power. During the rest of the 1980s and the 90s, DRI pursued power generation opportunities in the U.S. and internationally. The business grew and diversified and became a Fortune 250 company.

2000



DRI entered a \$9 billion merger with Consolidated Natural Gas of Pittsburgh, another Fortune 250 company that was originally part of Standard Oil. At the time of the merger, the combined company – named Dominion – served about 4 million electric and natural gas customers in 5 states.

2009



Dominion celebrated its 100th anniversary of providing electric service to the citizens of Virginia.

Governance



ABOUT US

No. 2

Dominion's rank in
Fortune magazine's list of
2012 "Most Admired
Companies," electric and
gas utilities sector

We believe that good governance is central to successful, sustainable performance. It helps identify Dominion as a competent and trustworthy steward of the resources entrusted to our care. It also provides a foundation for constructive management oversight, upholds a rigorous culture of accountability and helps protect the rights of shareholders.

Board of Directors

It is the fiduciary responsibility of the board of directors to uphold shareholder interests. The board also seeks to be fair and responsive to all stakeholder groups, including customers, the community, employees, shareholder advocates and various other individuals and organizations. It is good business practice, and it also reinforces two of Dominion's core values: excellence and ethical conduct.

The [Dominion Board of Directors](#) is composed of nine independent directors, plus one non-independent, non-management director and the company's chairman, president and CEO. The board has three committees to help execute its responsibilities. The committees include:

- Compensation, Governance and Nominating (CGN)
- Audit
- Finance and Risk Oversight

As prescribed by our corporate governance guidelines, we have an independent lead director who also serves as the chairman of the CGN Committee.

Each board committee has a charter that describes its responsibilities. The full board's structure and responsibilities are outlined in its corporate governance guidelines, which also include the duties and responsibilities of our Lead Director and our director independence standards.

We review our governance documents and policies regularly. We propose changes to those documents with the advent of new rules or regulations; or whenever changes are consistent with good governance practice and in the best interests of Dominion and its shareholders.

Executive Compensation

Our approach is to provide a competitive total compensation program tied to performance and aligned with the interests of Dominion's shareholders, employee and customers.

Governance

Executive Compensation Program Objectives

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

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

Best Practices

We have a number of practices in place that are viewed as “best practices” and reflect Dominion's commitment to good governance. These include:

- Majority voting standard in uncontested director elections;
- Annual election of directors;
- Regular executive session of non-management directors without company management present;
- Elimination of supermajority voting provisions in our Articles of Incorporation and Bylaws; and
- Share ownership guidelines for officers and directors.

Stakeholders may contact our non-management directors [contact our independent directors](#) on dom.com

Correspondence should be sent to the following address:

Corporate Secretary
Dominion Resources, Inc.
P.O. Box 26532
Richmond, VA 23261

Sustainability Governance

In 2011, we adopted a formalized sustainability governance structure that includes the following:

- A 12-member Executive Sustainability Council to provide strategic direction, set goals and monitor performance;
- A Director of Sustainability to lead our program initiatives and to help engage our stakeholders; and
- A cross-functional Employee Sustainability Team to help implement programs, benchmark best practices and share information across the organization.

Questions or comments about Dominion's sustainability program should be sent to:



Lisa Moerner
Sustainability Director
Dominion
P.O. Box 26666
Richmond, VA 23261
sustainability@dom.com

Ethics

Ethics is a [core value](#) at Dominion. That means qualities such as integrity, individual responsibility and accountability matter as much as bottom-line results. Doing right and doing well are inseparable. All Dominion employees share the responsibility for making ethical conduct central to our business operations and outlook.

Ethics and Compliance Program

Dominion's Ethics and Compliance Program is designed to detect and prevent violations of law, regulations and policies. Its key components include:

- A companywide [Code of Ethics and Business Conduct](#)
- Management oversight
- Employee training and awareness
- Regulatory compliance
- Resources for employees to seek advice or guidance
- Options for reporting concerns
- Periodic program evaluations

The [Audit Committee](#) of the board of directors oversees our Ethics and Compliance Program. The company has appointed a chief compliance officer, and other company executives also serve as compliance officers. These members of [senior management](#) are standard bearers for the Code of Ethics and Business Conduct. With the help of compliance attorneys, they work to ensure that Dominion complies with applicable laws, regulations and company policies and maintains high ethical standards in its business activities.

Compliance Council

In 2011, we established a Compliance Council composed of officers and other high level personnel with key compliance roles. The Council's main objective is to ensure that the company's ethics and compliance strategy is carried out consistently across the enterprise.

In addition, we have an employee communications program that features a different compliance topic each month. We make use of video resources, articles on the company's intranet website and various training resources, among other communication tools.

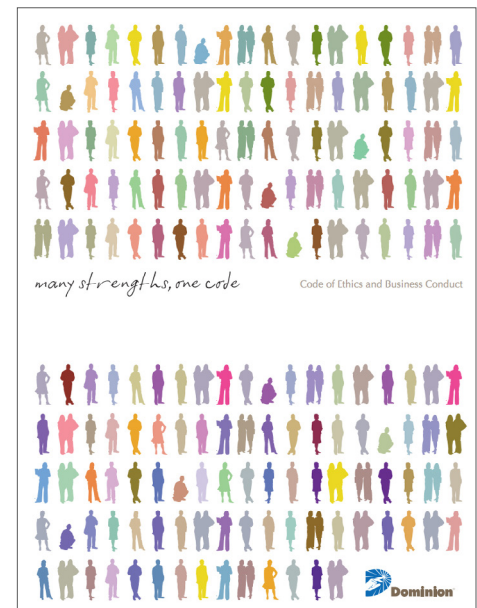
Ethics and Compliance Training

Employees, officers and board members are offered training on a regular basis to ensure they understand applicable legal requirements and company policies. Those affected by various regulatory requirements also receive training on federal and state codes and standards of conduct, electric reliability standards, and other applicable regulations.

All employees, officers and board members receive comprehensive training every other year on the company's Code of *Ethics* and *Business Conduct*.

The most recent training was completed in 2012 with 100 percent participation. It focused on fostering a respectful workplace, understanding conflicts of interest, protecting company assets, use of social media and accurate accounting and financial record-keeping.

New hires are also required to receive this training. Other types of interactive ethics and compliance training sessions are held regularly at different company locations.



Our Code of Ethics and Business Conduct is intended to promote lawful and ethical behavior by all Dominion employees and members of the board of directors.

Ethics

Reporting Concerns

Employees are expected to report any concerns about suspected misconduct or illegal activities and have several means of doing so. They may report concerns by contacting the Ethics and Compliance Program staff or other appropriate company personnel. A dedicated, confidential compliance telephone line and internet website allow employees to report any concerns anonymously.

Each year, we distribute a survey to employees to help identify and address potential compliance concerns. The company also maintains a dedicated e-mail account that employees may use to ask questions or seek guidance about ethical concerns and compliance issues.

Dominion shareholders may report concerns by contacting the compliance line or by communicating directly with [independent members of the Board of Directors](#) via the company's website or through the U.S. mail.

In all cases, retaliation for good-faith reporting is strictly prohibited.

We categorize reported concerns by type of allegation to facilitate investigation by appropriate company representatives. A compliance attorney oversees all investigations reported to the Ethics and Compliance Program.

Public Policy



The U.S. cannot afford to favor or ignore any of the viable energy sources at its disposal.

We actively participate in the political process to help shape policies that advance our business strategies and goals, promote effective public and government relations, and serve the interests of key stakeholder groups. By engaging with elected officials, regulators, community and business leaders, and environmental and safety agencies, among others, we strive to conduct our business as transparently as possible in hopes of building public trust and forming lasting partnerships that are mutually beneficial.

OUR ISSUES

LNG Exports



Dominion strongly supports policies that would promote the overseas sales of domestic liquefied natural gas (LNG). By providing U.S. producers with access to global markets, limited LNG exports would strengthen the nation's natural gas industry, promote continued exploration and production and help temper the dramatic price fluctuations that have characterized domestic gas markets.

Our company continues to be in the forefront of efforts to make domestic LNG available to overseas markets. The company is moving forward with plans to modify its LNG terminal at Cove Point, Maryland to enable it to export up to 1 billion cubic feet of natural gas per day. The terminal, which is already equipped to import LNG, is ideally positioned to accept natural gas supplies from producers in the Utica and Marcellus shale basins in the mid-Atlantic region of the U.S.

In 2012, Dominion received permission from the U.S. Department of Energy (DOE) to export LNG to countries with which the U.S. has free trade agreements. In September 2013, the company received conditional approval from DOE to export LNG from Cove Point to non-FTA countries, such as Japan, the world's leading importer of LNG.

Pending final review and regulatory approval, we plan to begin building the \$3.4 billion to \$3.8 billion export facility in 2014, with overseas shipments beginning in 2017. The marketed capacity of the project is already fully contracted, with the supplies earmarked for shipment to Japan and India.

Public Policy

Fuel Diversity

Dominion believes a diverse blend of resources must be used to meet our customers' – and the nation's – growing energy needs. Industry and government attempts to pick "winners" among our various energy sources and focus on "silver bullet" solutions for our policy challenges have a history of failure. The U.S. cannot afford to favor or ignore any of the viable energy sources at its disposal.

This belief is reflected in Dominion's portfolio of generating assets, which include a balanced mix of nuclear, coal, natural gas, renewable energy sources and small amounts of fuel oil.

Our renewable resources are primarily water, wind and wood biomass. We have announced plans to develop solar-powered generation in Virginia and Georgia and continue to actively explore the viability of offshore wind resources in the Atlantic Ocean.

We are actively pursuing expansion of our zero-emission nuclear fleet through the addition of a third unit at the North Anna nuclear station in Virginia. We will make a final decision on building the unit after we receive an operating license from the U.S. Nuclear Regulatory Commission, expected in 2016.

The rapid expansion of domestic natural gas supplies has been called the single most important energy development of the 21st century. Even so, Dominion does not believe our nation should adopt an "all-in" strategy on natural gas, especially for the purpose of generating electricity. Natural gas has significant economic and environmental advantages, and our company – and customers – are benefiting from its increased use. However, we continue to believe that fuel diversity is the smartest, best hedge against possible price volatility and overreliance on any one fuel source.

Dominion also supports the continued development of clean coal technologies, including cost-effective measures to limit carbon emissions and reduce greenhouse gas impacts.

Cyber-Security

As one of the nation's leading energy companies, we are strongly committed to maintaining the integrity of our information technology systems and implementing cyber-security measures that reflect our responsibility to national security, the economy, and our customers' health and safety.

Over the past five years the number of employees fully devoted to maintaining cyber-security has expanded by more than 200 percent. We regularly conduct exercises to assess vulnerabilities, determine potential attack impacts and improve overall security. Our protection efforts are routinely reviewed by the highest levels of management.

The company also works closely with other organizations, including federal agencies and industry associations, to develop best practices and share information on threats and vulnerabilities. Dominion believes this constant, two-way sharing of information is a critical step that enables all parties to take appropriate steps to protect their vital systems.

Material issues

Selected other material issues include:

- Complying with increasingly strict environmental regulations while working to ensure they are based on sound science and economics.
- Promoting a continued role for nuclear energy as a sustainable, carbon-free energy source and evaluating new technologies that could expand its future use.
- Assessing the commercial viability of emerging sources of energy, such as offshore wind, solar, biomass and fuel cells, as well as alternative vehicles and fuels, to reduce environmental impacts and lower costs.
- Deploying new technologies, including the increased use of digital systems, to improve operations, customer service and smart energy use.
- Promoting greater workforce and supplier diversity to better reflect the diverse populations we serve.
- Maintaining our successful effort to protect investors from unfair and unreasonable taxation of their dividends.

Public Policy

Political Involvement

Dominion operates a political action committee (PAC) that is strictly voluntary and nonpartisan. It is funded solely by our employees. The Dominion PAC represents our collective voice, ensuring that employee, company and industry interests are upheld and articulated at all levels of the political process.

Each year we voluntarily report corporate political contributions to tax-exempt 527 organizations, as well as the lobbying portion of trade association payments and dues. In addition, we disclose our political contributions on the website of the [Federal Election Commission](#) and the electoral board website of each state in which we contribute to state and local elections.

Dominion also has long supported the [Virginia Public Access Project](#), a nonprofit, nonpartisan group dedicated to improved transparency and disclosure of funding sources for state elections.

2012 Political Contributions and Lobbying Expenses

2012 Corporate Political Contributions to 527 Organizations

Name of Recipient	Amount
Republican Governors Association	\$50,000
Republican Legislative Campaign Committee	\$35,000
Democratic Governors Association	\$55,000
Democratic Attorneys General Association	\$15,000
Democratic Legislative Campaign Committee	\$15,000

Lobbying Portion of 2012 Trade Association Dues and Payments

Name of Recipient ⁽¹⁾	Lobbying Portion of Dues/Payments ⁽²⁾
American Gas Association	\$20,716
Business Roundtable	\$84,802
Center for Liquefied Natural Gas	\$6,250
Edison Electric Institute	\$412,473
Interstate Natural Gas Association of America	\$67,710
New England Power Generators Association	\$12,000
Nuclear Energy Institute	\$87,744
Virginia Energy Providers Association	\$67,500
U.S. Chamber of Commerce	\$137,500

Dominion did not make any independent political expenditures in support of or in opposition to a candidate or political party.

(1) Includes trade associations (i) to which Dominion made payments greater than \$50,000 in 2012 and (ii) which notified Dominion of the portion used by that organization for expenditures or contributions that if made directly by Dominion would not be deductible under section 162(e) of the Internal Revenue Code.

(2) Reported amount represents the estimated portion of Dominion's dues or payment that if made directly by Dominion would not be deductible under section 162(e) of the Internal Revenue Code and is based upon information requested and received by Dominion. Reported amounts do not include amounts for which the trade association directly pays tax on the portion that is not deductible under section 162(e) of the Internal Revenue Code.

Stakeholder Engagement



Engagement with stakeholders is an integral aspect of our commitment to transparency, accountability and responsible corporate citizenship. Effective collaboration with groups whose interests intersect with ours provides opportunities for understanding diverse perspectives and priorities and aligning our decisions with the needs and expectations of stakeholders.

Strategic partnerships with industry, governments, academia and NGOs are crucial to advancing innovative, sustainable solutions to the many energy-related challenges we face. Some of the many channels that Dominion uses to engage key stakeholder groups are listed in the following table and throughout our report.

CUSTOMERS

Channels of Engagement:

Online account managements tools; bill inserts and newsletters; customer educational programs; volunteer speakers bureau; energy assistance programs; energy conservation blog; green power and conservation program offerings; interactive online power outage viewer; call center customer assistance; safety and storm preparation news releases; “key customer” commercial/industrial web page; public hearings; social media.

Examples:

- [Where’s Dee Blog](#)
- [Dominion YouTube](#)
- [EnergyShare](#) fuel assistance program
- [Customer Connection newsletter](#)

GOVERNMENTS & ELECTED OFFICIALS

Channels of Engagement:

State and federal regulatory proceedings and rate cases; lobbying and advocacy; meetings; facility tours; policy papers and testimony; emergency preparedness drills with state agencies; local planning commissions; project updates for local officials; representation on boards and advisory committees.

Examples:

- [Virginia State Corporation Commission](#)
- [Federal Emergency Management Agency](#)
- [Sustainable Transportation Initiative of Richmond, Va.](#)
- [U.S. Bureau of Ocean Energy Management](#)

Stakeholder Engagement

COMMUNITIES/NGOS

Channels of Engagement:

Partnerships and networking relationships; employee volunteer projects; participation on boards and advisory committees; corporate charitable giving and employee matching gifts; traditional and social media; website, newsletters and bill inserts; community recognition events and sponsorships; teacher workshops; business alliances; retiree organizations.

Examples:

- [Ohio Community Impact Awards Program](#)
- [Sea Research Foundation](#), Mystic, Connecticut
- [The Asian-American Chamber of Commerce](#)
- EnergyShare Customer Advisory Board

INVESTORS/WALL STREET

Channels of Engagement:

Annual shareholder meeting; annual report; proxy communications and citizenship/sustainability report publications; investor newsletter; online account services; webcasts; quarterly earnings conference calls; institutional investor meetings and conference calls; security analyst road shows.

Examples:

- [2012 Power and Gas Leaders Conference, Bank of America/Merrill Lynch](#), NYC, 9/19/12
- [Investor Connection](#) newsletter
- [2012 Summary Annual Report](#)

EMPLOYEES

Channels of Engagement:

Print and electronic communications; town hall meetings with executives; quarterly safety meetings; diversity councils; quality improvement teams and sustainability teams; awards/recognition banquets; volunteer opportunities; employee surveys; labor negotiations; wellness blog; career/leadership development training; confidential compliance hotline; annual performance appraisal process; Employee Assistance Program.

Examples:

- DomNet intranet website
- Annual "[Volunteers of the Year](#)" recognition banquets in Virginia and Ohio
- Dominion Virginia Power Career Center, library and website
- "Quick Pulse" and "Dominion Dialog" social media tools

Awards and Recognition

Performance excellence is a core value at Dominion. We are grateful to the many organizations that have honored our efforts to excel. Here is a representative sample of awards received in 2012.



Corporate Responsibility Magazine

"100 Best Corporate Citizens"

Dominion was [No. 84](#) on the list of America's largest companies selected for their performance in seven categories: environment, climate change, employee relations, human rights, governance, finance and philanthropy.

Fortune magazine

"World's Most Admired Companies"

Dominion [ranked 2nd overall](#) among electric and gas utilities. The company was No. 1 in its industry on the use of corporate assets, quality of management and long-term investment value.

Public Utilities Fortnightly

"40 Best Energy Companies"

Dominion ranked [No. 8 among 40 peer companies](#) evaluated according to six measures of financial performance of interest to investors and others, including 4-year average profit margin, dividend yield, free cash flow, return on equity, return on assets and sustainable growth.

National Renewable Energy Laboratory (NREL)

"Top 10 Utility Green Power Programs"

Dominion made the ["Top 10" ranking](#) in two of five categories: Green Pricing Renewable Energy Sales (8th) and Total Number of Customer Participants (10th). NREL is the U.S. Department of Energy's primary national laboratory for renewable energy and energy efficiency R&D. It is operated by the Alliance for Sustainable Energy, LLC.

Edison Electric Institute

"Emergency Recovery Award"

For Dominion's efforts to restore electric service to its customers following the ferocious "derecho" windstorm that struck Virginia without warning in late June. The event was the third largest restoration project in the company's history, disrupting service to more than 1 million households. The restoration was completed in less than 8 days at a cost of \$73 million.

"Emergency Assistance Award"

For planning and executing the company's largest ever mutual aid assistance in October to overwhelmed electric utilities in the Northeast following Hurricane Sandy. Dominion sent more than 1,000 employees and contractors to help restore service in Manhattan and parts of New Jersey.

Awards and Recognition

G.I Jobs magazine

“Top 100 Military Friendly Employers”

Dominion was [ranked No. 22](#) on a list of the nation’s top 100 military-friendly employers for exhibiting “leading practices for military recruitment and retention.” The 2012 award marked the fourth year in a row that Dominion has received the award.

The company received two other awards for its support of the military: *“Best for Vets 2012: Employers,”* from Military Times EDGE magazine; and Military Spouse magazine’s *“Top 20 Military Spouse Friendly Employers.”*

Virginia Minority Supplier Development Council

For the second year in a row, Dominion’s Supply Chain and Supplier Diversity teams were honored with three awards from the VMSDC:

- *“Raising the Bar Award,”* recognizing the company’s commitment to supplier development and quality improvement;
 - *“Lasting Impression Award,”* recognizing Dominion’s outstanding image and reputation in the business community; and
 - *“Advocate of the Year Award,”* given to Annette Ross, a Dominion supplier diversity specialist, for her support of the VMSDC and its business owners.
-

Arbor Day Foundation

“Public Awareness of Trees Award”

Dominion’s acclaimed “Project Plant It!” educational partnership program was recognized for its outstanding contribution to tree planting, conservation, stewardship and public awareness of the environmental value of trees.

“Project Plant It!” also received a “Community Partnership Award” from the Virginia Association of Science Teachers for its exemplary contributions to science education. Over the past seven years, the program has distributed more than 130,000 tree seedlings to elementary school students to help them learn about the importance of trees.

Partnership for the Future

“Pacesetter Award”

Dominion was recognized for its efforts to help high school students in Virginia make the transition to college and the workplace through paid internships, scholarships and other development activities.

POWER-GEN International

“Best Coal-Fired Project of the Year Award”

Dominion’s innovative 585-mw Virginia City Hybrid Energy Center uses coal, coal waste and renewable biomass to generate enough power to supply about 150,000 typical households. The station’s full suite of environmental controls and extensive water recycling technology make it one of the cleanest power stations in the country.

American Nuclear Society

“Utility Achievement Award”

The company’s North Anna Power Station was recognized for its sustained outstanding performance in the areas of health and safety, public communications and regulatory relations following an earthquake that shut down the station for more than two months in 2011 pending extensive safety evaluations conducted by Dominion and federal regulators.

GRI Disclosures

Reporting on Dominion's sustainability performance follows [GRI G3.1 Guidelines](#) and the [Electric Utility Sector Supplement](#). We disclose additional GRI-related information in our submissions to the [Carbon Disclosure Project](#), our annual [10-K filing](#) and other company reports, which are available on the [Downloads](#) page of this report.

GRI INDICATOR	DESCRIPTION	RESPONSE
Strategy & Analysis		
1.1	Statement from CEO	Chairman's Message, CSR
1.2	Key impacts, risks, opportunities	Chairman's Message, CSR ; Risk Management, CSR ; 2012 SEC Form 10-K
Organizational Profile		
2.1	Name of organization	Dominion [NYSE:D]
2.2	Primary products, services	Company Profile, CSR
2.3	Operational structure	Company Profile, CSR ; Operations, CSR
2.4	Headquarters location	Richmond, Virginia
2.5	Countries of operation	USA
2.6	Nature of ownership	Investor-owned utility
2.7	Markets served	Company Profile, CSR
2.8	Scale of organization including number of employees, net sales/revenues, total capitalization	Company Profile, CSR
2.9	Significant changes during reporting period	
2.10	Awards	Awards and Recognition, CSR
Report Parameters		
3.1	Reporting period	About This Report, CSR
3.2	Date of previous report	2011-2012
3.3	Reporting cycle	Annual
3.4	Contact point	sustainability@dom.com
3.5	Process for defining report content	About This Report, CSR
3.6	Boundary of the report	About This Report, CSR
3.7	Limitations on the scope or boundary of the report	
3.8	Basis for reporting on joint ventures, etc.	Operations, CSR ; Summary Annual Report
3.9	Data measurement techniques and bases of calculations including assumptions	Sustainability Model & Scorecard, CSR ; 5-Year Performance Summary, CSR

GRI Disclosures

GRI INDICATOR	DESCRIPTION	RESPONSE
Report Parameters		
3.10	Restatements of information	5-Year Performance Summary, CSR
3.11	Significant changes from previous reporting periods	About This Report, CSR , see Scope and Guidance
3.12	GRI Content Index table	This document
3.13	Policy and practice for seeking independent assurance for report	About This Report, CSR Other feedback requests within the CSR
Governance, Commitments, and Engagement		
4.1	Governance structure including committees	Governance section, CSR ; Corporate Governance Guidelines ; Corporate Governance, Dominion Corporate Website ; 2012 Proxy Statement - Corporate Governance & Board Matters
4.2	Indicate whether chair of highest governance body is also an executive officer	Thomas F. Farrell II, Dominion Chairman, President & CEO
4.3	Percent of independent directors	82% 2012 Proxy Statement - Director Independence
4.4	Mechanisms for shareholders and employees to provide recommendations/direction to highest governance body	Shareholder voting/meeting; written correspondence; email; Dominion Compliance Line
4.5	Linkage between compensation and organization's performance for members of highest governance body/senior executives	2012 Proxy Statement - Compensation Discussion & Analysis
4.6	Process for the Board to ensure conflicts of interest are avoided	Corporate Governance, Dominion Corporate Website ; Related Party Transaction Guidelines
4.7	Processes for determining qualifications and expertise for guiding strategy	Board Committees & Charters - Compensation, Governance and Nominating Committee Corporate Governance Guidelines
4.8	Mission and values statements, codes of conduct, principles relevant to economic, environmental and social performance, and status of implementation	Mission and Values, CSR ; Code of Ethics & Business Conduct
4.9	Procedures of highest governance body for overseeing economic, environmental and social performance including compliance, codes of conduct	Ethics, CSR , see Compliance Council Board Committees & Charters - Audit Committee
4.10	Processes for evaluating performance of governance body with respect to economic, environmental and social performance organization	Sustainability Governance, CSR Sustainability Model & Scorecard

GRI Disclosures

GRI INDICATOR	DESCRIPTION	RESPONSE
Governance, Commitments, and Engagement		
4.11	Explanation of how precautionary approach/principle is addressed by organization	Risk Management, CSR
4.12	Externally developed, voluntary economic, environmental, and social charters, sets of principles, or other initiatives	Environmental Responsibility, Dominion Corporate Website ; Compliance & Disclosure, CSR ; Corporate Environmental Policy, Dominion Corporate Website
4.13	Significant memberships in associations and/or advocacy organizations	Stakeholder Engagement, CSR ; Environment Report - Memberships & Partnerships, Dominion Corporate Website
4.14	List of stakeholder groups	Stakeholder Engagement, CSR
4.15	Basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement, CSR
4.16	Approaches to stakeholder engagement, including frequency and type	Stakeholder Engagement, CSR
4.17	Key issues raised through stakeholder engagement and how organization has responded	Environment Report - Key Issues, Dominion Corporate Website
Economic Performance Indicators		
EC1	Direct economic value generated and distributed	Form 10-K ; Summary Annual Report ; Community section of CSR
EC2	Financial implications of climate change	Form 10-K , page 20; Carbon Disclosure Project
EC3	Defined employee benefit plan obligations	Form 10-K , pages 106, 137
EC4	Financial assistance from government	Not tracked
Market Presence		
EC5	Entry-level wages by gender	Not tracked
EC6	Spending on locally-based suppliers	While we do not have documented policies and procedures related to locally-based suppliers, where applicable, consideration is given to local suppliers if they have products/services that we can use to ensure we give back to the communities we serve. However, to comply with our procurement policies, they must earn the business by legitimately winning the award.
EC7	Procedures for local hiring; proportion of senior management hired from local community	Not tracked; See Workforce Demographics, CSR for other employee data

GRI Disclosures

GRI INDICATOR	DESCRIPTION	RESPONSE
Indirect Economic Impacts		
EC8	Investments and services for public benefit	Business, CSR ; Community, CSR
EC9	Indirect economic impacts	Company Profile, CSR ; 5-Year Performance Summary, CSR
Electric Utility Sector-Specific Economic Disclosures		
EU6	Approach to ensure short and long-term electricity availability and reliability	Form 10-K ; 2012 Integrated Resource Plan
EU7	Demand-side management programs	Form 10-K ; Energy Conservation, Dominion Corporate Website ; 2012 Report to the Division of Energy, Virginia Department of Mines, Minerals and Energy
EU8	Research and development activity	Energy Innovation, CSR
EU9	Provisions for decommissioning nuclear power sites	Form 10-K ; Operations, CSR
EU10	Planned capacity and projected demand	Form 10-K ; 2012 Integrated Resource Plan ; Infrastructure Modernization, CSR
EU11	Average generation efficiency of thermal plants by energy source	Average generation efficiency of thermal plants by energy source Coal: 10,437 BTU/kWh Combined Cycle Natural Gas: 7,381 BTU/kWh Total Regulated Fossil & Hydro Units: 9,374 BTU/kWh
EU12	Transmission and distribution losses as a percentage of total energy	2012 transmission losses were about 1.4% and total distribution losses were about 3.8%
Environmental Performance Indicators		
Materials		
EN1	Weight or volume of materials	Form 10-K ; See EN3 for fuel quantities
EN2	Percentage of materials used that are recycled content	Environment, CSR ; 5-Year Performance Summary, CSR ; Environmental Report, Dominion Corporate Website

GRI Disclosures

GRI INDICATOR	DESCRIPTION	RESPONSE
Environmental Performance Indicators		
Energy		
EN3	Direct energy consumption by primary source	Direct energy consumption by primary source Regulated Fossil & Hydro Fleet (2012) #2 Light Oil: 11,864,527 gal. #6 Heavy Oil: 246,926 bbl. Coal: 9,093,589 tons Jet Fuel: 16,496 gal. Natural Gas: 108,726,315 kcf Wood: 539,472 tons
EN4	Indirect energy consumption	Not tracked at this time
EN5	Energy saved due to conservation and efficiency improvements	Energy Conservation, CSR ; 5-Year Performance Summary, CSR ; Sustainability Scorecard, CSR
EN6	Energy efficiency and renewable energy products and services	See EN5 for energy efficiency initiatives; Energy Conservation, CSR ; Green Power, CSR ; Electric Operations, CSR
EN7	Indirect energy consumption reductions	Resource Conservation, Recycling & Waste Management, CSR ; Sustainability Scorecard, CSR ; 5-Year Performance Summary, CSR
Water		
EN8	Total water withdrawal	Water Use & Conservation, CSR ; 5-Year Performance Summary, CSR
EN9	Water sources/habitats affected by withdrawals	2012 Carbon Disclosure Project Water Disclosure Report; Environment, CSR
EN10	Water recycled or reused	Resource Conservation, Recycling & Waste Management, CSR ; 5-Year Performance Summary, CSR
Biodiversity		
EN11	Land owned, leased, managed in, or adjacent to, protected areas and areas of high bio- diversity value	Environment, CSR
EN12	Impacts on high biodiversity value areas	Environment, CSR
EN13	Habitats protected or restored	Environment, CSR
EN14	Programs to manage biodiversity impacts	Environment, CSR
EN15	Special species habitats	Environment, CSR

GRI Disclosures

GRI INDICATOR	DESCRIPTION	RESPONSE
Environmental Performance Indicators		
Emissions, Effluents, and Waste		
EN16	Total greenhouse gas emissions by weight	Carbon Disclosure Project ; 5-Year Performance Summary, CSR
EN17	Other relevant indirect GHG emissions	Carbon Disclosure Project
EN18	Initiatives to reduce GHG emissions and reductions achieved	Climate Change, CSR ; 5-Year Performance Summary, CSR ; Dominion Greenhouse Gas Initiative
EN19	Ozone depleting emissions by weight	Not tracked at this time. All facilities are required to comply with state and federal regulations for ozone depleting substances.
EN20	Nox, SO ₂ , other significant air emissions by type and weight	5-Year Performance Summary, CSR
EN21	Total water discharges	Total discharges not tracked at this time
EN22	Total weight of waste by type and disposal method	5-Year Performance Summary, CSR ; Waste remediation disposed or recycled at three Superfund sites in Kentucky, Virginia and Pennsylvania.
EN23	Number and volume of significant spills	Not tracked at this time
EN24	Weight of transported hazardous waste	Not tracked at this time
EN25	Water discharge impacts	Discharges to lakes and rivers are by regulatory permits. With our operating practices, they are designed to protect aquatic species and the environment.
Products and Services		
EN26	Environmental impact mitigation	See EN5 and EN6
EN27	Percentage of product that is recycled	Natural gas and electricity cannot be recycled. See Resource Conservation, Recycling & Waste Management, CSR
EN28	Incidents/fines for environmental non-compliance	Incidents = 13; Fines = \$43,245; see 5-Year Performance Summary, CSR
Transport		
EN29	Environmental impacts of transportation for logistical purposes	Alternative Vehicles & Fuels, CSR
Overall		
EN30	Total environmental protection expenditures	Total 2012 O&M and capital expenditures = \$402 million

GRI Disclosures

GRI INDICATOR	DESCRIPTION	RESPONSE
Labor Practices Indicators		
Employment		
LA1	Workforce composition, including contractors	See Workforce Demographics, CSR , for employee data. Do not track contractor data at this time.
LA2	Employee turnover	Workforce Demographics, CSR
LA3	Full-time employee benefits	Compensation and Benefits, CSR
Labor/Management Relations		
LA4	Employees covered by collective bargaining agreements	Workforce Demographics, CSR
LA5	Minimum notice requirements	We comply with applicable laws, regulations and collective bargaining agreements requiring notice of operational changes.
Occupational Health & Safety		
LA6	Percent of workforce in management/ worker health & safety oversight committees	Workforce Demographics, CSR : Dominion has voluntary employee safety committees across the company. These groups send safety messages to employees and hold regular safety meetings.
LA7	Health and safety rates	Employee Safety, CSR ;
LA8	Health and wellness programs for employees and families	5-Year Performance Summary, CSR Health and Wellness, CSR
LA9	Health and safety topics in formal agreements with labor unions	Safety is a core value. Its importance is highlighted in our collective bargaining agreements. Health and welfare benefits are mandatory subjects of bargaining and are covered in collective bargaining agreements.
Training & Education		
LA10	Employee training	Do not track the number of hours employees spend on training. See Professional Development, CSR for more information.
LA11	Career management and education	See LA10
LA12	Performance reviews	Dominion has a formal Performance Appraisal process. Final appraisal completion rate for all non-union employees is 95%. Also see Professional Development, CSR .
Diversity & Equal Opportunity		
LA13	Composition of governance bodies and employee diversity categories	Governance, CSR ; Diversity, CSR
LA14	Remuneration by gender	Dominion complies with all state, federal and local laws and regulations prohibiting discrimination.

GRI Disclosures

GRI INDICATOR	DESCRIPTION	RESPONSE
Labor Practices Indicators		
Electric Utility Sector-Specific Labor Practices & Decent Work Disclosures		
EU14	Programs to ensure a skilled workforce	Workforce Planning, CSR
EU15	Percentage of employees eligible to retire within the next decade	Eligible within the next 5 years = 49%; eligible within the next decade = 63%
EU16	Health and safety policies for employees and contractors	All health and safety policies are listed on Dominion intranet website for easy reference by employees, who are trained in these policies and procedures. Contractors are required, at a minimum, to follow all OSHA rules and regulations. Also see Employee Safety, CSR .
EU17	Days worked by contractors	Not tracked at this time. Contractor and sub-contractor labor is not centrally managed.
EU18	Percentage of contractors receiving relevant health and safety training	All contractors receive health and safety training appropriate to the type of job(s) performed.
Human Rights Indicators		
Investment & Procurement Practices		
HR1	Percent and total number of investment agreements with human rights clauses, or that have been screened for such clauses	Dominion is a solely domestic U.S. company, and this is not an issue at this time. We operate in compliance with applicable laws and regulations at all of our facilities.
HR2	Percent of suppliers and contractors screened for human rights, and actions taken	Supplier Diversity, CSR
HR3	Employee training on human rights policies	All employees receive periodic training in Dominion's Code of Ethics and Business Conduct . Additional training focuses on diversity and unlawful harassment.
HR4	Incidents of discrimination and corrective action taken	Claims made to government agencies are not reported publicly. However, no such agency has reached a "for cause" determination in 2012 substantiating a claim that we have engaged in employment discrimination. Also see our Equal Employment Opportunity policy .
Freedom of Association & Collective Bargaining		
HR5	Operations with freedom of association and collective bargaining at risk	None known
Child Labor		
HR6	Operations at risk for incidents of child labor	None known

GRI Disclosures

GRI INDICATOR	DESCRIPTION	RESPONSE
Human Rights Indicators		
Forced & Compulsory Labor		
HR7	Operations at risk for incidents of forced or compulsory labor	None known
Security Practices		
HR8	Percent of security personnel trained in human rights policies and procedures	Do not track at this time. See HR3. In addition, the company provides training to employees to recognize and prevent possible violent or threatening behavior in the workplace.
Indigenous Rights		
HR9	Violations involving human rights of indigenous peoples, and actions taken	None known. See HR1.
Assessment		
HR10	Percentage and number of operations subjected to human rights reviews	None known. See HR1.
Remediation		
HR11	Number of human rights grievances filed, addressed and resolved through formal mechanisms	None known. See HR1.
Remediation		
HR11	Number of human rights grievances filed, addressed and resolved through formal mechanisms	None known. See HR1.
Social Indicators		
Local Community		
SO1	Programs to assess and manage operational impacts on communities	See EC8 and EC9; Stakeholder Engagement, CSR .

GRI Disclosures

GRI INDICATOR	DESCRIPTION	RESPONSE
Social Indicators		
Corruption		
SO2	Percent and number of business units analyzed for corruption risk	This information is not disclosed publicly.
SO3	Percent of employees trained in anti-corruption policies and procedures	All employees receive training on the company's Code of Ethics and Business Conduct every other year. The most recent training was assigned in May 2012 and completed by 100% of employees. New hires are required to complete this training within 30 days of their start date. As part of our regulated utility operations, certain employees must complete annual training on the FERC standards of conduct , as well as certain state regulatory codes of conduct. Employees potentially involved in international business receive training on the Foreign Corrupt Practices Act and comparable anti-bribery laws that may apply in foreign countries.
SO4	Actions taken in response to corruption incidents	See SO2
Public Policy		
SO5	Public policy positions, participation and lobbying	Public Policy, CSR
SO6	Total value of financial and in-kind contributions for political purposes	Public Policy, CSR
Anti-Competitive Behavior		
SO7	Number of legal actions for non-competitive behavior	Form 10-K
Compliance		
SO8	Significant fines paid for regulatory non-compliance	Form 10-K ; 5-Year Performance Summary, CSR
Electric Utility Sector-Specific Social Disclosures		
EU19	Stakeholder participation in energy planning and infrastructure development	2012 Integrated Resource Plan ; Stakeholder Engagement, CSR
EU20	Management of displacement impacts	N/A
EU21	Contingency planning for emergencies and recovery plans	Emergency Preparedness, CSR
EU22	Number of people displaced and compensation	N/A

GRI Disclosures

GRI INDICATOR	DESCRIPTION	RESPONSE
Product Responsibility Indicators		
Customer Health & Safety		
PR1	Safety assessment and improvements	Safety is a core value and our top priority. See Public Health & Safety, CSR
PR2	Number of incidents of non-compliance with health and safety codes relative to customers	None known
Product & Service Labeling		
PR3	Labeling information required by procedures	Electric and natural gas service cannot be labeled. We provide regular and detailed safety information to customers via bill inserts, public service announcements, Speakers Bureau presentations, targeted mailings, social media and our corporate website .
PR4	Incidents of non-compliance with product and service information and labeling	None known
PR5	Results of customer satisfaction surveys	Customer Service & Satisfaction, CSR
Marketing Communications		
PR6	Programs for adherence to marketing regulations	Marketing communications are consistent with industry standards and comply with all relevant laws and regulations.
PR7	Incidents of non-compliance with regulations and voluntary codes relative to marketing communications	None known
Customer Privacy		
PR8	Number of substantiated complaints or breaches of privacy	Privacy, Dominion Corporate Website
Compliance		
PR9	Fines paid for non-compliance with regulations and laws concerning the provision and use of products and services	See Form 10-K for information about litigation, fines and penalties

GRI Disclosures

GRI INDICATOR	DESCRIPTION	RESPONSE
Product Responsibility Indicators		
Electric Utility Sector-Specific Product Responsibility Disclosures		
EU23	Programs to maintain access to electric service and customer support	See Energy Assistance Programs, CSR and Philanthropy, CSR for information about support provided to low-income customers.
EU24	Programs to address language, disability and other barriers to safe access to electric service and customer support	Dominion facilities comply with applicable building code requirements, including safe access for those with disabilities. Various language tools are available on our corporate website to assist our Spanish-speaking customers.
EU25	Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases.	Not tracked at this time
EU26	Percentage of population unserved in service territory	Not tracked as specified in the GRI guidelines
EU27	Number of residential disconnections for non-payment	N/A
EU28	Power outage frequency	Service Reliability, CSR
EU29	Average power outage duration	Service Reliability, CSR
EU30	Average plant availability factor by energy source	Nuclear fleet = 92.7% net capacity factor (2012); Coal-fired fleet = 78.7% equivalent availability (2012)
Assessment		
HR10	Percentage and number of operations subjected to human rights reviews	None known. See HR1.
Remediation		
HR11	Number of human rights grievances filed, addressed and resolved through formal mechanisms	None known. See HR1.

Business

CORPORATE STRATEGY

We are executing a multi-year, multi-billion dollar regulated infrastructure investment plan to achieve sustainable excellence and meet the growing energy needs of our customers.

OPERATIONS

Dominion operates primarily in the energy-intensive Midwest, mid-Atlantic and Northeast regions of the country, a potential market of 60 million homes and businesses.

INFRASTRUCTURE MODERNIZATION

We are making strategic, long-term infrastructure investments to deliver safe, reliable and environmentally responsible energy to our customers at a reasonable cost, now and in the future.

ENERGY INNOVATION

We drive innovation by researching and evaluating new and emerging energy technologies to assess their commercial viability and potential for building a more sustainable economy.

SUPPLIER DIVERSITY

We are committed to increased spending with diverse suppliers – companies owned by minorities, women and service-disabled veterans, as well as those operating in a Historically Under-Utilized Business (HUB) zone.



Corporate Strategy



"...one of the best core utility holdings for investors interested in a long-term growth story that is de-risking and increasing its dividend."

—Barclays, 9/6/2012

We are continuing to execute our multi-year, multi-billion dollar regulated infrastructure investment plan to achieve sustainable financial and operational excellence and meet the growing energy needs of our customers.

This major "concrete and steel" construction program is the equivalent of building a mid-sized energy company from the ground up. Its main drivers include:

- Expected customer demand growth at our electric utility serving Virginia and North Carolina – one of the nation's fastest growing regions – equivalent to adding 1 million new homes to our system in the coming decade;
- A boom in natural gas production from the Marcellus and Utica shale formations in the Appalachian Basin – an area where we plan to help producers transport their gas to market; and
- Needed modernization of the pipes and wires supplying energy to our customers in Virginia, North Carolina, Ohio and West Virginia; and new transmission pipes serving natural gas markets in the Northeast and mid-Atlantic regions.



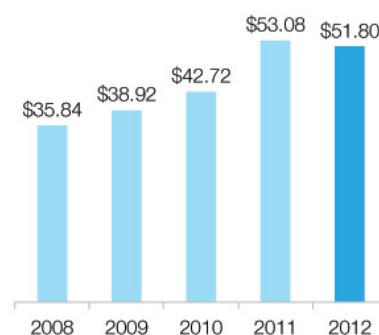
BUSINESS

Our Business Model

Create sustainable value and reduce risk by focusing on our core regulated businesses and energy infrastructure expansion projects.

Year-End Stock Price

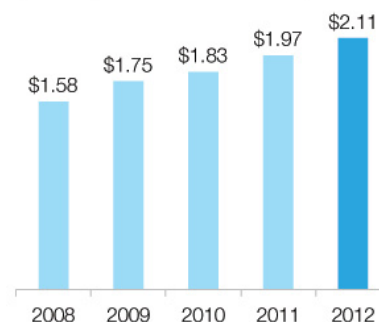
(Dollars per Share, 2008-2012)



45% growth in 5 years

Sustained Dividend Growth

(Dollars per share, 2008-2012)



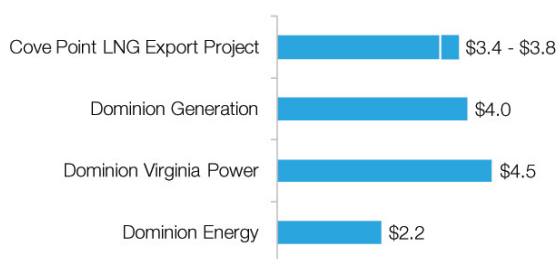
34% increase in 5 years

Our 5-Year Strategic Growth Plan

- ~\$3 billion a year in growth capital expenditures on energy infrastructure
- 80-90 percent of operating earnings targeted from regulated businesses
- 5-6 percent annual operating earnings growth
- Dividend payout ratio of 65-70 percent
- 6-7 percent projected annual dividend growth (subject to Board approval)

Five-Year Capital Investment Plan

2013-2017 * (in billions)



Total Investment = \$14.1-\$14.5 billion

*Subject to regulatory and/or Board of Directors approvals

Risk Management



The company's risk assessment process is embedded in all aspects of the business.

The ability to understand and manage an array of evolving technical, financial, regulatory, geopolitical and environmental risks is critical to sustainable performance.

Enterprise Risk Program and Process

Dominion's comprehensive enterprise risk program is based on a continuous dialogue between senior management and the board of directors about risk – both threats and opportunities – and return across the corporation.

The company's risk assessment process is embedded in all aspects of the business. It is designed to provide a planning framework to help define the company's optimal risk and reward balance and align with our strategic priorities and the way capital is deployed to support those priorities. Business-unit-level risk assessments are integrated into the annual budgeting and planning process. These are consolidated with corporate-level risk assessments into a "Key Risks" report, which confirms management responsibility for each identified risk and risk oversight by the board.

In addition, new capital projects must undergo comprehensive risk/reward analysis and discussion by a cross-disciplinary leadership team before being approved. Our risk process also includes periodic assessment of high impact/low probability and emerging risks. As in other areas of our risk process, the goal of these assessments is to integrate any improvements into the way we do business.

For example, over the past two years, we have taken steps to integrate more effective communications response into our operational crisis response drills. (See [Emergency Preparedness](#) section).

A more complete discussion of the key risks affecting Dominion can be found in the company's Form 10-K filing.



BUSINESS

1.3 million

customers lost electricity after powerful storms, including Hurricane Sandy

Risks to Our Business

Some examples of enterprise risks that could have a material impact on our financial or operating performance include:

- **Regulatory risks.** Regulators may, for example, lower the company's allowed return on equity, disapprove certain construction projects, enact costly environmental rules or disallow recovery of certain expenses through rates.
- **Operating risks.** Weather-related incidents, such as hurricanes and winter snow storms, can damage our utility infrastructure and cause power outages, which can result in a drop in energy use and significant repair costs.
- **Commodity price risks.** Dominion's merchant power fleet is exposed to potentially volatile fuel costs in competitive wholesale markets. Changes in market prices for natural gas and other fuels could have an adverse affect on our financial results.

Operations

Dominion operates primarily in the energy-intensive Midwest, mid-Atlantic and Northeast regions of the country, a potential market of 60 million homes and businesses where more than 40 percent of the nation's energy is consumed.

BUSINESS UNIT OVERVIEW

Our three principal operating segments are as follows:

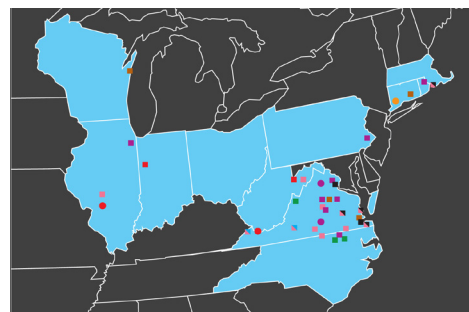
Dominion Generation



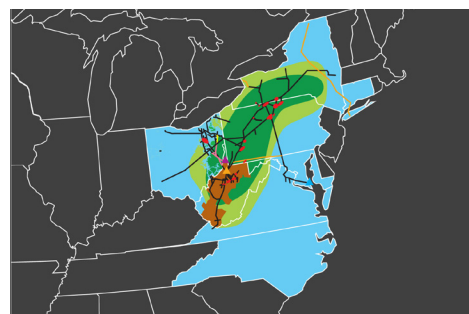
Electricity Production

- Operates our 27,000-megawatt regulated utility and merchant generating fleet. Our utility assets are located in Virginia, West Virginia and North Carolina. Our merchant power facilities are in the Midwest and Northeast.
- We actively pursue fuel diversity and balance in our generation portfolio. Slightly more than half of our total fleet output is fossil-fired, and the rest is emissions-free nuclear and renewable power.

DOMINION GENERATION



DOMINION ENERGY



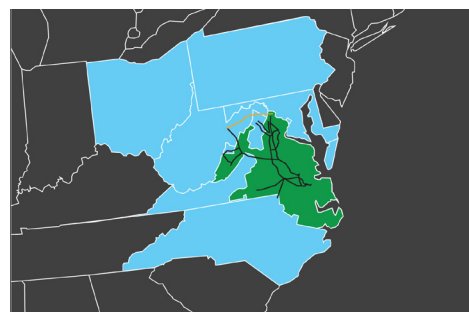
Dominion Energy



Natural Gas Operations

- **Dominion East Ohio and Dominion Hope**, our regulated natural gas distribution companies serving 1.3 million customer accounts in Ohio and West Virginia over a 21,800-mile network of gas distribution pipeline.
- **Dominion Transmission**, our regulated gas transmission, gathering and storage business with 11,000 miles of pipeline in Maryland, New York, Ohio, Pennsylvania, Virginia and West Virginia; and about 950 Bcf of underground gas storage fields in New York, Pennsylvania, West Virginia and Ohio.
- **Blue Racer Midstream, LLC**, a joint venture with Caiman Energy II, LLC, focusing on natural gas liquids gathering and processing in the Utica Shale region.
- **Dominion Cove Point LNG**, a liquefied natural gas terminal on the Chesapeake Bay in Lusby, Md.
- **Producer Services** aggregates natural gas supply, trades and markets natural gas, and provides supply and commodity risk management services to company affiliates.

DOMINION VIRGINIA POWER



Operations

Dominion Virginia Power (Electric Transmission and Distribution)



Electric Transmission and Distribution

- Operates our 6,400-mile network of regulated electric transmission lines and our 56,800 miles of distribution lines serving 2.5 million homes and businesses in Virginia and North Carolina. In North Carolina the business operates under the name **Dominion North Carolina Power**;
- **Dominion Retail**, an unregulated energy marketing unit within Dominion Virginia Power, operates in competitive energy markets in 15 states and serves about 2.1 million customer accounts. Its product lines include natural gas, electricity and home warranty services.

Electric Operations

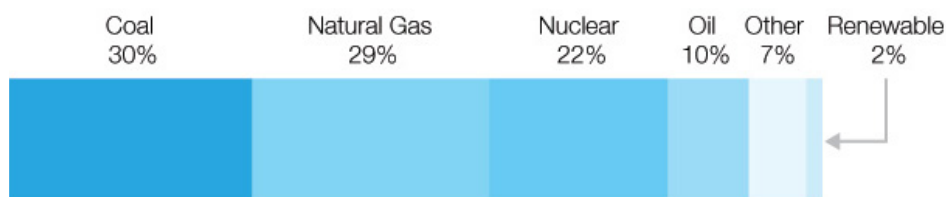
Fuel Diversity

Dominion's power fleet uses a variety of fuel sources, in keeping with our belief that a diverse, balanced approach to generation is one of the best ways to promote customer access to reliable and affordable power.

During 2012, nearly half of the electricity we generated came from emissions-free units using nuclear power or renewable energy sources, such as wind, water and biomass.

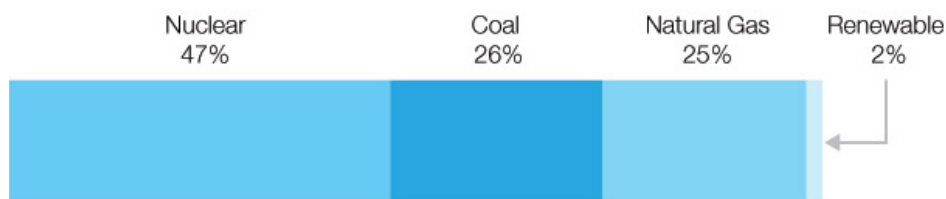
2012 Electric Capacity by Fuel

(Total Fleet)



2012 Electric Production by Fuel*

(Total Fleet)



*Excludes non-utility generation under contract.

Nuclear Fleet

Our four [nuclear stations](#) – two state-regulated serving our utility customers and two operating in competitive wholesale markets – contributed 47 percent of our total electricity output in 2012.

Dominion's Nuclear Fleet

Regulated	Location	Capacity
Surry Power Station	Virginia	1,678 MW
North Anna Power Station*	Virginia	1,668 MW
Total Regulated Nuclear		3,346 MW
Merchant		
Millstone Power Station	*Connecticut	2,016 MW
Kewaunee Power Station**	Wisconsin	556 MW
Total Merchant Nuclear		2,572 MW
Total Nuclear Fleet		5,918 MW

* Excludes interests owned by other parties.

** Permanently ceased operations in May 2013. Facility will be decommissioned.



BUSINESS

49%

of 2012 power output
from emissions-free nuclear
and renewable sources



BUSINESS

35% increase

in utility fleet natural gas
generation, 2011-2012

23% decline

in utility fleet coal generation,
2011-2012

Electric Operations

Kewaunee Shutdown and Decommissioning

Dominion was unable to find a buyer for the single-unit, 556-megawatt [Kewaunee station](#) after putting it up for sale in April 2011. The decision to sell Kewaunee was part of a regular review of our portfolio to determine which assets fit strategically and support our objectives to improve return on invested capital and shareholder value. We were also unable to grow our nuclear fleet in the Midwest to take advantage of economies of scale.

[Kewaunee ceased operations](#) in May 2013 and will be decommissioned. We will ensure that the station has all the resources needed during the decommissioning process to protect the safety of the public, station personnel and the environment. The federal Nuclear Regulatory Commission will oversee the plant shutdown. Decommissioning is a decades-long process that involves carefully controlled cleanup and removal of all radioactive materials from the site. The planned decommissioning completion date is 2073.



Kewaunee Power Station

Spent Fuel Storage

Development of a national spent fuel repository operated by the federal government has proven elusive, despite almost three decades of legislative mandates and studies. In the meantime, Dominion pioneered a method of storing used nuclear fuel on site – safely, securely and indefinitely – until such time as a central facility becomes operational.

This method, called [dry cask storage](#), was first licensed by the Nuclear Regulatory Commission for use at Dominion's Surry Power Station in 1986. Since then, dry cask storage facilities have been licensed in 33 states. All of Dominion nuclear facilities use this storage method.

New Nuclear Construction

Dominion believes emissions-free nuclear energy must play a major role in meeting the nation's future power needs.

We have applied to the Nuclear Regulatory Commission for a Combined Construction and Operating License (COL) allowing the company to build a third nuclear reactor at the [North Anna station](#) in central Virginia. We expect to receive the COL in 2015, at which time we will make a final decision about moving forward with the project.



North Anna Power Station

In April 2013, we announced our selection of General Electric-Hitachi's Economic Simplified Boiling Water Reactor (ESBWR) technology for the proposed Unit 3. The new reactor would provide an additional 1,470 megawatts of power for Dominion's customers over an expected 60-year unit life – enough electricity to meet the needs of about 368,000 typical homes.

The ESBWR design features passive, gravity-based safety features. Water stored above the reactor would flow by gravity into the unit in the unlikely event of an accident. It would then circulate naturally to maintain cooling.

Electric Operations

Fossil Fuel Fleet

[Fossil fuels](#), including coal, natural gas and oil, are non-renewable energy sources that accounted for slightly more than half of the electricity Dominion produced in 2012.

Natural Gas

Natural gas is today's preferred fuel for power generation because it is clean, economical and increasingly abundant. The experts say our country currently has at least a century's worth of recoverable natural gas reserves.

At Dominion's regulated utility fleet, electric production from natural gas topped 14 million megawatt-hours last year – an increase of more than 70 percent in just three years. In 2012, natural gas accounted for about one-quarter (23%) of total utility fleet production.

We are continuing to add gas-fired capacity to our system because of the fuel's favorable economics and environmental benefits. By 2017, in fact, we expect gas use in our utility fleet to grow almost 40 percent above current levels.

Coal

In 2012, Dominion had about 7,600 megawatts of coal-fired capacity in its power fleet – about 70 percent of it serving our franchise electricity customers in Virginia and North Carolina and about 30 percent operating as merchant plants selling into wholesale markets for resale.

Our utility coal stations accounted for about 30 percent of our total regulated fleet output (nuclear and fossil fuels) in 2012, down from 39 percent the previous year. Coal is an important and abundant domestic resource, but it emits about twice as much carbon dioxide as natural gas. Nuclear power produces no greenhouse gas emissions.



Virginia City Hybrid Energy Center

In July 2012, the [Virginia City Hybrid Energy Center](#) entered commercial operation. Using circulating fluidized-bed technology, this 600-megawatt station is one of the cleanest coal-fired power stations in the country. It is designed to use up to 20 percent renewable wood biomass as a fuel source and will accommodate carbon capture technology when commercially available in the future to further improve air quality.

Increasingly strict federal environmental regulations, combined with the low cost of natural gas, have made it uneconomic for us to continue running some of our other coal stations – both in our regulated utility fleet and in our competitive merchant fleet. In the case of our merchant operations, we are exiting the coal-fired generation business entirely.

We are also planning to convert several smaller utility coal stations to either natural gas or renewable biomass – reducing our environmental footprint even more.

The following table summarizes the evolution of our coal fleet:

Fossil Fuel Fleet/Coal

The following table summarizes the evolution of our coal fleet

Divestitures (2013)	
Merchant coal stations	2,241 MW
Retirements (2015-2016)	
Utility coal stations	918 MW
Conversions	
Utility coal-to-natural gas	227 MW *
Utility coal-to-biomass	153 MW
Total Expected Coal Capacity Reductions	3,539 MW

*Pending state regulatory approval

Electric Operations

Oil

In 2012, oil-fired generation produced less than 1 percent of the power produced by Dominion's fleet, which included a total of about 2,600 megawatts of oil-fired capacity at year end.

We plan to retrofit two of the company's large utility oil units in Virginia with advanced nitrogen oxide emissions control devices by 2018 as part of our commitment to improve air quality and our environmental footprint.

Oil units are used primarily to meet peak electricity needs, which occur during the hottest and coldest times of the year. Fuel oil is expensive and its carbon content is less than coal but greater than natural gas. The main advantage of oil-fired generation lies in its quick start-up capability to meet seasonal high customer demand.

Renewable Energy

[Renewable energy](#) is a significant aspect of Dominion's diverse generating portfolio. In the near term, green power could help lower the company's carbon intensity and reduce our exposure to unpredictable fuel price swings. Longer term, it is an important element of our climate change strategy and the nation's transition to a low-carbon economy.

Meeting State Renewable Energy Standards

We are committed to meeting renewable energy standards in Virginia and North Carolina – states in which we provide regulated electric service. Virginia's voluntary program calls for 15 percent of the power delivered to customers to come from renewable sources by 2025. North Carolina's statutory requirement calls for 12.5 percent of power deliveries from renewable energy by 2021.

Renewable Energy Portfolio

We currently have renewable energy assets in Virginia, North Carolina, West Virginia and Indiana that include wind, hydro and wood biomass. We are also pursuing additional opportunities to harness the wind and sun.

In 2012, hydroelectric power accounted for almost half (46 percent) of our renewable energy capacity. Wind power accounted for about 41 percent of the total, with the remaining 13 percent coming from waste wood, a form of biomass that is plentiful in the southeastern U.S.

2012 Renewable Energy Capacity by Source



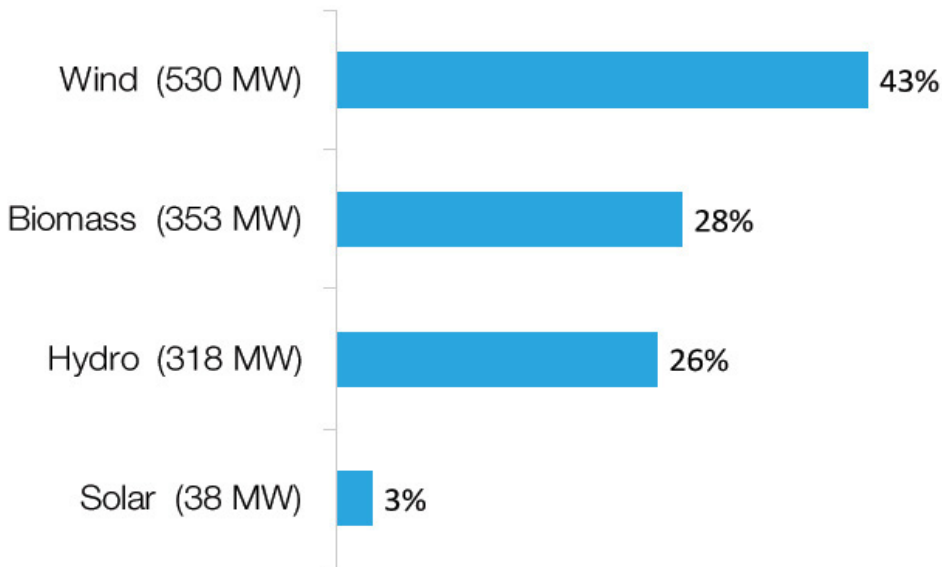
Total Capacity = 689 megawatts

When completed and fully operational, the combined capacity of our existing and planned renewable energy facilities could produce more than 1,200 megawatts of clean energy at full power – enough to supply more than 300,000 typical homes.

Electric Operations

Renewable Energy Capacity: Operational & In Development

(2013 and Beyond)



Wind Power

We currently have interests in two operating merchant [wind farms](#) in West Virginia and Indiana capable of producing more than 280 megawatts of green power. In our utility fleet, we continue to evaluate the feasibility of adding more than 240 megawatts of wind generation at various sites in western Virginia.

Offshore wind is potentially one of the largest sources of carbon-free, renewable energy in Virginia. Although high costs continue to be a significant obstacle, Dominion is actively pursuing the commercialization of offshore generation. (See [Energy Innovation](#)).



NedPower Mt. Storm Wind Farm in West Virginia

Biomass

[Biomass](#) refers to an assortment of renewable organic materials, such as wood and agricultural crops, that are abundant and can be burned directly as an energy source. Wood-based biomass, primarily from the forestry industry, is one of the richest sources of renewable energy in the southeastern U.S. By the end of 2013, Dominion will have four generating stations fueled with waste wood operating in the southern part of Virginia.

Work is underway to convert three of Dominion's small coal stations to waste-wood-burning facilities. The three stations are located in or near Virginia's "green basket" of forestry resources and will have a combined output of about 153 megawatts. Converting them to biomass will improve our environmental footprint by reducing nitrogen oxides, sulfur dioxide and particulate emissions. The conversions are scheduled to be completed in 2013.



Pittsylvania Power Station

Dominion continues to use waste wood to operate the 83-megawatt [Pittsylvania Power Station](#), also in southern Virginia. The Pittsylvania facility is one of the largest biomass-powered generating stations in the country.

The output from these biomass stations will serve the electricity needs of our utility customers in Virginia and North Carolina.

In addition, the company's 600-megawatt [Virginia City Hybrid Energy Center](#) in southwestern Virginia began producing power in mid-2012. Although the facility is fueled primarily by clean coal technology, it is capable of producing up to 20 percent of its output from biomass.

Electric Operations

Solar Power

In November 2012, state regulators approved our proposal to build and operate up to 30 megawatts of solar power in Virginia. The [Solar Partnership Program](#) will allow us to install and demonstrate small solar units on leased rooftops and open spaces at various commercial, industrial and community locations on our system.

We estimate that the program will include from 30 to 50 installations, ranging from 500 kilowatts to 2 megawatts in size. Fully implemented, it would provide enough power to meet the peak electrical needs of about 7,500 typical homes.



Azalea Solar Power Facility under construction

In May 2013, we [announced that Old Dominion University in Norfolk, Va., will become the first participant](#) in the Solar Partnership Program. The project involves the installation of more than 600 solar panels on the roof of the university's Student Recreation Center. The ODU solar array will be able to generate up to 132 kilowatts of electricity and is expected to be operational by late summer 2013.

In March 2013, Virginia regulators also approved our proposal to offer a [special rate option to customers who own their own solar installations](#). The program allows Dominion to purchase up to 3 megawatts of power from customer-owned solar arrays at a rate of 15 cents per kilowatt-hour for a period of five years.

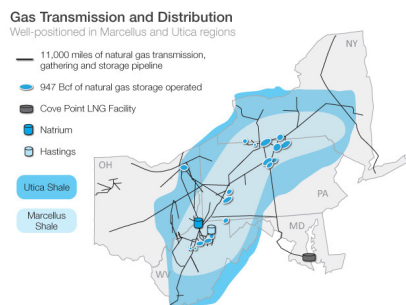
The special rate would serve as a pricing incentive to encourage our Virginia customers to install solar power at their homes or businesses. The project will be partially supported by revenue from Dominion's Green Power Program, which allows customers to support renewable energy by making additional payments on their monthly electric bills.

Also in March 2013, we announced the acquisition of [Azalea Solar](#), a 7.7-megawatt project near Augusta, Ga. The 40-acre project will use solar photovoltaic technology to produce electricity and sell its output to a local electric cooperative. The project should be completed by late 2013 and will provide us with valuable experience in solar power generation.

Natural Gas Operations

Strategically Located Assets

Dominion's natural gas operations are centered in the Appalachian Basin above two of the nation's largest natural gas fields – the Marcellus Shale and the Utica Shale. The Utica Shale formation is located a few thousand feet below the Marcellus Shale and is thicker and geographically larger than the Marcellus (see map).



The Marcellus Shale alone contains trillions of cubic feet of recoverable gas. Both formations are currently yielding significant quantities of natural gas, natural gas liquids (NGLs) and crude oil. (See “Understanding Natural Gas Liquids” article at right).

Transmission Pipeline, Processing and Storage

Our Dominion Energy unit has approximately 11,000 miles of gas transmission pipelines and gathering and storage facilities pipelines in Maryland, New York, Ohio, Pennsylvania, Virginia and West Virginia.

We serve natural gas producers, gas distribution businesses and other customers in the Northeast, mid-Atlantic and Midwest regions. Included in our gas transmission pipeline and storage business are our gas gathering and extraction activities. Dominion's pipeline network is part of a larger interconnected gas transmission system, which provides access to gas supplies nationwide for local distribution companies, marketers, power generators and industrial and commercial customers.



Our large underground natural gas storage network and the location of our pipeline system provide a strategic link between the country's major interstate gas pipelines and large markets in the Northeastern quadrant of the country. Dominion Energy also operates gas processing and fractionation facilities in West Virginia. “Fractionation” is an industry term for a process that separates various liquids from the gas stream before storing and shipping them to market.

Our underground storage facilities play an important part in balancing gas supply with consumer demand and are essential to serving our target markets. In addition, storage capacity is an important tool in managing gas supplies and pipeline transmission capacity.

Dominion Energy operates:

- 20 underground gas storage fields in New York, Ohio, Pennsylvania and West Virginia;
- 950 billion cubic feet of total designed underground storage capacity; and
- 2,000 storage wells and close to 350,000 acres of operated leaseholds.

Understanding Natural Gas Liquids



Hastings Extraction Plant

Much of the natural gas being produced from the Marcellus and Utica shales is known as “wet gas,” which contains heavier hydrocarbons collectively known as natural gas liquids (NGLs) and includes ethane, butane, isobutene and unrefined gasoline. It is estimated that about one-third of the natural gas being found in Ohio, Pennsylvania and West Virginia is the wet variety.

NGLs may be by-products of natural gas production but they have commercial value in their own right and have to be separated from the natural gas stream in order to be shipped and sold in the marketplace. Once the NGLs are removed, the remaining purified methane dry gas is “pipeline quality” and can be transported to market.

Dominion's [Hastings Extraction Plant](#) in West Virginia first began processing NGLs in the early part of the 20th century and was the only such facility in the Appalachian Basin until a similar one began operating in Kentucky in 1958.

Natural Gas Operations

Blue Racer Joint Venture

At the end of 2012, we announced a \$1.5 billion joint venture – [Blue Racer Midstream LLC](#) – with Caiman Energy II to serve natural gas producers in the Utica Shale regions of Ohio and Pennsylvania. Blue Racer will concentrate on building new gathering, processing, fractionation and NGL transportation assets as the development of the Utica Shale unfolds. Dominion will contribute a network of wet gas gathering assets, the new Natrium extraction plant, and other assets to the joint venture.



Cove Point LNG Terminal

Current operations at our [liquefied natural gas \(LNG\) facility on the Chesapeake Bay](#) in Maryland involve the import and storage of LNG and its transportation after re-gasification through the interstate pipeline grid to markets in the mid-Atlantic and Northeast. There is about 15 bcf of above-ground storage capacity at the Cove Point facility.

In connection with the recent increases in natural gas production, including from the Marcellus and Utica Shale formations, Dominion has applied to federal regulatory authorities for permission to operate Cove Point as a bi-directional facility – in other words, to both import and export LNG from the terminal as market conditions warrant. (See [Public Policy](#)).

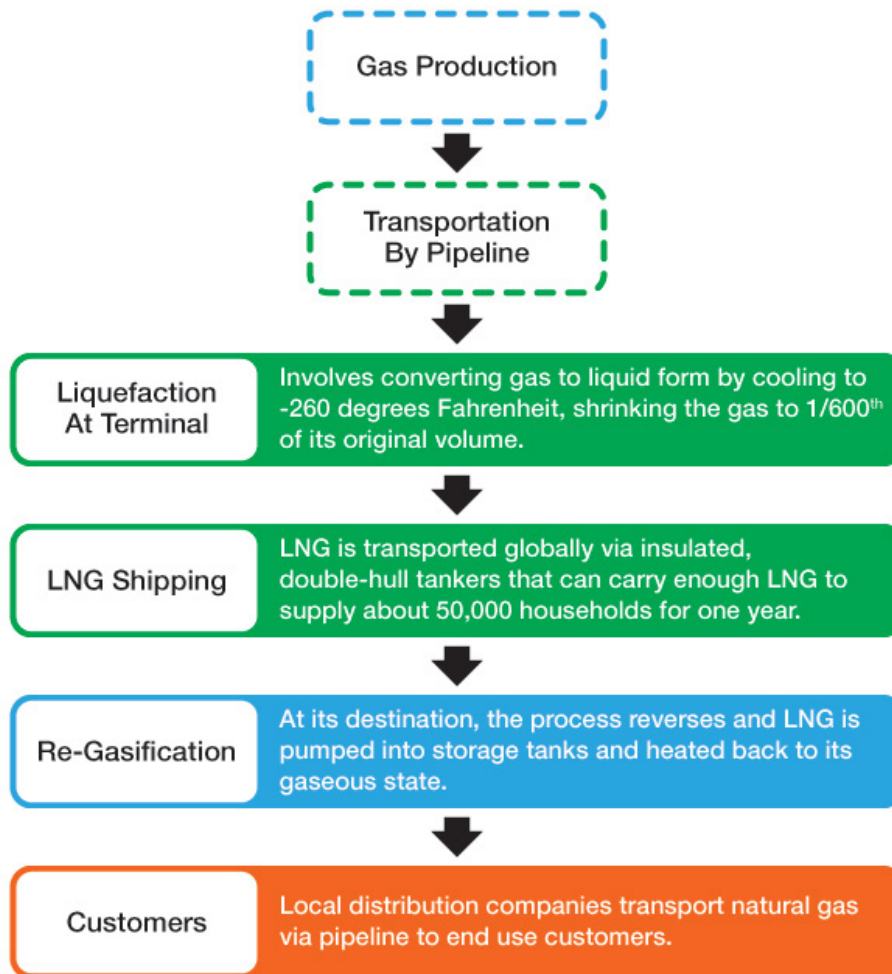


Dominion Cove Point LNG

Natural Gas Operations

The Process of Exporting LNG

Liquefaction, Shipping, Re-Gasification



Natural Gas Distribution

Our gas distribution operations in Ohio and West Virginia serve residential, commercial and industrial customers, as well as provide transportation and gathering services to producers.

In Ohio, Dominion has offered an Energy Choice program to our residential and commercial customers since October 2000. At the end of 2012, about 1 million of our 1.2 million Ohio customers were participating in this Energy Choice Program. West Virginia regulatory authorities do not require customers there to choose a retail natural gas provider.

Over the next three years, Dominion East Ohio will invest \$200 million to provide producers with the pipeline capacity they will need to transport new production to market, especially from Ohio's Utica Shale fields. The company is strategically positioned with parallel pipelines to move NGLs south from Ohio production fields to Dominion's processing plants in West Virginia and to carry dry gas north from production fields to customers in Ohio.



Infrastructure Modernization



BUSINESS

25%

expected growth in
electricity demand in
Virginia by 2027

We are making strategic, long-term infrastructure investments to deliver reliable, affordable and environmentally sound energy to our customers and to strengthen America's economy and energy security.

The main drivers of our regulated infrastructure investment program are as follows:

- Strong expected growth in electricity demand in our Virginia service area over the coming decade;
- Additional natural gas gathering, processing and transmission capacity in the Marcellus and Utica shale formations;
- Facilities to liquefy and export natural gas from our Cove Point terminal on the Chesapeake Bay; and
- Upgrades to our existing gas and electric distribution systems in Ohio, West Virginia, North Carolina and Virginia.

New Electric Infrastructure

Powering Virginia's Future - A key driver of our capital investment program is an expected 25 percent increase in power demand in our home state over the next 15 years.

We are also investing in more renewable energy sources, conservation programs, environmental protection measures and advanced technologies to support the deployment of digital smart meters and other customer initiatives.

All told, our various construction programs will produce more than \$3.8 billion in economic benefits for Virginia by 2016, including more than 16,000 construction jobs and 880 permanent jobs, according to studies done by Chmura Economics & Analytics.



BUSINESS

~\$3 billion

in growth capital
spending, 2013-2017

2012 HIGHLIGHTS: Electric Infrastructure Investments



We [applied to state regulatory authorities](#) for a permit to build the 1,358-megawatt Brunswick Power Station in near Lawrenceville, Va. The new facility will be powered by clean, energy-efficient, combined-cycle technology using natural gas as its fuel. The station will be able to produce enough power to serve the needs of about 340,000 typical homes and is expected to begin operation in 2016.

Infrastructure Modernization



We completed the first phase of rebuilding a [500-kilovolt transmission line](#) that links our 1,600-megawatt [electric generating plant in Grant County, West Va.](#) to the rest of our system. The project will significantly improve grid reliability and increase the capacity of the line by about two-thirds. Completion of the \$300-\$350 million project is expected in 2015.

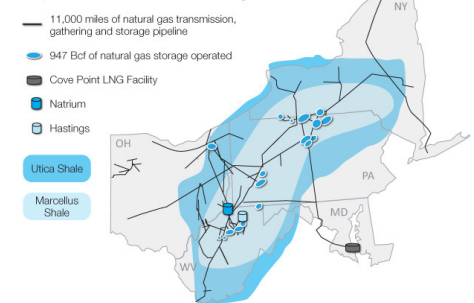
New Natural Gas Infrastructure

Shale Gas Boom Unlocks Growth Opportunities - Dominion's [natural gas transmission, gathering and storage](#) businesses are strategically located in the Appalachian Basin, where producers are actively drilling the Marcellus and Utica shale rock formations of West Virginia, Pennsylvania and Ohio and reshaping the nation's energy landscape.

Dominion is well situated to provide infrastructure to gas producers to transport, process and store the massive amounts of natural gas coming from the Marcellus and Utica shale formations.

We also have identified opportunities to liquefy gas for exporters from the region to international markets via our Cove Point LNG terminal on the Chesapeake Bay.

Gas Transmission and Distribution
Well-positioned in Marcellus and Utica regions



2012 HIGHLIGHTS: Natural Gas Infrastructure Investments



We completed the first phase of the \$550 million [Natrium gas processing and fractionation plant](#) along the Ohio River in West Virginia, and the facility began commercial operations in May 2013. "Processing" is the separation of the natural gas liquids from the dry natural gas that is then transported to market through pipelines. "Fractionation" is the separation of these natural gas liquids into separate, marketable products, such as propane, butane, ethane and natural gasoline. (See accompanying story)

Natrium has the capability of processing 200 million cubic feet/day and 36,000 barrels/day of fractionated gas liquids.



We completed four [natural gas transmission, gathering and processing projects in West Virginia and Pennsylvania](#) to improve system capacity and efficiency in delivering natural gas to major markets in the mid-Atlantic and Northeast regions of the country.

Infrastructure Modernization

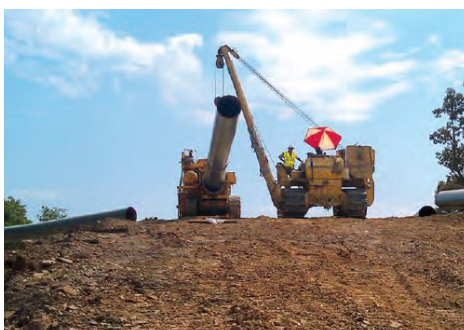


We entered into a [\\$1.5 billion joint venture with Caiman Energy II LLC](#) called [Blue Racer Midstream LLC](#). Blue Racer will provide gathering, processing, fractionation, transportation and marketing services to natural gas producers operating in the Utica shale. Blue Racer has already begun construction of Natrium Phase II, which doubles the processing capability at Natrium, and has several other projects already announced.

Modernizing Our Gas & Electric System

The third leg of our regulated investment program is modernizing aging gas and electric infrastructure that in some cases dates to the 1960s. We must address any weak links in our pipe and wire networks and our generating fleet to ensure that our customers are receiving safe, resilient and reliable energy at all times.

2012 Highlights



At Dominion East Ohio, our natural gas distribution business, we expect to spend about \$160 million annually over the next five years as part of our [Pipeline Infrastructure Replacement Program](#). When the program began in 2008, the \$2.7 billion, 25-year program identified more than 4,000 miles of older pipelines for replacement to ensure continued safe and reliable delivery of gas service to our customers.



Dominion Virginia Power made good progress in its \$20 million [Neighborhood Transformer Replacement Program](#). Our goal is to replace more than 3,000 older electric transformers with new ones before problems occur. Through 2012, we had replaced about 2,300 transformers, with 800 more replacements scheduled for 2013. Other electric distribution system improvements include circuit reconditioning, cable replacement and tree trimming projects.

Regulated Infrastructure Investments

5-Year Planned Growth Capital Expenditure Summary ¹

Investment Area	2013 - 2017
Power Generation	\$4.0 billion
Electric Transmission & Distribution	\$4.5 billion
Gas Transmission & Distribution	\$2.2 billion
Liquefied Natural Gas Export Project	\$3.4 - \$3.8 billion
Total Investment	\$14.1 - \$14.5 billion ²

¹ All planned capital expenditures subject to regulatory and/or board of directors' approval

² Figures may not add due to rounding

Energy Innovation



Dominion is developing the largest fuel cell power project in North America.

As part of our commitment to provide safe, clean and reliable energy, we drive innovation by researching and evaluating new and emerging energy technologies to assess their commercial viability and potential for building a more sustainable economy.

Alternative Energy Solutions

Dominion's Alternative Energy Solutions (AES) group serves as the company's clearinghouse for research, policy development and investigation of business opportunities related to renewable and alternative energy technologies.

AES consists of three departments:

- Research & Business Development
- Policy & Business Evaluation
- Financial Analysis & Management

In 2012, AES continued to support Dominion's activities in the areas of solar power, electric vehicles, offshore wind generation, and energy conservation through [voltage reduction](#). The group also expanded its research into other alternative technologies, such as fuel cells and energy storage.

Solar Partnership Program

In November 2012, we received regulatory approval to partner with our customers in studying the impact and benefits of solar power on our electric grid system. As part of this pilot project, Dominion will lease rooftop space on commercial, industrial and governmental facilities and install solar panels ranging in capacity from 500 kilowatts to 2 megawatts. Each site typically requires about 75,000 square feet or more of roof area. Electricity produced by these solar installations will flow back to the power grid and supply enough electricity for 6,000 homes.

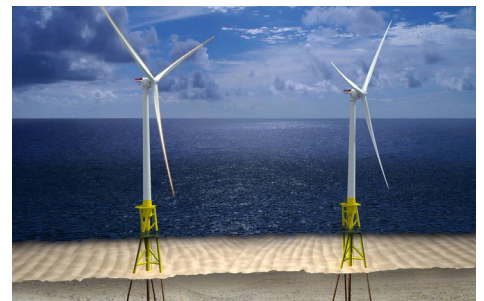
Offshore Wind

Offshore wind energy has great potential, and the AES group is leading Dominion's efforts to evaluate this green resource. We already have completed two studies on the feasibility of connecting offshore wind generation to Dominion's onshore transmission grid at Virginia Beach, Va.

In December 2012, a private/public collaborative led by Dominion was one of seven projects selected by the U.S. Department of Energy to receive a \$4 million award to engineer, design and permit an offshore wind turbine demonstration facility off the coast of Virginia. Three finalists will be selected by DOE to receive up to \$47 million in federal funding over a four-year period to design, install and gather operational data from their offshore wind facilities.



The [Dominion Bridgeport Fuel Cell](#) in Connecticut will produce 14.9 megawatts of clean energy – enough to power about 15,000 homes.



Energy Innovation

Dominion plans to participate in a 2013 federal auction of commercial lease blocks off the Virginia coast for potential development of up to 2,000 megawatts of wind power – enough to supply 500,000 typical households.

Fuel Cell Technology

Dominion is developing the largest fuel cell power project in North America. Located in Bridgeport, Connecticut, the clean-energy facility will produce almost 15 megawatts of electricity through a chemical reaction that converts natural gas to electricity. The project will support about 160 jobs over its 15-year life and is scheduled to begin operating in late 2013. Connecticut Light & Power will purchase the station's output from Dominion under a 15-year agreement.

Dominion Resources Innovation Center

Formerly the Green Tech Incubator, this advanced technology center provides mentoring and other support services to early-stage companies in a wide range of industrial sectors. The [Innovation Center](#) also sponsors a “tech challenge” start-up competition for emerging and second-stage technology or knowledge-based entrepreneurs looking for help in moving their ideas from concept to market. Participants in this annual contest compete for a coveted \$10,000 first prize, plus free rent and other prizes.



Virginia RPS R&D Program

Thanks to a 2012 law enacted by the Virginia legislature, utilities such as Dominion are now allowed to meet up to 20 percent of their Renewable Portfolio Standards targets by investing in qualified R&D projects – either on their own or in partnership with others. Beginning in 2013, Dominion plans to partner with 11 universities in Virginia and provide \$1.6 million in funding for a variety of renewable energy and alternative technology projects, including advanced solar cells, biomass resource optimization, onshore and offshore wind public policies and sustainability issues.

Supplier Diversity



We support diversity in the supply chain to promote collaboration and innovation, leverage the best talent in the community and provide superior value for our customers.

Our Approach

The companies that provide us with goods and services are important to our sustainability. Our business is supported by a diverse population, and we believe we have a responsibility to reciprocate. As a result, we set rigorous annual goals for spending with diverse suppliers, and we set clear expectations of our procurement teams and business leaders and assign responsibilities for meeting our goals.

In all cases, our partnerships with diverse suppliers translate into economic growth and increased employment opportunities in the communities we serve. The products and services we receive range from equipment and hardware to construction services and environmental consulting.

We actively partner with government agencies, minority business groups, and advocacy organizations to develop sourcing opportunities for diverse suppliers. In many cases, Dominion employees hold important leadership positions with these organizations.



BUSINESS

27%

Increase in diverse supplier spending 2011-2012



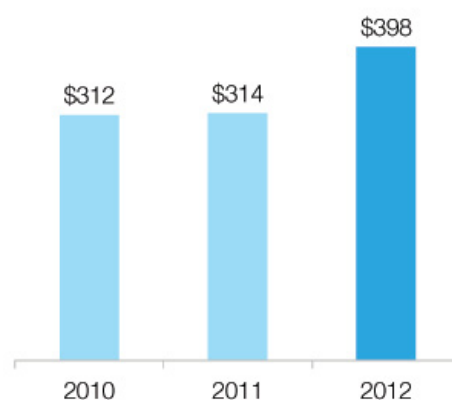
BUSINESS

6

awards received by Supplier Diversity/Supply Chain team for support of small businesses

Total Diversity Spending

2010-2012 (in millions)



2012 Highlights

Despite continued weakness in the economy, our 2012 spending with diverse suppliers increased by about 27 percent from the previous year, to \$398 million from \$314 million.

Our award-winning Supplier Diversity team also created and managed a successful "mentoring and match-making" program that focused on educating suppliers about Dominion's business and our procurement process. Supplier engagement with Dominion procurement professionals concerning ongoing and planned projects can lead to bidding opportunities and valuable business partnerships.

Supplier Diversity Spending

2010-2012

	2010	2011	2012	(+/-) 2011 TO 2012
Diversity Spend Goal	\$265M	\$300M	\$340M	13.3%
Total Supplier Spend	\$4.2B	\$4.3B	\$4.4B	4.1%
Total Diversity Spend	\$312.1M	\$314.2M	\$397.8M	26.6%
% of Diversity Goal Met	117.7%	104.7%	117%	11.7%
% of Diverse Spend to Total Spend	7.4%	7.4%	8.9%	21.7%

Workplace

SAFETY

Safety is a core value and our top priority. Strong safety performance is the gateway to sustainable operational and financial excellence. It is the glue that holds everything together.

COMPENSATION & BENEFITS

We offer a competitive and integrated total rewards package, including base pay and annual and long-term incentives designed to attract, motivate and retain the best and brightest.

DIVERSITY

We believe diversity is essential to our future as a sustainable business enterprise. We value diversity and inclusion as a strategic asset and an important expression of our core values.

EMPLOYEE ENGAGEMENT

An engaged workforce drives organizational performance and builds commitment to the company's strategic goals and mission. The more engaged our employees, the safer, more productive and customer-focused they will be.

WORKFORCE PLANNING

Workforce challenges, including the Baby Boom retirement wave, could have an even greater impact on our sustainability than technology, commodity prices, or any number of other important concerns.



Employee Safety



[Safety](#) is a [core value](#) at Dominion and our top priority. We believe that strong safety performance is the gateway to sustainable operational and financial excellence. It is the glue that holds everything together. Our goal is clear: return employees home safely at the end of the day, every day.

Only when we work safely can we achieve the level of operational and financial success that we need to be a recognized industry leader. That is why our “zero tolerance” for injuries is the only acceptable standard of performance.

Key to success

By putting safety first and by focusing on continuous improvement, we create a strong foundation for personal well-being and superior performance by the company. We attribute our success to a number of factors:

- Relentless safety focus and engagement by senior management and employees;
- Strong emphasis on individual responsibility, performance and accountability;
- Commitment to core safety activities, such as pre-job briefings, safety observations and regular safety meetings; and
- Comprehensive and frequent employee communications about safety, including print and electronic media and face-to-face meetings with company leaders.



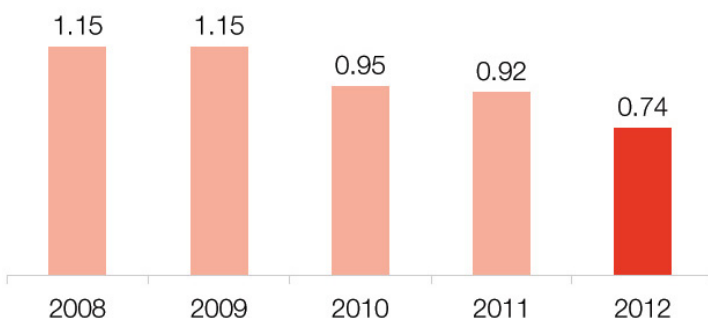
A Safety and Emergency Response Training team demonstrates the proper way to use a fire extinguisher at one of the company's power stations.

Employee Safety

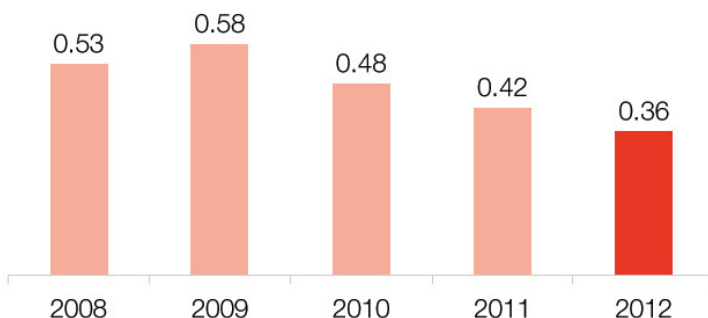
2012 Safety Performance

Safety: Our Top Priority

OSHA Recordable Incident Rates*



OSHA Lost-time/Restricted Duty Rates



*Incident Rate = Number of Recordables per 100 Employees Each Work Year

5-Year Safety Performance Table

2008-2012

Year	FTEs *	Man-hours (millions)	OSHA Rec. Incidents	Fatalities	Lost-Day Cases
2008	17,931	35.8	206	0	40
2009	17,842	36.0	209	0	45
2010	15,674	31.5	155	0	44
2011	15,820	32.9	147	0	33
2012	15,569	31.2	117	0	33

* Full-time equivalents

Health and Wellness

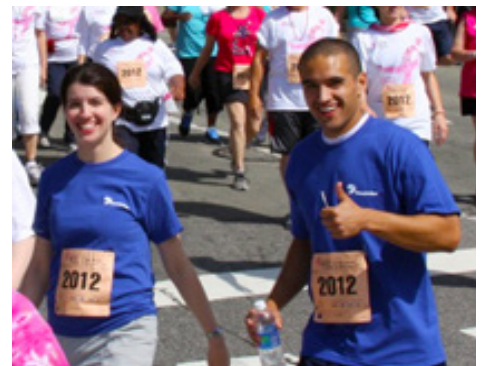


Our goal is to make Dominion a place where employees not only make a living, but also have a healthy, well-rounded life. To that end, we provide our employees and their dependents with a portfolio of wellness offerings and health management services to encourage preventive care and to support work/life balance.

We value wellness for the same reasons we value peak performance in all areas of our business: healthy employees tend to be the safest and most productive workers. And studies show that a healthier workforce can mean significant cost savings for both the company and employees.

Some of our Health & Wellness and Work/Life Initiatives include:

- Health plans (medical, prescription drug, dental and vision benefits as applicable)
- Medical premium credit for employees who participate in health screening and assessment program
- Medical gaps-in-care outreach program
- Employee assistance program and work/life services
- Fitness centers and health club discounts
- Life insurance/accidental death and dismemberment insurance, long-term disability
- Pre-natal risk management program
- Child care and elder care
- Adoption assistance
- Employee discounts
- Flexible work arrangements
- Student scholarships and work programs



Compensation and Benefits



We offer a competitive and integrated total rewards package designed to attract, motivate and retain top talent.

Dominion's compensation package includes a combination of base pay, annual incentives and long-term incentives designed to reward strong performance. We benchmark our compensation package against peer companies to make sure it is fair and equitable, competitive and aligned to support our business objectives. We also negotiate in good faith with union leaders regarding the employment terms and conditions of employees represented by unions.

Annual Incentive Plan

The company's Annual Incentive Plan (AIP) is designed to provide a clear line of sight from individual employee performance to the company's financial results – and reward employee contributions to Dominion's success.

The AIP is a cash-based program focused on short-term goal accomplishment. It is designed to link the interests of our customers, shareholders and employees. The AIP also helps reinforce the importance of Dominion's core values and focus the workforce on corporate, operating group, team and/or individual goals.

Employees can monitor the status of their goal performance throughout the year using a convenient online tracking and scoring system.

Financial rewards are not the only ones that matter to employees. We also offer a comprehensive suite of benefits that fit different needs and lifestyles, some of which are described below.

Benefits Summary

- A pension plan with company-paid retirement benefits for eligible employees;
- A 401(k) retirement savings plan with company matching funds;
- A comprehensive package of health benefits, including medical, prescription drugs, dental, vision, life insurance and disability benefits;
- Online investment advice and personal asset manager through a third-party vendor;
- Retiree medical benefits for eligible employees;
- A tuition reimbursement program
- Time off – paid holidays, personal days, vacation and sick leave
- Family and medical leave
- Healthcare and dependent care spending accounts
- Numerous health and wellness and work/life balance initiatives (See [Health & Wellness](#))

Diversity & Inclusion



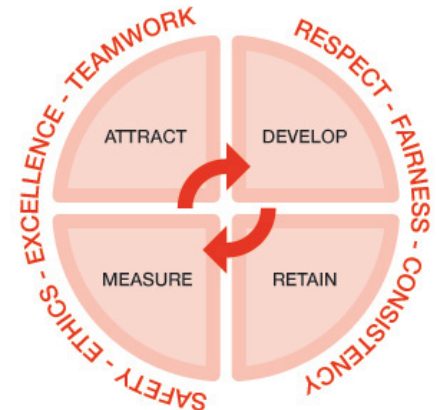
We believe a diverse workforce supports our core values – safety, ethics, excellence and teamwork – and is essential to the sustainable success of our business. We are committed to an inclusive work environment that helps attract, develop and retain the best and brightest team members.

Workforce Diversity Strategy

- **ATTRACT** talented and qualified individuals that reflect the diverse communities we serve;
- **DEVELOP** employees for successful careers and fill the leadership pipeline with those who reflect the diversity of our workforce and communities;
- **RETAIN** talented and motivated employees; and
- **MEASURE** progress and promote accountability at all levels to ensure success.

Workforce Diversity at Dominion

	2012	2011	2010
Total # of employees	15,513	15,820	15,674
Percentage ethnic minorities (work force)	16.9%	16.9%	16.9%
Percentage ethnic minorities (management)	9.7%	9.9%	9.8%
Percentage women (work force)	21.1%	21.2%	21.3%
Percentage women (management)	15.9%	15.5%	14.7%
Percentage union membership	37.1%	37.5%	37.8%




WORKFORCE

Our Guiding Diversity Principles

RESPECT

FAIRNESS

CONSISTENCY

RELATED VIDEO:
[Diversity Rap](#)

Engagement & Recognition

An engaged and motivated workforce drives organizational performance. We know the more engaged our employees, the safer, more productive and customer-focused they will be – and also the more committed to the company’s strategic goals and mission.

Our employee engagement and recognition programs strive to balance the company’s business needs with our employees’ desire to grow professionally in their careers. The guiding principles of this evolving model include:

- **Communications** that align company and employee needs and reinforce our mutual commitments and responsibilities;
- **Performance and accountability** that emphasize results and define and measure success at every organizational level;
- **Development** initiatives that identify and grow leadership capacity and career path potential; and
- **Recognition** programs and awards that honor and encourage outstanding job performance, innovation and community service.

Our approach to employee engagement is focused on continuous improvement and finding new ways to boost engagement levels in keeping with ever-changing business conditions.

A sampling of the many channels we use to engage employees include the following

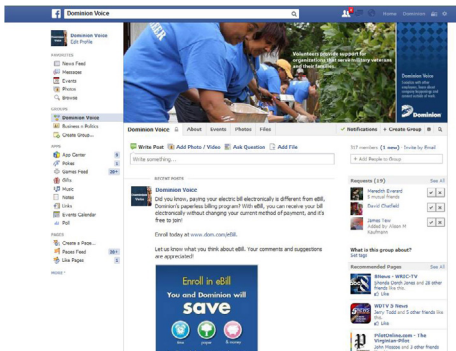
- Regular print and electronic communications
- Face-to-face meetings with senior management
- Awards/recognition banquets
- Wellness blogs
- Volunteer opportunities
- Company-wide “lunch and learn” sessions
- Online “Live Wire” executive updates and other educational opportunities



Connect Magazine - employee publication.



CEO Tom Farrell thanks volunteers for their community service.



An official employee Facebook page, “Dominion Voice,” facilitates engagement and networking outside of work. Our Employee Communications team maintains the site and publishes news, community events, volunteer projects, discussion topics and videos. All other content is employee-driven.

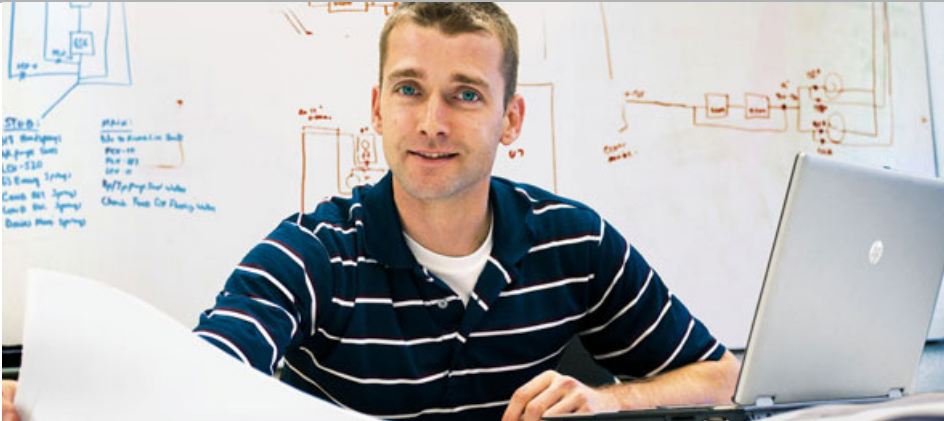
Specific to sustainability, a cross-functional

Employee Sustainability Team engages the workforce in helping to implement our programs and share information about sustainability across the organization.

We also offer a “Sustainability Speakers Series” that features external experts who share best practices and experiences with our employees.

RELATED VIDEO:
[Volunteers of the Year](#)

Professional Development



RELATED VIDEO:

[Engineering at Dominion](#)

We strive to offer our employees wide-ranging opportunities for sustained career growth and fulfillment. From informal mentoring to formal classroom instruction for new hires and seasoned veterans alike, we provide targeted work-related training and development opportunities to our team members.

Training and Development Tools

We use a variety of training and development tools to make sure our employees have the knowledge base and skill sets needed to optimize their performance and prepare for future career opportunities, including:

- In-house, instructor-led training programs
- Webinars
- e-Learning instruction modules and other virtual learning experiences
- On-the-job development experiences
- Job rotations and shadowing
- Company-wide “lunch and learn” sessions
- E2 Learning Model (employees training employees)
- Tuition reimbursement program

Performance Appraisal Process

The annual performance appraisal process has three goals:

- Set expectations, objectives and measurement criteria for the coming year’s performance;
- Provide feedback on the past year’s performance, focusing on accomplishments and how expectations and objectives were met;
- Create a *Performance Development Plan* to improve or leverage performance.

Career Planning e-Tool

Our career development website provides tools and resources to assist with the career planning process. Online career assessments, discussion guides, interviewing tips, and mentoring and development guidance are available to help employees chart their career development path.

In 2012, we introduced a new video resource, *One Dominion, Many Careers*, to highlight different career opportunities around the company.

Workforce Planning



The Baby Boom retirement wave presents us with significant workforce planning challenges, including recruiting, retaining and developing the next generation of company leadership.

These challenges could have an even greater long-term impact on our business than technology, commodity prices, or any number of other important concerns. In response, we have developed a workforce readiness model to provide us with a roadmap for navigating the workforce challenges we face.

Workforce Readiness Model

- Linking with our business strategies
- Defining workforce needs to support those strategies
- Identifying workforce gaps
- Devising solutions to address:
 - Sourcing and recruiting talent
 - Managing the transfer of knowledge
 - Developing and managing employees
 - Strengthening reward and retention programs and policies

Following this model, we have implemented strategic and innovative approaches to hiring, training and retaining employees, promoting diversity, managing performance and implementing career development plans.

Recruitment

We are using multiple tools to develop a talent pool for critical craft and professional jobs, from both traditional and non-traditional sources:

- The Internet and [social media](#);
- Career fairs;
- Visits to college campuses, high schools and military installations;
- Career development workshops;
- Corporate image advertising; and
- Scholarships and internships, among others.



WORKPLACE

126

veterans hired in 2012
via Troops to Energy Jobs



WORKPLACE

NO. 22

Dominion's rank "Top 100
Military Friendly Employers"
G.I. Jobs magazine

RELATED VIDEO:

[Dominion Mobile Career Center](#)

Workforce Planning

Dominion partners with the educational community by supporting [capital campaigns](#) and providing [scholarship funds](#) to K-12 and post-secondary schools. We target our giving to the areas of science, technology, engineering and math – essential fields of study in our workforce.

We also sponsor a summer [internship and co-op student employment program](#) that gives students valuable work experience and exposure to the workings of a large corporation. At the same time, it serves as an important recruitment tool for the company.

Military and Veteran Recruiting

[Military and veteran recruiting](#) is a special focus area at Dominion. In 2012, our company was again recognized as a private-sector leader in helping veterans and their families find and keep jobs in the civilian workforce by a number of publications serving the military, including *GI Jobs*, *Military Times* and *U.S. Veterans* magazines.

In 2011, we were one of six utilities nationwide that partnered in a two-year pilot program designed to link future job openings in the energy business with troops leaving military service. The program is called “[Troops to Energy Jobs](#).”

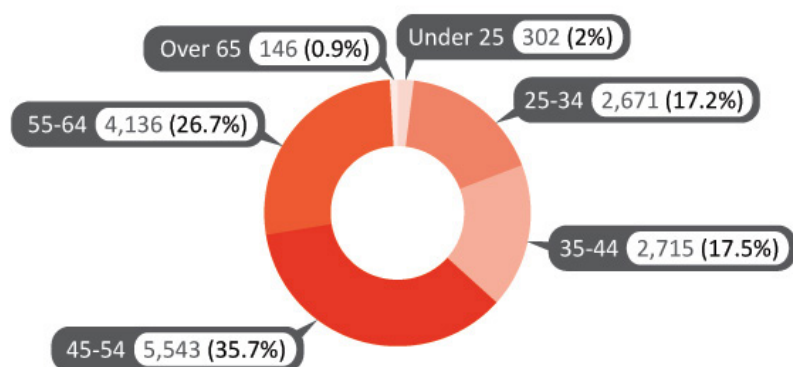
According to the U.S. Department of Veterans Affairs, 190,000 to 200,000 active-duty personnel will separate from the military annually over the next quarter-century. The overall jobless rate for veterans is approximately 30 percent – well over three times the national average.

The Troops to Energy Jobs program will help identify specific utility personnel needs, training and educational requirements for former military personnel, as well as ways to streamline the pathway from military to civilian energy jobs.

Dominion currently employs about 1,300 veterans in 14 states. The company also has a website specifically dedicated to recruiting current and former members of the military. The website offers transition tools and informational videos.



Workforce by Age – 2012



Labor Relations



WORKPLACE

37%

of Dominion employees are represented by 8 collective bargaining units in 9 states

Dominion respects and recognizes the right of its employees to bargain collectively through representatives of their own choosing for rates of pay, wages, hours of employment, working conditions, and other employment-related issues.

At the end of 2012, more than one-third of our workforce was represented by eight separate bargaining units across a nine-state area. Dominion recognizes these unions as the exclusive representatives of these employees. The company bargains collectively with them in accordance with the National Labor Relations Act and the highest ethical standards.

Our unions include:

- IBEW Local 50 – Dominion Virginia Power/North Carolina Power
- UWUA Local 69 – Dominion Transmission/Dominion Hope
- UWUA Local 310 – Manchester Street Station
- UWUA Local G555 – East Ohio Gas
- IUOE Local 420 – Kewaunee Station *
- UWUA Local 464 – Brayton Point Station*
- IBEW Locals 326 & 486 – Brayton Point Station *
- IBEW Local 15 – Kincaid Station*

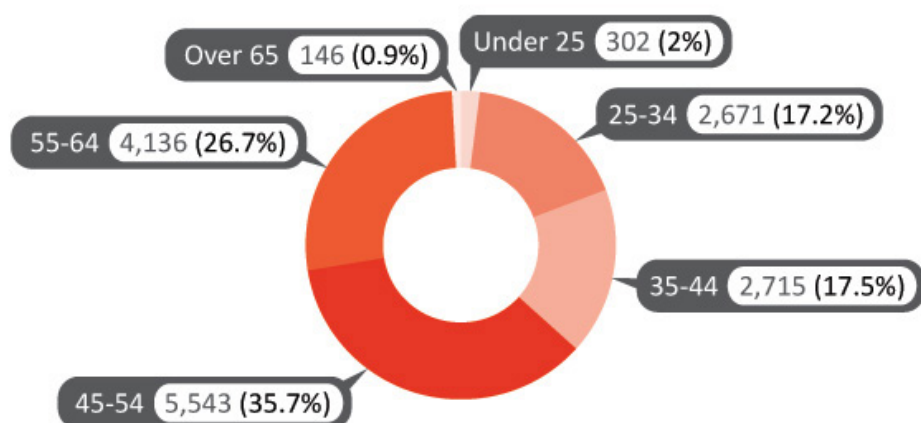
**Denotes merchant facilities that are closing or being sold due to increased environmental regulatory costs and/or unfavorable market conditions.*

Workforce Demographics

Workforce Diversity at Dominion

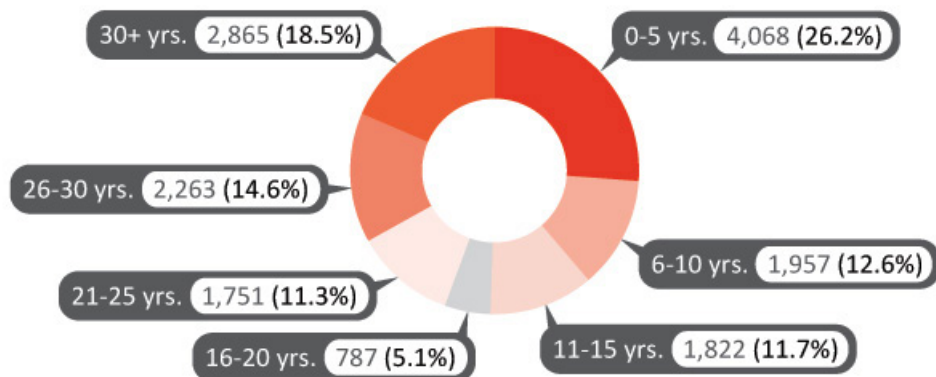
	2012	2011	2010
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Percentage ethnic minorities (work force)	16.9%	16.9%	16.9%
Percentage ethnic minorities (management)	9.7%	9.9%	9.8%
Percentage women (work force)	21.1%	21.2%	21.3%
Percentage women (management)	15.9%	15.5%	14.7%
Percentage union membership	37.1%	37.5%	37.8%

Workforce by Age – 2012



Workforce Demographics

Workforce by Tenure – 2012



Workforce by Business Unit – 2012*

Business Unit	#	%
Dominion Virginia Power	4,005	26%
Dominion Energy	3,064	20%
Dominion Generation	5,952	38%
Dominion Services Company	2,492	16%
DOMINION TOTAL	15,513	100

*Excludes student workers, contractors and credit union workers

Workforce Turnover

2010-2012*

	2012	2011	2010
Women	5.1%	5.5%	19.0%
Minorities	5.9%	5.1%	17.0%
Dominion All	5.1%	4.2%	17.8%

*Resignations, Dismissals, Retirements, Severance Packages, Other

Customers & Community

CUSTOMER SERVICE & SATISFACTION

Customer care is a core responsibility at Dominion. Our focus is helping customers manage their energy costs and making it convenient to do business with us.

GREEN POWER PROGRAM

Dominion Green Power® gives our Virginia customers a practical and economical way to voluntarily support the delivery of renewable energy to the regional power pool.

EMERGENCY PREPAREDNESS

Emergency planning, preparation and response programs enable trained personnel to identify, evaluate and manage through a wide variety of potential emergencies and major events, including those caused by severe weather and equipment malfunctions.

PHILANTHROPY

We view charitable giving as an integral aspect of good corporate citizenship. The Dominion Foundation actively pursues opportunities to meet demonstrated community needs that align with our business interests.

ECONOMIC DEVELOPMENT

Nothing is more critical to the sustainable success and stability of the economy than abundant and reliable energy. Our mission is to meet these expectations – and do so in an environmentally responsible manner.



Service Reliability



Reliable service is one of the things our customers tell us they value the most. Our goal is to meet those expectations and deliver outstanding and affordable service on a consistent basis.

The reliability of our energy networks is vital to our customers' well-being and to the functioning of our economy. Quantitative metrics provide us with an objective basis for evaluating our service delivery over time.

Whether it is electricity or natural gas service, our goal is to get customers back on line as quickly and as safely as possible while providing them with timely and accurate information about their service status. Electronic outage management systems pioneered by Dominion and other technology-based tools support the physically demanding work of our field crews who re-route gas lines and re-string power lines under potentially hazardous conditions.

Electric Service

For our electricity customers, the key performance measure is how well we do at keeping the lights on. Frequent or long power outages frustrate customers and damage our reputation for quality service. Outages also drive up our costs, which ultimately results in higher electric bills for our customers. That is a lose/lose scenario – one that we work hard to avoid.

The nationally recognized reliability and operational efficiency standard we use to measure performance in this area – how well we keep the lights on – is the System Average Interruption Duration Index (SAIDI), excluding major storms. This index represents the average number of non-major storm outage minutes our customers experience each year.

Dominion uses three-year SAIDI averages to assess our performance over time and to smooth out any peaks or valleys that can result from either an extreme number of severe weather events, or the lack of them, in any given year.

Under this index, service reliability has improved significantly over the past 7 years.



CUSTOMERS &
COMMUNITY

2012 SERVICE RESTORATION AWARDS

EDISON ELECTRIC INSTITUTE

***"Emergency Recovery
Award"***
(Summer windstorms in VA)

***"Emergency Assistance
Award"***
*(Hurricane Sandy aid in NY
and NJ)*

RELATED VIDEO:
[Dominion Social](#)

RELATED VIDEO:
[Dominion Storm Patrollers](#)

Service Reliability

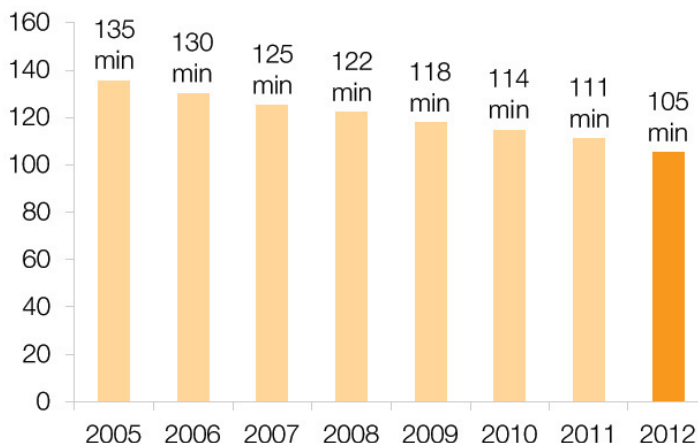
Mobile Device Outage Communications

2012 marked the first year our electric customers could use mobile phones to report and check the status of power outages during a major storm.

The launch of the mobile project took place on October 17, 2012. Ten days later, Superstorm Sandy hit. Nearly 30,000 outages were reported or checked by our customers through the company's new mobile website – about 17 percent of the total – and more than double the level typically experienced by utilities during the first year of a smart device outage reporting option.

Steady Improvements in Electric Reliability

Average Customer Minutes Out (excluding Major Storms) 3-year Rolling Average



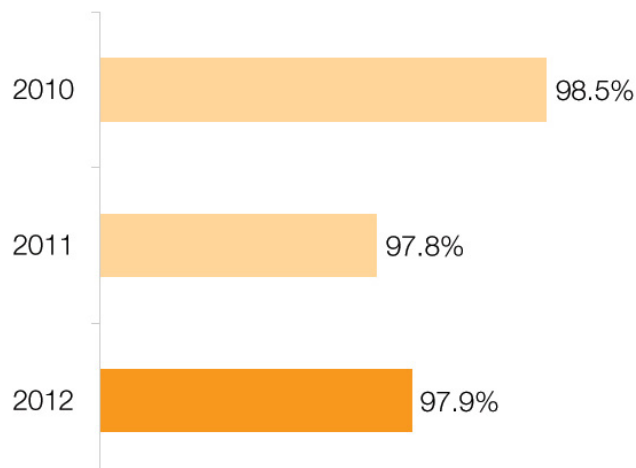
Natural Gas Service

On the gas distribution side of our business, service disruptions may result from pipeline pressure losses and fluctuations in flow rates that signal a gas leak in the system, or from third-party damage to mains or service lines.

Our service teams at Dominion East Ohio and at Dominion Hope (West Virginia) respond to customers' outage-related service requests as quickly as possible. We measure our emergency response performance in 15-minute increments, from receipt of a service call request to time of arrival at the customer's home or business.

In 2012, we responded to 97.9 percent of all emergency calls within 60 minutes, a slight improvement in our response rate from the previous year.

Natural Gas Delivery Emergency Response Rate, 2010-2012 (Receipt to Arrival Within One Hour)



Customer Service and Satisfaction



CUSTOMERS & COMMUNITY

45%

improvement in average response time to customer inquiries at Dominion East Ohio gas distribution business

Customer care is a core responsibility at Dominion. Our focus is helping customers manage their energy costs and making it convenient for them to do business with us.

Technology Drives Service Enhancements

Technology-driven process improvements provide a valuable tool for enhancing the services we provide customers, while reducing costs at the same time. We take full of new technological applications that give customers more opportunities to understand the value of their energy dollar and make smart choices about their energy use – key factors in boosting satisfaction levels.

Our emphasis continues to be placed on maximizing customer convenience through the company's "[Manage Your Account](#)" online tools. Customers can turn service on or off, make payments, and sign up for eBill, for example.

Social Media

Social media now account for the highest percentage of online activities, according to market researcher E Source. [Social media](#) became mainstream customer communications tools at Dominion in 2010, and we are continuing to refine the use of this space to provide information that customers tell us they care about – things like energy-saving tips, our community involvement, environmental preservation initiatives and storm-related outage information.

In 2012, we launched a new mass communication tool – a [mobile website](#) – to help our customers manage their service and get information quickly and conveniently. For example, the "click to call feature" allows customers to easily access call systems in our electric and natural gas customer care centers. This application provides a solid platform on which we can build other services for mobile devices in the future.

Traditional Communications

Even with today's growing range of technology channels, many customers still prefer to use the telephone to communicate with us. For example, Dominion Virginia Power receives about 7 million calls a year. Four million of them are handled by our Customer Care and Energy Management group. More than 3 million self-service transactions are completed through our interactive voice response systems. We also respond to about 70,000 customer emails each year.

RELATED VIDEO:
[Mobile Outage Reporting](#)

Privacy Policy

We have a duty to maintain the privacy and confidentiality of our customers' personal information, including such things as social security numbers, account numbers and energy usage. It is Dominion's policy not to share customer information with third parties unless the customer provides advance written consent authorizing the disclosure.

Customer Service and Satisfaction

Performance

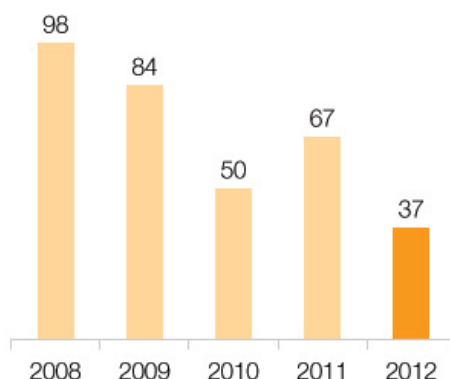
The key performance measure we use to assess our level of customer call accessibility and responsiveness is "Average Speed of Answer," or ASA – a recognized performance indicator in the national call center industry.

At Dominion East Ohio and Dominion Hope (West Virginia), our natural gas distribution units, we measure ASA on an annual basis and have improved the average ASA by 62 percent since 2008, from 98 seconds to 37 seconds in 2012. In the past year, average call response time declined by about 45 percent from 2011, from 67 seconds to 37 seconds.

At Dominion Virginia Power, our electric distribution unit, we use a rolling three-year ASA to gauge trends in our levels of customer service, just as we do with our service reliability measures. From a 2003-2005 baseline, our ASA improved by 54 percent, from 73 seconds to 40 seconds during the 2009-2011 period.

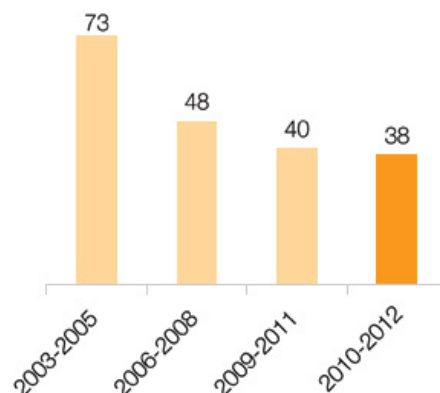
Natural Gas Distribution Customer Inquiries

Average Speed of Answer (seconds)



Electric Distribution Customer Inquiries

Average Speed of Answer (seconds)
3-Year Averages



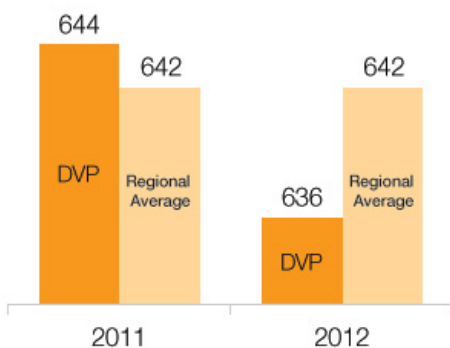
Customer Satisfaction Benchmarks

Dominion Virginia Power's score slipped 8 points in the 2012 edition of J.D. Power and Associates "Utility Residential Customer Satisfaction Study." We scored 636 on a 1,000-point scale compared to our 2011 score of 644. The 2012 regional average for large and mid-sized utilities was 643.

In the American Customer Satisfaction Index, we scored 80 on a 100-point scale, up three points from 2011 and four points above the national utility average. For comparison purposes, the top-ranked company in our sector scored an 83 last year.

J.D. Power Customer Satisfaction Score

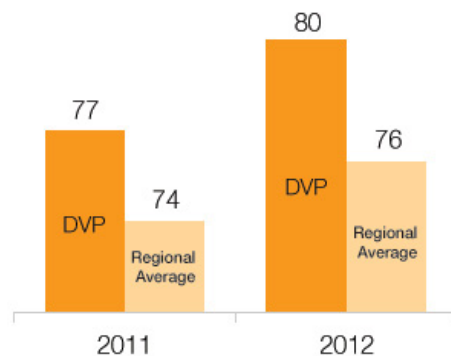
2011 and 2012 [Scale = 1,000]



Source: J.D. Power & Associates, 2012
"Electric Utility Residential Customer Satisfaction Study," South Region.


American Customer Satisfaction Index

2011 and 2012



Source: ACSI Benchmark, Electric Utility Sector, April 2012.

Energy Conservation



CUSTOMERS & COMMUNITY

3.8million kWh

of electricity saved by low-income Virginia customers enrolled in the Income Qualifying Home Improvement Program

We are partnering with our customers to help them make informed choices and manage their energy use more efficiently, control costs and preserve environmental quality.

RELATED VIDEO:
[Dominion Winter Energy Saving Tips](#)

Dominion East Ohio

At Dominion East Ohio beginning in 2013, we are investing \$10 million a year in conservation and energy efficiency programs for our customers. Of that annual total, \$6.5 million is targeted to home weatherization programs for qualified low-income customers administered by the Cleveland Housing Network.

The DSM (demand-side management) Collaborative, comprised of Dominion East Ohio, the staff of the Public Utilities Commission of Ohio, consumer advocates and other interested stakeholders, continues to review new energy conservation opportunities. Based on input from the DSM Collaborative, we are investing \$3 million annually in a residential retrofit program called "[Home Performance with Energy Star](#)."

We offer this program in partnership with GoodCents, an independent service provider. It features a home energy assessment performed by qualified auditors. A \$50 assessment fee can be credited toward the cost of any recommended efficiency upgrades, including such things as furnace replacement, water heater insulation or replacement, attic and wall insulation, new thermostats, window replacement and instrumented air sealing.

Working in partnership with the Council of Small Enterprises, a non-residential energy audit program was established this year. We are investing \$500,000 annually for the next three years in this program, which provides a no-cost energy audit for small businesses.

RELATED VIDEO:
[Heat Pump Tune-Up Program](#)

Dominion Virginia Power

On the electric side of our business, we received regulatory approval in May 2012 to add a bundled package of four residential and three commercial programs for a five-year period to our existing [energy conservation offerings](#). The new programs include the following:

Residential

- Home Energy Check-Up
- Duct Testing & Sealing
- Heat Pump Tune-Up
- Heat Pump Upgrade

Non-residential

- Energy Audit
- Duct Testing & Sealing
- Distributed Generation

On August 30, 2013, we filed for regulatory approval of three additional non-residential programs.

Energy Conservation

Existing Residential Programs (also available in North Carolina)

Income Qualifying Home Improvement. Eligible customers receive an energy audit, educational materials and installed energy-efficiency improvements for their home free of charge.

Smart Cooling Rewards. Customers receive a cash incentive to allow Dominion to cycle their air conditioning system on and off during periods of peak demand.

Online Tools

We also provide a number of [web-based resources](#) to help our customers reduce their energy costs and use, including:

- [Energy-saving tips](#)
- [Energy calculators](#)
- “[Energy Star Kid](#)” games and activities that promote energy efficiency and environmental stewardship.

Green Power

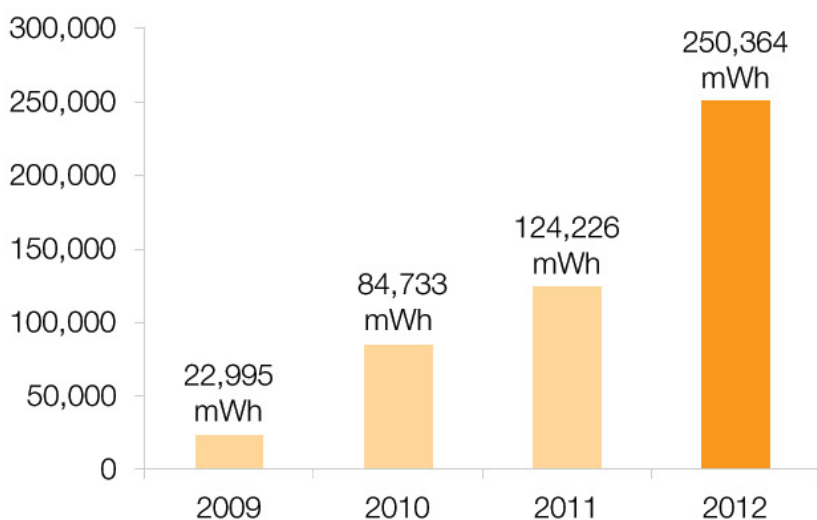


The Green Power® program offers our Virginia customers an easy and affordable way to voluntarily support the development and delivery of renewable energy to the regional power grid.

In 2012, we reached our goal of enrolling 15,000 participants in the [Dominion Green Power®](#) program, which was launched in 2009. Customer interest in supporting renewable energy through the program has grown rapidly. In 2012, for example, customer support increased by almost 102 percent above 2011 levels, to more than 250,000 megawatt-hours (mWh).

Growth of Dominion Green Power

(Customer-Directed Purchases of Renewable Energy, mWh)



CUSTOMERS & COMMUNITY

482,236 mWh

of renewable energy production supported by Dominion Green Power program, 2009-2012



CUSTOMERS & COMMUNITY

“TOP 10”

ranking on 2012 list of leading utility green power programs, National Renewable Energy Laboratory

What Are Renewable Energy Certificates?

A Renewable Energy Certificate (REC) is a guarantee that one megawatt-hour of renewable energy was produced and delivered to the regional power grid. When Dominion buys RECs on behalf of its customers through the Dominion Green Power program, we are buying the right for our customers to claim the environmental benefits that were created by adding that renewable energy to the power grid.

To ensure that customers get what they pay for, a unique serial number is assigned to each REC. Independent tracking systems ensure that the REC is used only once. In addition, Dominion purchases only Green-e Energy certified RECs, which guarantees that the company purchased the correct amount of RECs on behalf of its customers and that the RECs were not used for any other purpose or sold to anyone else.

Green Power

Program Features

We purchase Renewable Energy Certificates (RECs) on behalf of our Virginia customers who enroll in the Dominion Green Power program. These RECs are purchased from wind, solar and biomass facilities, and the additional cost is added to the customer's monthly electric bill. RECs purchased for the Dominion Green Power program are separate from and in addition to those purchased by the company to meet state Renewable Portfolio Standard targets.

Our customers can choose between two Green Power options in order to support renewable energy:

- **100 Percent Option:** For as little as 43 cents per day, customers can match 100 percent of their home electricity use with renewable energy by directing us to purchase RECs on their behalf at a cost of 1.3 cents per kilowatt-hour. (A typical household using 1,000 kWhs per month will add \$13 to its monthly electric bill).
- **Block Option:** Customers can purchase RECs in fixed increments. Each \$2 block purchased supports 154 kWh of renewable energy.

For a typical residential customer, participation in the 100 percent option for one year will reduce carbon dioxide emissions equal to removing one-and-a-half cars from the road for 12 months.

Our program is certified by [Green-e® Energy](#), the nation's leading independent consumer protection program for renewable energy sales.

For our 115,000 customers in North Carolina, we support the [NC GreenPower](#) initiative, which allows customers to add voluntary tax-deductible contributions to their electric bills. These funds are used to promote renewable energy development in the state.

Smart Meters



RELATED VIDEO:
[Smart Pricing](#)

RELATED VIDEO:
[Smart Meter Overview](#)

[Smart metering](#) and other smart grid applications are central to our conservation initiatives and could provide significant energy savings for our customers over time.

Improving Efficiency, Reducing Costs

We have been demonstrating the benefits of smart meter technology since 2009. To date, we have surpassed 100,000 installations at customer residences in Virginia.

The additional data this digital technology allows us to collect helps optimize voltage levels for more consistent electricity delivery and sustained reliability for customers. It also means more efficient use of the fuels we use to generate power, which reduces our operating costs and benefits the environment as well.

In addition to voltage conservation, smart meters enable us to remotely turn on and turn off electric service for our residential customers – often within minutes of receiving the customer’s request. In the past, such requests had to be scheduled at least 24-hours in advance and required a technician to drive to the customer’s home to complete the request. Smart meters allow us to do the job remotely and quickly – and reduce our environmental footprint at the same time. More than 14,000 remote turn on/turn offs were completed in 2012.

More than 700 customers participated in our “[Smart Pricing Plan](#),” which offers variable electricity prices based on time of usage. Smart meters can measure energy usage in 30-minute intervals, allowing us to offer eligible customers different time-of-use pricing plans.

Public Health & Safety



There is no greater priority at Dominion than the health and safety of the public and our employees. That is why we work hard to maintain and improve the integrity and reliability of our energy infrastructure, our emergency preparations and our public communications.

Safety Information

Dominion is committed to protecting public health and safety and minimizing accidents involving electricity and natural gas. To that end, we make available to our [customers](#), [contractors](#) and the [educational community](#) an array of print, broadcast and electronic information resources designed to raise awareness about safety and potentially hazardous situations.

Social Media

[Social media](#) channels, such as YouTube, Facebook and Twitter, have become an integral part of our customer communications. We use them to engage with our customers and the public about safety, storm-related outages and other issues of interest.

During the first quarter of 2012, we used social media to launch our first [public safety contest](#) called “Be Safe Today.” We invited the public to submit videos promoting safety and sharing tips about safe driving and preventing accidents at home. The goal of the contest was to raise awareness by promoting dialogue about safety-related issues. We sponsored a similar contest for Dominion employees.

RELATED VIDEO:
[Live Wire Demonstration](#)

RELATED VIDEO:
[Ladder Safety](#)



A Dominion Virginia Power Safety & Training team member demonstrates the hazards of live power lines as part of a safety training program for first responders.



“Call Before you Dig” billboards have helped reduce by 30 percent third-party digging damage to Dominion East Ohio’s pipeline system.

Public Health & Safety

Partners in Safety

One way we work to promote public safety is to partner with [first responders](#), such as local fire departments, to make sure they understand the potential hazards of electricity and natural gas.

- **Electric safety.** In Virginia and North Carolina, Dominion Virginia Power's Safety & Training team uses a mobile, high-voltage line demonstration unit to instruct emergency responders, construction industry employees and the general public on the potential dangers of live power lines. Demonstrations are typically held at fire department training facilities and are manned by Dominion safety specialists.
- **Natural gas safety.** Gas Safety & Training specialists at our Dominion East Ohio unit partner with area firefighters at company fire-school facilities to provide training in extinguishing a variety of natural gas fires under controlled conditions. Each month, Dominion trainers also travel to area fire departments to provide "Partners in Safety" presentations on natural gas safety and carbon-monoxide awareness.

DEO's relationship with Ohio firefighters goes beyond collaborating during emergencies. Through the company's [charitable foundation](#), Dominion has provided \$250,000 in grants over the past five years for training and other programs that support fire departments throughout DEO's service area.

Nuclear Safety

Safety at [Dominion's nuclear stations](#) is a three-pronged approach and is our first and foremost commitment to protect the public health and safety. The company's nuclear safety policy makes clear states that every employee involved in the company's nuclear operations must have a profound respect for the safety of the reactor core and work proactively to prevent any and all nuclear events from occurring.

[Radiological and industrial safety](#) are also leading priorities at our nuclear stations. Radiological safety focuses on ensuring that workers minimize their exposure to radiation while working in areas where the potential for exposure exists. This includes adhering to long-established industry standards for keeping radiation exposure as low as possible.

Industrial safety focuses on following strict and rigorous safety practices and procedures to prevent on-the-job accidents and injuries. All of Dominion's nuclear stations have been certified as "[Voluntary Protection Program Star](#)" sites by the U.S. Occupational Safety and Health Administration. The VPP Star is OSHA's top designation for industrial safety.

Emergency Preparedness & Response



RELATED VIDEO:
[Hurricane Sandy Slideshow](#)

RELATED VIDEO:
[Emergency Preparedness Kit](#)

Emergency planning, preparation and response are key components of Dominion’s integrated, enterprise-wide risk assessment framework. Our emergency preparedness programs enable trained personnel to identify, evaluate and manage through a wide variety of potential emergencies and major events, including those caused by severe weather and equipment malfunctions.



A 38-foot, high-tech Mobile Command Center serves as the nerve center for a variety of emergency situations.

Crisis Planning & Response

We have developed a comprehensive and integrated Crisis Response, Business Resumption & Communications Plan. This plan is designed to ensure that we react swiftly and appropriately to manage crises, maintain or resume critical business functions, and communicate effectively with all stakeholder groups.

Under the direction of the company’s Chief Risk Officer, execution of this plan involves the participation of all employees and business groups. The plan is designed to fully integrate the preparations and response to ensure that best practices and lessons learned are applied consistently across the company.

Under the plan, more than a dozen drills and educational sessions are conducted annually to test all phases of crisis response: operations, communications and corporate support. These drills often include participation by emergency responders and other outside groups and are in addition to dozens of other business-unit or site-specific drills that focus on operational responses.

Two examples of the types of emergency planning we do are discussed below.

Storm Preparations and Planning

Our East Coast electric service area leaves us vulnerable to virtually every form of severe weather, from hurricanes to blizzards. With that in mind, Dominion Virginia Power and Dominion North Carolina Power regularly plan and drill to hone their storm response capabilities.

In 2012, we again demonstrated the value of our preparations. Two extreme [weather events](#) – a destructive band of severe summer thunderstorms dubbed a “derecho” and “Superstorm Sandy” – tested our ability to respond quickly and effectively. These events also provided valuable lessons in our efforts to continually improve our crisis planning and response.

Emergency Preparedness & Response

Business Resumption Planning

In 2012, we implemented a far-reaching business resumption planning and education initiative. Our goal is to make certain that all critical functions can be maintained or quickly restored under all circumstances. The company's Chief Risk Officer, as well as representatives from Corporate Security, Information Technology, Corporate Communications and the operating units oversee the effort.

Company business leaders are required to identify critical functions in their areas of responsibility and develop plans to ensure their timely resumption. They also must certify that their plans have been communicated to employees and drilled within the past year.

All Dominion employees are required to complete online awareness training. This training is designed to make sure employees know their business group's plans, understand their personal responsibilities, practice remote computer access procedures and make other preparations.

Our Goal: Continuous Improvement

Emergency preparedness is an evolving and ongoing initiative at Dominion. Every planning session, drill and real event provides lessons on how to improve. These lessons are captured and shared across the company to ensure they are applied where appropriate for the benefit of all of our stakeholders.

Energy Assistance Programs

Our energy assistance initiatives are designed to fill the gaps resulting from state and federal funding cuts for low-income heating and cooling assistance programs.

In our home state of Virginia, Dominion Energy Assistance Outreach representatives partner with social workers and public service agencies to host energy assistance and conservation fairs designed to raise public awareness about four types of available assistance:

- **Fuel assistance** to help eligible households pay their home heating bills;
- **Crisis assistance** to help individuals and families in heating emergency situations pay security deposits and utility bills, repair or replace heating equipment and fuel or find emergency shelter;
- **Cooling assistance** to help pay summer electric bills or buy and/or repair cooling equipment; and
- **Weatherization assistance** to help increase household energy efficiency and reduce air leaks.

EnergyShare

After more than 30 years, our signature EnergyShare heating and cooling assistance partnership program continues to help eligible customers in Virginia and North Carolina pay their energy bills. Over that period, the program has raised more than \$55 million in donations from employees, customers, businesses and civic organizations and helped more than 500,000 individuals and families stay comfortable in their own homes. In Ohio, EnergyShare helps pay natural gas bills for our customers.

In 2012, Dominion pledged \$4 million in support of EnergyShare in Virginia and North Carolina and \$500,000 in Ohio. Overall, about 21,000 families received EnergyShare assistance last year.

Fan Care

Fan Care, another Dominion-sponsored cooling assistance program, continued to assist elderly Virginia residents stay comfortable in their homes during the summer months.

For more than 20 years, we have teamed up with the Department for Aging and Rehabilitative Services to provide free fans to eligible seniors who live in our service area. More than 1,000 fans and 140 air conditioners were distributed to seniors in 2012.

Fan Care is funded by an annual grant of \$50,000 from The Dominion Foundation and administered by local area agencies on aging. A similar program for our North Carolina customers is administered by the North Carolina Division on Aging with a \$5,000 grant to the agency's "Project Fan Heat Relief" program.

Disaster Relief Assistance

2012 proved to be an unusually harsh year for weather-related events in many of the areas where we do business. In the wake of Superstorm Sandy and other powerful storms, for example, our charitable foundation provided more than \$200,000 in disaster relief grants to the American Red Cross and other agencies in 8 states where we have business operations.



CUSTOMERS & COMMUNITY

\$4.5 million

pledged by Dominion in support of EnergyShare assistance program

RELATED VIDEO:

[Dominion Energy Assistance](#)



When you contribute to EnergyShare, you're warming more than just hearts.

The ongoing generosity of Dominion customers and employees has helped us heat the homes of those who need help the most. The program is called EnergyShare, and assistance can be used for any kind of heat: oil, gas, kerosene, wood or electricity. In fact, for more than 30 years, EnergyShare has distributed \$60 million in contributions and helped more than 650,000 individuals. So we wanted to say thank you. Thank you for what you've given. Thank you for considering a gift to EnergyShare again this year. And thank you for helping so many people go to sleep in homes that are warm. For more information about how you can help, please visit [dom.com/EnergyShare](#).



Philanthropy



We view charitable giving as an integral aspect of good corporate citizenship. [The Dominion Foundation](#) actively pursues opportunities to meet demonstrated community needs that align with our business interests.

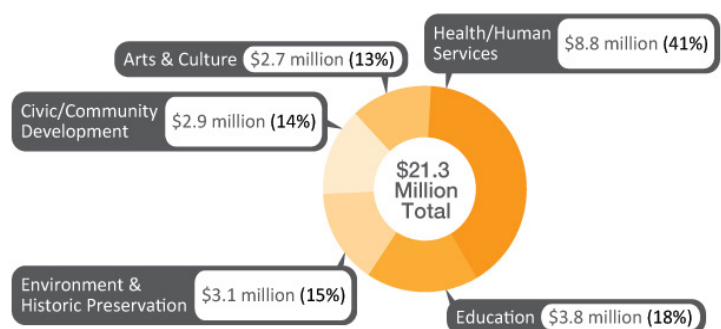
Dominion Foundation Focus Areas

- **Human needs:** food, warmth, energy-efficient shelter, access to basic medical and health care;
- **Environmental stewardship:** protection of natural resources, helping nonprofit organizations increase their energy efficiency;
- **Education:** increasing awareness of the role of energy in the economy, helping develop skill sets for working in tomorrow's energy workforce; and
- **Community vitality:** fostering an appreciation of diversity, stimulating neighborhood revitalization, promoting vibrant community life and cultural initiatives.

2012 Grants

In 2012, the Dominion Foundation made over 1,300 grants in 14 states totaling about \$15 million. The company made an additional \$4.5 million contribution to its EnergyShare fuel assistance program and also provided \$2 million in special events and sponsorship grants. Total charitable giving in 2012 was \$21.3 million.

2012 Charitable Giving



Philanthropy

Selected 2012 grants made by the Dominion Foundation included the following:

Human Needs

- \$425,000 to local food banks in 12 states and the District of Columbia
- \$206,000 to the American Red Cross and other disaster relief agencies in 8 states

Environmental Stewardship

- \$500,000 to the Trust for Public Land in partnership with the Chesapeake Bay Foundation and the city of Virginia Beach, Va.
- \$120,000 to the Chesapeake Conservancy
- \$100,000 to the Pennsylvania Environmental Council for the Western Pennsylvania Environmental Awards Program

Education

- \$1 million in “Higher Education Partnership” grants to 32 colleges and universities in 6 states
- \$360,000 in grants to 78 K-12 schools in 11 states

Community Vitality

- \$100,000 to the Library of Virginia in partnership with the Virginia Historical Society
- \$135,000 to support 18 charitable organizations in West Virginia through Dominion’s charitable golf tournament
- \$100,000 to the Ohio Community Impact Awards program

Matching Gifts Program

We also have a matching funds program to encourage our employees and retirees to support eligible non-profit organizations where they live and work. Eligible gifts are matched on a dollar-for-dollar basis. Employees and retirees may request matching gifts of up to \$5,000 per calendar year.

To encourage volunteer community service, any employee or retiree who serves on the board of directors of a qualified recipient organization or who gives at least 50 hours of volunteer service per year to that organization can request a 2-for-1 match of their gift once each calendar year. The company’s Matching Gifts program is now available to part-time employees, too.

In total, Dominion provided more than \$1.5 million in matching funds to about 1,500 non-profit and educational institutions in 45 states and the District of Columbia in 2012.

A Decade of Community Investments

Dominion Foundation grants, 2003-2012

Category	Amount (in Millions)
Health & Human Services	\$35.9*
Education	\$28.2
Environment/Historic Preservation	\$20.2
Arts & Culture	\$19.5
Community Development	\$15.6
Total	\$119.4

* Includes \$9.6 million to the United Way

Educational Partnerships

Education has long been a strategic focus area of our philanthropic program. Over the past decade, for example, the company has contributed more than \$15 million to support a wide range of K-12 and post-secondary educational programs that target science, technology, engineering and math (STEM) and other subject areas important in the energy industry.

For example, in 2012 we backed a “Triple ‘E’ Energy” program at a middle school in Calvert County, Maryland, where students created working models of three types of energy generation. Students built wind turbines, solar panels and hydropower generators to understand the physics involved in power production.

In Cambridge, Massachusetts, we partnered with the Urban Ecology Institute to expand its field study program for harbor and watershed curricula. The expansion of this program will allow hundreds of additional students to participate in examining soil quality, water quality, bird biodiversity, invasive species ecology, urban trees and aquatic life.

In Marshall County, West Virginia, we helped fund “Green Hands,” a sustainable recycling program for elementary school students in partnership with the Oglebay Institute’s Schrader Center. The program trains teachers in hands-on science activities, including the introduction of a school-wide recycling program.

COMMUNITY FOCUS

Volunteerism



Dominion employee volunteers set a high standard for community service. They teach us what it means to look beyond individual job responsibilities to the larger needs of society.

Engaging & Recognizing Our Volunteers

Our Volunteer Leave Time Policy provides full- and part-time non-union employees with 8 hours of paid time off each year to pursue volunteer activities of their choosing. This is above and beyond any company-sponsored volunteer projects in which they may participate. Volunteer project hours are recorded in the company's volunteer database for documentation purposes.



To pay tribute to our volunteers' outstanding work in the community, we hold an annual recognition banquet in Virginia and Ohio. Since 1986, about 300 Dominion employees have been honored by their peers as "Volunteers of the Year." Each year, 13 employees are chosen by a panel of community leaders for their exemplary community service. Dominion makes a financial contribution in the name of the award winners to a charity of their choosing.

Putting our Energy to Work

Dominion's signature volunteer initiative is "Putting Our Energy to Work for the Environment." Every year in the fall, employees armed with shovels, rakes and paint brushes repair and improve parks and other public spaces in their communities.

In 2012, more than 400 Dominion volunteers in 9 states worked on 16 environmental projects – building kayak ramps, clearing trails and cleaning up parks, among other things. In some communities, local officials and citizens showed their appreciation by working side-by-side with our volunteers.



CUSTOMERS & COMMUNITY

130,000 hrs

of volunteer community service



CUSTOMERS & COMMUNITY

Putting our Energy to Work, 1999-2012

187

environmental projects

7,000

employee volunteers

\$467,000

donated by the Dominion Foundation

Volunteerism

Mentoring our Youth

Whether packing lunches for disadvantaged children or helping high school students prepare for college, Dominion volunteers actively engage with and mentor youth:

- In Pittsburgh, our employees mentor students at Spring Hill Elementary School, located near a Dominion office building;
- In Richmond, company volunteers meet weekly with students at Thompson Middle School as part of the city's "Middle School Renaissance" program to tutor students in math and reading;
- In Northern Virginia, Dominion volunteers pack lunches for the "Weekend Food for Kids" program to ensure adequate nutrition over the weekend.

In recognition of these and other employee volunteer educational outreach initiatives, Dominion received an award from the Virginia Mentoring Partnership in March 2013.

RELATED VIDEO:
[Putting Our Energy to Work](#)

RELATED VIDEO:
[Energizing Our Communities](#)

Energizing our Communities for Veterans

We launched a new multi-state volunteer effort this year designed to benefit active members of the military and their families, as well as veteran organizations. Our employees nominated organizations to receive \$1,000 grants from the Dominion Foundation and up to 25 company volunteers to assist them.

A total of 400 volunteers completed 26 projects in 10 states, most of them just before the Memorial Day weekend. Projects included landscaping the Operation Welcome Home rehabilitation and support center in Morgantown, West Virginia; facilitating veterans visiting war memorials and monuments in Washington, D.C.; and planting a vegetable garden at the Cleveland Veterans Resource Center, which provides transitional housing to vets.

Economic Development



Nothing is more critical to the sustainable success and stability of the economy than abundant and reliable energy. Our mission is to meet these expectations – and do so in an environmentally responsible manner.

Virginia's Favorable Business Climate

Our home state of Virginia has long enjoyed a reputation as one of the nation's best places in which to live and do business. It is consistently ranked among the top five best business climates by Forbes, CNBC, Site Selection Magazine, Business Facilities and Pollina Corporate Real Estate.

In 2012, Dominion's Economic Development team supported the location or expansion of 10 companies in Virginia, including Capital One Financial Corp., Sabra Dipping Co., the Vitamin Shoppe and Sabey Data Center Properties. All together, these companies will create about 700 new jobs and more than \$500 million in new capital investment in our home state.

In our North Carolina service area, ENVIVA Corp. opened a \$75 million sustainable wood pellet manufacturing facility to supply renewable power generators here and abroad.

Competitive Electric Rates

Affordable energy is a key factor in attracting and retaining business investment. Under rates in effect as of July 1, 2013, Dominion's typical industrial rates were extremely competitive: 30 percent below the national average and 36 percent below the East Coast average.

Energy Projects Support Sustainable Growth

A study conducted by George Mason University found that Dominion's 2012 spending for operations and capital improvements contributed \$8.4 billion to Virginia's gross state product – representing almost 2 percent of all economic activity in the state last year. In addition, these expenditures generated a total of \$3.9 billion in personal earnings for Virginia's residents and supported more than 59,000 jobs within the state.

Dominion's current and planned infrastructure modernization program and environmental investments will help meet Virginia's projected 25 percent increase in electricity demand over the next 15 years and also improve air quality by reducing emissions.



CUSTOMERS & COMMUNITY

Virginia has the highest concentration of high-tech workers per capita in the nation



CUSTOMERS & COMMUNITY

\$142 million

in taxes paid to Virginia localities in 2012

RELATED VIDEO:

[Warren County Power Station Update](#)

Economic Development

Data Centers Fuel Economic Growth

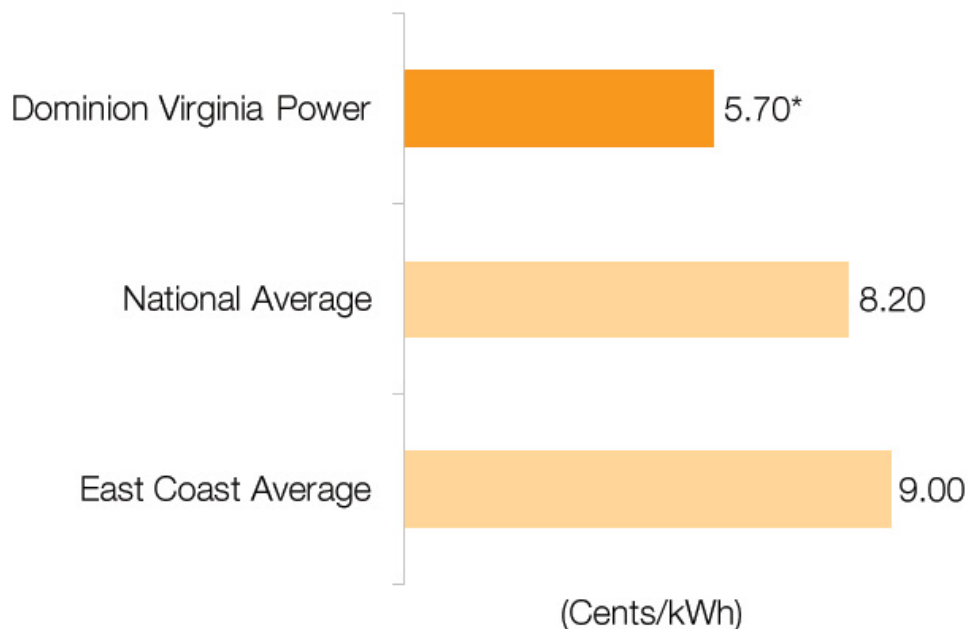
Virginia is home to one of the most significant concentrations of data centers in the world. In fact, more than half of the nation's Internet traffic flows through our service area every day.

In response, we created Dominion Data Center Services last year to provide one-stop service for data center customers through a streamlined connection process and a pre-certified site program. Sites that are suitable for new data centers are identified and pre-qualified throughout our Virginia service area.

Competitive Industrial Rates

(1,000 kW demand/650,000 kWh monthly usage)

Dominion's rates for industrial users are 30% below the national average and 36% below the East Coast average



*Rates effective July 1, 2013 pending regulatory approval.

Source: Edison Electric Institute, "Typical Bills and Average Rates Report, Winter 2013.

Environment

CLIMATE CHANGE

Dominion is fully committed to meeting the carbon challenge responsibly by working for a sustainable solution that balances the interdependent goals of environmental stewardship and economic prosperity.

AIR QUALITY

Dominion's environmental investment program began in the 1990s and has produced significant improvements in air quality – with more benefits still to come.

WATER USE & CONSERVATION

We are fully committed to the responsible use and conservation of water resources, which are critical to our business operations, especially the production of electricity.

BIODIVERSITY & HABITAT PROTECTION

The protection of species and habitats on the lands, rights-of-way, and waterways around our facilities is an integral part of Dominion's commitment to responsible environmental stewardship.

ALTERNATIVE VEHICLES & FUELS

Dominion is actively participating in the development and deployment of alternative vehicle technologies and fuels to help lower greenhouse gas emissions and increase our nation's energy independence.



Compliance and Disclosure



Salem Harbor Power Station in Massachusetts is scheduled to shut down in 2014 because of market conditions and stringent new air regulations that will make the station uneconomic to operate.

[Environmental stewardship](#) is embedded in Dominion's culture and core values and is the responsibility of all employees. We are committed to working with our stakeholders to find sustainable solutions to the energy and environmental challenges that confront our company and our nation.

Our Commitment to Compliance and Disclosure

Dominion's operations are subject to extensive and evolving federal, state and local environmental laws, rules and regulations. We are committed to full compliance with these legal requirements, which requires significant spending for permitting, emissions fees, environmental monitoring, installation and operation of pollution control equipment, biological studies and species protection. (See our [Corporate Environmental Policy](#)).

In addition to routine self-assessments, we periodically audit our facilities to ensure compliance with all relevant environmental rules and regulations. These audits are carried out independent of our operating or environmental staff to promote objective performance assessments.

In 2012, our environmental operating and maintenance expenses amounted to \$189 million, and capital expenditures for environmental improvements were \$213 million. Total environmental spending was \$402 million.

Detailed discussion of the risks associated with Dominion's environmental compliance, including potential greenhouse gas regulation, can be found in Dominion's most recent quarterly report on Form 10-Q, or annual report on Form 10-K filed with the U.S. Securities and Exchange Commission, which are available on the "[Investors](#)" page of our corporate website.

Dominion's emissions data and climate change risks and opportunities are described in full in our [Carbon Disclosure Project \(CDP\) report](#). Our participation in the CDP Water Questionnaire is intended to share data and information about Dominion's overall water use and risk management practices. We also have added water metrics to this report. (See [Water Use & Conservation](#) and our [5-Year Summary Performance Table](#)).

New EPA Regulations

The U.S. EPA has proposed or finalized a number of strict new air and climate regulations. In 2013 and 2014, we expect other new proposed regulations governing coal combustion byproducts and cooling water intake structures and discharges.

Our main options for complying with EPA's new regulations are as follows:

- Retrofit or retire a number of our coal units;
- Convert these units to other fuel sources, such as natural gas or renewable biomass; and
- Add new transmission capacity; or
- Some combination of the three.

Compliance and Disclosure

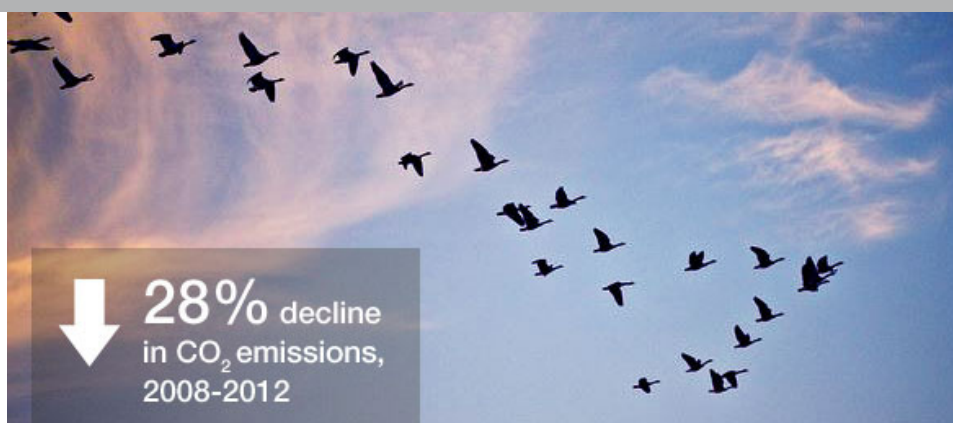
Dominion invested more than \$3 billion in capital improvements to the environmental performance of our generation fleet between 1998 and 2012. In 2013, we will continue those improvements with the conversion of three coal-fired facilities to renewable biomass and another one to natural gas. These conversions will improve air quality by reducing emissions of sulfur dioxide, nitrogen oxide, particulate matter, carbon dioxide and mercury. (See the Fossil Fuel Fleet section of [Operations](#)).

Methane Research Project

The U.S. EPA estimates that natural gas transmission and storage activities account for about 7.5 percent of all domestic methane emissions. Methane is the primary component of natural gas and is considered a greenhouse gas many times more potent than carbon dioxide.

Dominion is partnering in a nationwide field study led by Colorado State University to quantify methane emissions from natural gas pipeline and storage systems. As part of the study, we will provide historic emissions and operating data to complement measurements taken by the research team during the second half of 2013. Study results are expected to be released during the first half of 2014.

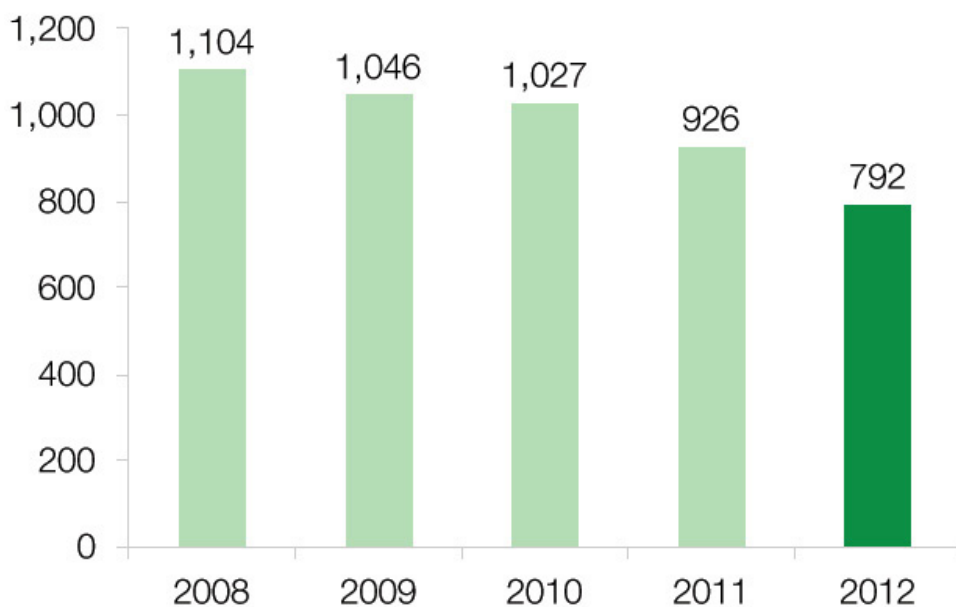
Climate Change



Dominion is fully committed to meeting the carbon challenge responsibly by working for a sustainable solution that balances the interdependent goals of environmental stewardship and economic prosperity.

Reducing Our Carbon Footprint

(CO₂ intensity rate, lbs/net mWh)



28% decline in CO₂ emissions rate, 2008-2012



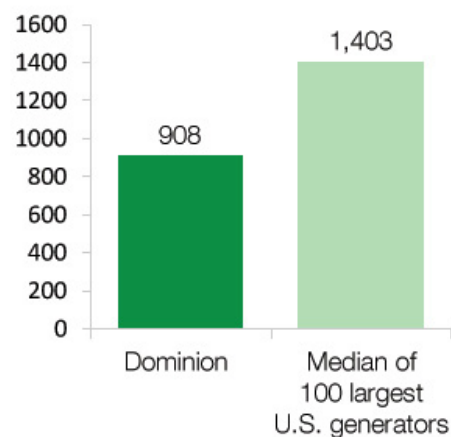
ENVIRONMENT

14%

decline in CO₂ intensity rate
2011-2012

Minimizing Carbon Intensity

(Pounds CO₂ per mWh, 2011 data)



**35% Below the Industry Median
in Carbon Intensity**

Source: M. J. Bradley & Associates, 2013
Report

Climate Change

Our Position

We believe that a national climate change policy should be developed legislatively, together with a sound national energy policy that provides for fuel diversity, a reliable energy supply and affordable electric service. This policy should promote the development and deployment of technology-based solutions, including renewable energy, advanced nuclear, natural gas and clean coal technologies, as well as energy efficiency, conservation and demand-side management programs.

In recent years, Congress has not considered legislation to control GHGs from the three major domestic sources – electric power production, manufacturing and transportation. However, federal regulatory action has continued to move forward. We intend to remain actively engaged with the EPA and others to work for cost-effective and technologically feasible approaches that would provide industry with compliance flexibility and regulatory certainty.

Progress Through Partnership

In 2011, Dominion joined the Business Environmental Leadership Council (BELC) of the [Center for Climate and Energy Solutions](#) (C2ES), formerly the Pew Center for Global Climate Change. We endorse C2ES's mission to ensure that energy is safe, reliable, and affordable for all, and we support efforts to develop consensus-based solutions that address global climate issues.

We are actively participating in two BELC initiatives:

- The Power Sector 2030 Dialogue, which is studying GHG emissions trends in the industry and projecting future demand and potential conservation/energy efficiency impacts by 2030; and
- A project exploring opportunities to reduce GHG emissions by increasing the use of natural gas in the power, transportation and manufacturing sectors of the economy. This project recently concluded with a report issued by C2ES and the University of Texas, titled "[Leveraging Natural Gas to Reduce Greenhouse Gas Emissions](#)."

Our Strategy

Dominion has an integrated strategy for reducing GHG emission intensity. The cornerstone of the strategy is diversification. Its five principal components include initiatives that address energy management, energy production and energy delivery as follows:

- **Enhance conservation and energy efficiency programs** to help customers use energy wisely and reduce environmental impacts
- **Expand our renewable energy portfolio** including wind power, solar, fuel-cell and biomass to help diversify our fleet, meet state renewable energy targets and lower our carbon footprint
- **Build other new generating capacity** including emissions-free nuclear and carbon-capture-compatible clean coal and low-emissions natural gas-fired and fuel cell units to meet future electricity needs
- **Construct new electric transmission infrastructure** to modernize the grid, promote economic security and help deliver more green energy to population centers where it is needed most
- **Divest or close uneconomic coal units** which for market reasons or regulatory costs are unable to operate efficiently

Minimizing Carbon Intensity

Dominion continues to be among the top third of the nation's 100 largest power producers in minimizing carbon intensity.

A 2013 air emissions study produced by M.J. Bradley & Associates LLC found that Dominion produced 908 pounds of carbon dioxide (CO₂) per megawatt-hour (mWh) of electric output in 2011 – about 35 percent below the industry median of 1,403 pounds CO₂ per mWh.

We attribute this achievement to the balance and diversity of our fuel mix, combined with sustained productivity improvements at our power stations and a growing reliance on conservation and efficiency programs.

Climate Change

Improved Efficiency Helps Lower Carbon Intensity

Our generation fleet uses a mix of fossil fuels, uranium and renewable energy sources. We began tracking fleet emissions in 2000. From 2000 to 2012, our company-owned generating stations reduced their average CO2 emissions rate per unit of output by about 39 percent. During that same time period, the generating capacity of our fleet increased by 41 percent.

Improving the efficiency of our existing utility fleet has been a strategic focus over the past several years. Efficiency improvements allow us to squeeze more power out of our units while using roughly the same amount of fuel – and avoiding additional atmospheric emissions – a plus for our customers and for the environment.

These generating unit upgrades are known as “uprates” in the industry. They are achieved by installing larger, state-of-the-art power turbines or advanced instrumentation devices, for example, to allow for more efficient and accurate operations.

From 2009 to 2012, unit uprates added about 172 megawatts of net generating capacity to our utility fleet, providing us with a cost-effective way to help meet the electricity needs of about 43,000 typical Virginia households.

Methane Research Project

The U.S. EPA estimates that natural gas transmission and storage activities account for about 7.5 percent of all domestic methane emissions. Methane is the primary component of natural gas and is considered a greenhouse gas many times more potent than carbon dioxide.

Dominion is partnering in a nationwide field study led by Colorado State University to quantify methane emissions from natural gas pipeline and storage systems. As part of the study, we will provide historic emissions and operating data to complement measurements taken by the research team during the second half of 2013. Study results are expected to be released during the first half of 2014.

Air Quality



Dominion's environmental investment program began in the 1990s and has produced significant improvements in air quality – with more benefits still to come.

Our Commitment to Improved Air Quality

Since 1998, we have made major strides in reducing the environmental footprint of our utility and merchant generating fleets. By 2015, we will have invested more than \$3 billion to achieve significant improvements in air quality as follows:

- Sulfur dioxide (SO₂) emission reductions: 88 percent on average
- Nitrogen oxide (NO_x) emission reductions: 84 percent
- Mercury emission reductions: 89 percent

Sulfur dioxide is a precursor of acid rain and soot, nitrogen oxide is a component of ground-level ozone and a main ingredient of smog, and mercury is a heavy metal that can accumulate in the tissues of wildlife and humans after depositing in our waters and soils.

Landmark Agreement with the EPA

2013 marks the 10-year anniversary of a unique and far-reaching collaboration between the U.S. EPA and Dominion to reduce air emissions from the company's utility coal fleet.

While numerous other electric utilities chose to fight EPA air pollution rules, Dominion decided to work with the agency and exceed what the law required in 2003 regarding SO₂ and NO_x emission levels. At the time of the accord, it was the biggest environmental commitment ever made by a Virginia-based corporation.

As part of the agreement, Dominion committed to invest about \$1.2 billion over 10 years to reduce emissions at eight of our coal stations in Virginia and West Virginia – at little or no cost to our customers.

This proactive collaboration with EPA was a major environmental success story that demonstrates what can be achieved when we combine effective regulation with creativity, technological innovation and responsible environmental stewardship.



ENVIRONMENT

94%

projected drop in mercury
and sulfur dioxide emissions
1998-2020

86%

projected drop in nitrogen
oxide emissions 1998-2020

RELATED VIDEO:

[Cleaner Air from New
Equipment at Chesterfield
Power Station](#)

Air Quality

Meeting the Challenge of New Regulations

We face challenging compliance windows for various proposed new and stricter EPA regulations covering greenhouse gases and other air emissions.

Our main options for complying with EPA's new regulations will be to retrofit or retire a number of our coal units, convert them to other fuel sources (most likely natural gas or renewable biomass) and add new transmission capacity, or some combination of the three. (See "Fossil Fuel Fleet" section of Electric Operations).

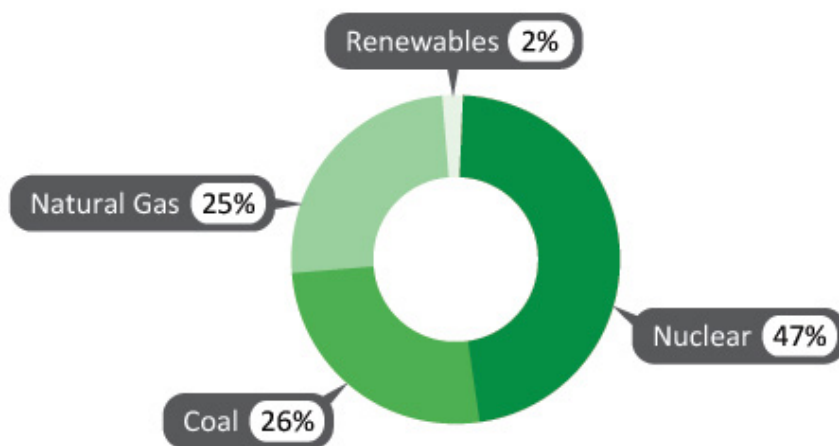
By 2020, when all of EPA's new rules will be in effect, we expect even greater emissions reduction totals from our generating fleet:

- 94 percent decline in mercury and SO₂ emissions from 1998 levels
- 86 percent decline in NO_x emissions from 1998 levels

Highlights of our Commitment to Clearing the Air

- Dominion helped break a deadlock in Congress by being the first utility to publicly support passage of the Clean Air Act Amendments of 1990 – the first major legislation to address acid rain
- Dominion also was the first company to test the Clean Air law's innovative "cap and trade" provision, which gave utilities more flexibility in meeting required emissions limits.
- In 1994 and again in 2002, Dominion installed environmental controls at its largest utility coal station – well ahead of compliance deadlines – bringing air quality improvements to the Shenandoah National Park and other wilderness areas.
- In 2003, we spent \$400 million to convert two Northern Virginia coal units to natural gas and built a high-efficiency gas-fired unit in partnership with the Virginia Department of Environmental Quality to reduce regional ozone levels and help meet federal air quality standards.
- Also in 2003, we signed an historic 10-year, \$1.2 billion emissions reduction agreement with the U.S. EPA – the most ambitious environmental commitment ever made by a Virginia corporation. As a result, state-of-the-art environmental control technologies installed on our utility coal stations prevented more than 1.5 million tons of sulfur dioxide and almost 334,000 tons of nitrogen oxides from entering the atmosphere.

2012 Generation Fleet Production by Fuel*



*Company-owned and operated facilities

Water Use & Conservation



We are fully committed to the responsible [use and conservation of water](#) resources, which are critical to our operations.

Electric Business

We heat highly purified and pressurized water in our steam-electric generating units to produce the steam that spins turbines to generate electricity. Water is also the most common source of cooling for these units, which use either once-through cooling systems or closed-loop systems to remove excess heat.

In 2012, total water withdrawn from rivers and lakes for use in our non-hydro generating units dropped by about 25 percent from 2011 levels, to 3.2 trillion gallons from 4.3 trillion gallons.

About three-fourths of our facilities withdraw water and return it to the source (once through) at a slightly elevated temperature but with little to no consumption involved. The other 25 percent have closed-cycle cooling and withdraw very little water, compared to facilities using once-through cooling.

Other ways that we use water in our operations include:

- water sluicing processes (transporting coal ash);
- water treatment systems (sediment ponds);
- air pollution control equipment (sulfur dioxide scrubbers); and
- drinking and sanitary purposes at our various facilities.

Closed-loop Cooling Towers

In 2012, Dominion completed construction of a \$550 million, twin closed-loop cooling tower system at the company's [Brayton Point station](#) in Massachusetts, the largest fossil-fired station in New England. The towers are now fully operational, and the amount of water withdrawn from Mt. Hope Bay has dropped by more than 90 percent, from about 1 billion gallons per day to about 100 million gallons per day.

Since acquiring Brayton Point in 2005, we have invested more than \$1 billion at the station to improve air and water quality. In March 2013, we announced plans to sell the station as part of a broader strategic decision to exit the merchant coal business.



ENVIRONMENT

3.1 BILLION GALLONS

of water recycled at
Dominion power stations



ENVIRONMENT

25%

decline in water withdrawn
from lakes and rivers in 2012
for use in power stations



Brayton Point Power Station

Water Use & Conservation

Reuse and Conservation

At two of our fossil-fired stations, one located in Virginia and one in Massachusetts, we have partnered with local wastewater treatment facilities to reuse their treated waste water rather than fresh water to supply the scrubbers we use to control sulfur dioxide emissions at the stations.

In 2012, we recycled about 3.1 billion gallons of municipal wastewater at company power stations, according to internal estimates. That represents a decline of about 15 percent from 2011.

As in other areas of our business, we also are successfully making use of the Six Sigma process improvement methodology in a number of projects to reduce our city water usage, the water used in our power station systems, and the river water used in the clarified water systems at various company facilities.

CDP Water Disclosure

In 2011 and 2012, we participated in the [Carbon Disclosure Project “Water Disclosure”](https://www.cdproject.net/CDPResults/CDP-Water-Disclosure-Global-Report-2012.pdf) reporting process to share data and information about Dominion’s overall water use and risk management practices. A copy of our report is available at <https://www.cdproject.net/CDPResults/CDP-Water-Disclosure-Global-Report-2012.pdf>

Natural Gas Business

The water used in our gas transmission and distribution businesses is significantly less than the amount of water that we withdraw or use at our electric generating stations.

We use water to pressure test new and existing natural gas pipelines. This water is filtered and tested before it is discharged in accordance with applicable state and federal permits. Of course, we also use water for drinking and sanitary purposes.

At the [Cove Point LNG](#) terminal on the Chesapeake Bay, we use extracted groundwater as part of the vaporization process that assists in turning LNG into its gaseous form for shipment to domestic and global markets, pending regulatory approval. (See [Public Policy](#)).



Cove Point LNG

We also produce water when operating our gas storage and production wells. The majority of this produced water, known as brine, is collected and injected into permitted underground injection wells (UIC Class II) that are designed and operated for brine disposal. About one-fourth of this produced water is sent to approved off-site disposal facilities for treatment.

Biodiversity & Habitat Protection



A Dominion biologist inserts an acoustic tag into an American Shad as part of a tracking study conducted on the Roanoke River, N.C.

The protection of species and habitats on the lands, rights-of-way, and waterways around our facilities is an integral part of Dominion's commitment to responsible environmental stewardship.

RELATED VIDEO:

[Cove Point Marsh Restoration](#)

Avian and Wildlife Protection

Dominion's avian and wildlife protection program is widely regarded as one of the industry's best. We have received several National Conservation Service Awards from the U.S. Fish and Wildlife Service for our efforts to protect birds from adverse power line impacts.

Dominion was one of the original parties of APLIC ([Avian Powerline Interaction Committee](#)), a global leader in providing guidance to utilities on minimizing harm to bird populations. These guidelines help reduce costly power outages while also providing compliance with laws protecting birds.

Some other examples of our ecosystem conservation initiatives and partnerships include the following:

- **The Center for Conservation Biology Partnership.** With the bald eagle population in Virginia steadily growing, the competition for nesting sites and resources is also increasing. One such nesting site is located on a Dominion transmission structure in central Virginia. With Dominion's assistance, the Center for Conservation Biology at the College of William and Mary is studying this nest using video recording equipment installed by Dominion employees. Monitoring of the nest will improve understanding of bald eagle behavior and population dynamics in Virginia.
- **Cove Point Beach Restoration.** In cooperation with various regulatory, environmental and community groups, Dominion helped rebuild a buffer zone separating the Chesapeake Bay and a freshwater marsh using native grasses and plants. The freshwater marsh provides habitats for many rare plants and animals because of its geographical location. Dominion and the University of Maryland are monitoring the repair and the overall health of the marsh, which involves measuring salinity levels, dissolved oxygen and the tracking of Phragmites, an invasive plant species.
- **Roanoke River Fish Restoration.** Dominion is involved in a long term study of "diadromous" fish populations in the Roanoke River, North Carolina. Diadromous fish, such as American shad and striped bass, generally live in the ocean and return to freshwater rivers to spawn; or like American eels, they live in rivers and migrate to the ocean to spawn.

As the owner of a hydroelectric dam on the Roanoke River, Dominion works with state and federal agencies to assess and implement programs designed to support these fish populations. Examples include:

Biodiversity & Habitat Protection

Wildlife Preservation

Dominion works with the [Keystone Elk Country Alliance](#) and the [Pennsylvania Game Commission](#) to help create safe havens and grazing areas for the elk and deer, which has resulted in a tripling of the herds. We also host an annual “elk tour” for state legislators to showcase the project. The tour is held in conjunction with a Dominion employee volunteer workday in support of various elk conservation projects in the area.

Rare Plant Protection

Since 1995, Dominion has supported the [Natural Heritage Program](#) of the Virginia Department of Conservation & Recreation. The program is intended to preserve the state’s biodiversity through inventory, ecosystem protection and stewardship. Dominion has teamed with the VDCR to conduct surveys of “Threatened and Endangered” (T&E) plants and other rare plants found in open-canopy environments located on the company’s electric transmission and distribution rights-of-way. These areas have been found to harbor 76 T&E and rare plant species and were revisited in 2012 to document their overall health. To support the sustainability of these rare plant species, the team of scientists has incorporated special vegetation management practices at each location.

Land Conservation

Dominion donated 477 acres of unique ecological habitat called Bear Rocks to [The Nature Conservancy of West Virginia](#). The land, located adjacent to the Dolly Sods Wilderness Area, will be used in perpetuity for conservation purposes.

We are also partnering with The Public Land Trust to purchase and preserve a 122-acre waterfront area near Virginia Beach, Va., called [Pleasure House Point](#). The area provides rare public green space and the opportunity to experience shoreline habitat, wetlands and maritime forest that is home to many species of birds and marine life.

Partnerships

A partial list of the many governmental agencies, environmental groups and other NGOs that we partner with to conserve natural resources includes:

- [The Nature Conservancy](#)
- [The National Audubon Society](#)
- [United States Fish and Wildlife Service](#)
- [National Marine Fisheries Service](#)
- [The National Fish and Wildlife Foundation](#)
- [Trout Unlimited](#)
- [The Virginia Department of Game and Inland Fisheries](#)
- [The Virginia Department of Conservation and Recreation](#)
- [The Pennsylvania Game Commission](#)
- [The Maryland Conservation Council](#)
- [The James River Association \(Virginia\)](#)
- [The Niantic River Watershed Committee \(Connecticut\)](#)
- [North Carolina Wildlife Resources Commission](#)
- [North Carolina Division of Marine Fisheries](#)

Resource Conservation, Recycling & Waste Management



ENVIRONMENT

35%

decline in hazardous waste produced, 2011-2012

We strive to minimize the amount of waste we create in our facilities and operations, and to handle and dispose of it responsibly in compliance with all applicable regulations. We also actively seek opportunities to recycle and reuse waste materials.

Data Collection and Measurement

Goals and measurement processes are in place to help us understand and manage our waste footprint and energy use at company facilities. Improved data collection methodologies, especially in regard to our internal energy usage, will help us track and report our annual progress. The company's recycling and reuse activities and results have been reported annually since 1994 through the U.S. EPA's [WasteWise](#) program.



ENVIRONMENT

6%

less electricity consumed in company offices in 2012

We have collected detailed data about company electricity consumption since 2008. We began reporting this data to the [Carbon Disclosure Project](#) in 2010, and comprehensive 2011 and 2012 data is available in this report. (See [5-Year Summary Performance Table](#)).

Engaging Employees

For many years, employee volunteer teams have participated in projects to clean up public highways and parks and recycle plastics and aluminum cans. Through school mentoring programs, our volunteers also teach young people the importance of resource conservation. Employee-initiated projects also have created opportunities to collect and recycle oils, solvents and other liquid substances used in our operations.

In 2012, [Dominion's Executive Sustainability Council](#) set a goal to conduct an energy audit at the company's headquarters complex along the banks of the James River in Richmond, Va. The objective of the project was to develop in-house expertise in evaluating energy consumption at company facilities and to uncover opportunities for cost savings and efficiency upgrades.

The audit team consisted of eight employee volunteers, some of whom are members of the company's Employee Sustainability Team. The volunteers received energy audit training from the Association of Energy Engineers. The scope of their two-day audit in December 2012 included the following areas:

- Analysis of existing energy and water usage and costs;
- Inventory of facility lighting;
- Review of all on-site IT equipment; and
- Inspections of HVAC systems, motors, compressed air systems and building insulation.

The audit team identified potential energy management and cost savings opportunities at our headquarter complex that could reduce electricity usage by more than 726,000 kilowatt-hours a year – equal to about \$56,000 in annual savings. The team's recommendations were presented to the Executive Sustainability Council for further evaluation and action.

Resource Conservation, Recycling & Waste Management

Managing Our Energy Footprint

We have implemented a number of initiatives at various company locations to reduce our energy footprint.

In 2012, for example, a group of Dominion employees were trained in the fundamentals of energy auditing to serve as the nucleus of an internal energy audit team. The team conducted its first energy audit of the company's corporate headquarters campus in November 2012. The audit team identified a number of no-cost or low-cost improvements in the areas of lighting, equipment management and heating/cooling that should produce significant energy use reductions and savings. Other energy audits of company facilities are being planned.

Some other steps we have taken to manage our energy footprint include:

- Preventive maintenance programs to keep equipment in peak condition and delay replacements;
- Energy Management Systems to control lighting and HVAC systems after hours and reduce overall energy use;
- Installation of solar window film and reflective roofs to decrease heat infiltration and increase the efficiency of air conditioning operations;
- Adoption of LEED-certified "green" building standards at three locations;
- Installation of light sensor-activated switches and timers in selected rooms and public spaces;
- Replacement of incandescent lighting in buildings, garages and warehouses with high-efficiency Light-Emitting Diode (LED) lights and compact fluorescent light bulbs (CFLs);
- Partnering with green vendors to recycle thousands of used company computers, monitors and printers to keep them out of public landfills; and
- Implementing "single stream" recycling of co-mingled glass, papers and plastics.

Investment Recovery

In 2012, our Asset Investment Recovery group was able to recycle 26.6 million pounds of scrap metals from electric transformers, wire and cable, circuit breakers and other scrap equipment. This recycled scrap returned approximately \$16 million to the various business units that submitted them.

At our natural gas transmission business, the recycling of more than 5.5 million pounds of surplus steel pipes, valves, flanges and other materials generated about \$500,000 in cash.

Coal Combustion Byproducts (CCBs)

A variety of coal combustion byproducts (CCBs) are created when coal is burned to generate electricity. The primary CCBs include fly ash, bottom ash and flue gas desulfurization sludge.

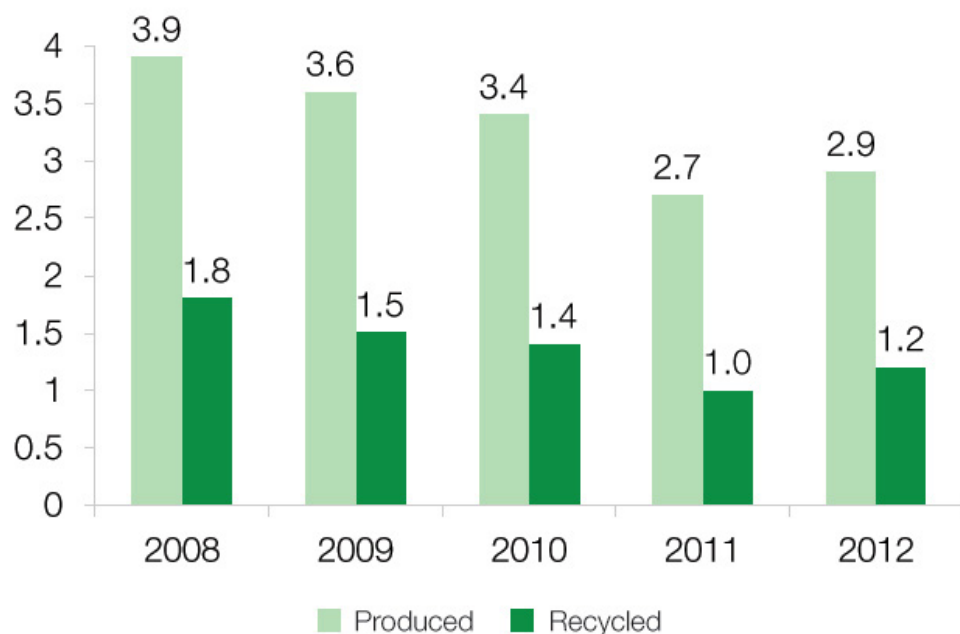
CCBs are typically stored in ash ponds on site, in dry landfills, or recycled for reuse in a variety of commercial applications. Beneficial reuse of CCBs occurs in such products as cement and concrete, dry wall, roofing shingles, plastics and specialty paints.

Dominion's ash ponds and landfills comply with all local, state, and federal environmental regulations. Professional engineers and other specialists monitor the structural integrity of our ash impoundments on a regular basis.

Resource Conservation, Recycling & Waste Management

Coal Combustion Byproducts *

(2008-2012)



*Company-owned generation

The U.S. EPA proposed a rule in 2010 that would create a federal regulatory program for coal ash residuals. A final rule is expected in 2014.

Annual Recycled Materials

(2008-2012, In Pounds)

Category	2012	2011	2010	2009	2008
Coal combustion byproducts ¹	2,348,376,040	2,075,038,380	2,748,131,116	2,950,643,000	3,635,838,000
Gypsum	209,360,000	248,302,000	238,210,000	271,528,000	125,851,200
Biomass combustion products	30,060,860	36,878,000	39,380,000	41,136,000	45,798,000
Oils, fluids for reclamation/recovery	40,651,623	23,464,070	20,228,242	17,372,724	28,447,403
Scrap metals	40,448,632	29,503,127	26,307,330	28,130,017	17,401,225
Paper, cardboard, plastic, glass	3,162,639	3,119,052	2,598,249	2,726,154	2,776,043
e-waste	118,164	89,873	50,865	46,662	146,575
¹ Does not include gypsum	Data provided to EPA WasteWise program				

Alternative Vehicles & Fuels



Dominion is actively participating in the development and deployment of [alternative vehicle technologies](#) and fuels to help lower greenhouse gas emissions and reduce our nation's dependence on foreign oil.

Dominion's Green Fleet

Vehicles powered by alternative fuels (AFVs) now make up nearly 30 percent of Dominion's on-road fleet, which numbers about 5,700 cars and trucks.

More than 800 vehicles in our fleet are powered by B20 biodiesel fuel, and about 250 run on compressed natural gas (CNG), primarily light- and medium-duty pickup trucks at 22 locations in Ohio. The compressed natural gas (CNG) fueling these vehicles displaced the equivalent of about 286,000 gallons of gasoline in 2012. The use of CNG in light-duty pickup trucks typically requires 87 percent less gasoline than regular, gasoline-fueled, light-duty pickup trucks.

Electric technologies make up a smaller but growing portion of our alternative-fuel fleet. In our home state of Virginia, there is a very active emerging market for electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs). We estimate that the EV market has the potential to grow to 86,000, or about 5 percent, of all vehicle sales in Virginia by 2021.

We are adding EVs to reduce our carbon footprint, cut fuel use and test the value of this clean technology in densely-populated areas of our Virginia service territory. The EVs run off of a large lithium ion battery pack, with a range of 40 to 100 miles per charge. We expect annual fuel savings in excess of \$900 per vehicle.

In 2012, we purchased four utility service trucks that use hybrid electric technology to operate the boom when servicing power lines. In addition to the fuel savings and environmental benefits, the hybrid technology offers lower maintenance costs, less noise at service calls, and healthier work conditions for our line crews.



ENVIRONMENT

28%

of vehicle fleet powered by alternative fuels in 2012



ENVIRONMENT

22%

decline in total fleet fuel use, 2008-2012



ENVIRONMENT

286,400

gallons of gasoline displaced in 2012 by NGVs and EVs

Alternative Vehicles & Fuels

Dominion's Green Fleet Portfolio

(As of Feb. 2013)

Vehicle Type	Number
Biodiesel	880
Flex fuel *	480
Compressed Natural Gas	250
Hybrid Electric	20
Plug-in Hybrid Electric	6
Electric	5
Electric & Diesel	2
Total	1,581

*Flex fuel vehicles operate mainly on gasoline due to the scarcity of Ethanol 85.

EV Pilot Program

Beginning in 2011, Dominion Virginia Power customers who drive EVs have been able to take advantage of special charging rates through a pilot program approved by state regulators.

The pilot program is limited to 1,500 customers and will run through November 30, 2014. Data and information gathered from the pilot will help us determine the most sustainable course for supporting electric vehicle charging in the future.

The pilot program provides customers with two discounted rate options:

- An **"electric vehicle only" rate option**, which involves having a second, dedicated meter installed at the customer's house to measure the amount of electricity used to charge a car or truck. Charging prices will be lower during the nighttime hours when power demand is reduced. At these lower "off-peak" prices, we estimate it will cost customers about 54 cents to charge a vehicle overnight for a 40-mile commute.
- A **"whole house" rate option**, which allows customers to take advantage of lower prices for power used by all of their household appliances, including the EV charger, during off-peak hours. Special meters will be installed to measure when, as well as how much, energy is used by the home. Under this rate option, electricity for a 40-mile commute will cost between 51 and 61 cents, depending on the season.

Under standard residential electric rates, it would cost about \$1.10 to charge an EV for a 40-mile commute.

More information about the program is available on our website at the following link: www.dom.com/ElectricVehicle.

Research Initiatives

We are partnering in several public/private research initiatives to test hybrid EVs, collect data and evaluate opportunities to incorporate them into our vehicle fleet.

We have teamed up with General Motors and eight other utilities to test the [Chevrolet Volt Extended Range EV](#) and supporting charging infrastructure. To support the three Volts we received in 2011, four charging stations were installed in Northern Virginia and two more are located at our Richmond headquarters facility. Company employees are driving the Volts to facilitate data collection and analysis by GM and the Electric Power Research Institute.

RELATED VIDEO:
[Dominion Chevy Volts](#)

We are also partnering with the Virginia Department of Mines, Minerals and Energy, Virginia Clean Cities and several other organizations in the [Richmond Electric Vehicle Initiative](#) (REVi). A 2011 grant from the U.S. Department of Energy was used to develop a "Community Readiness Plan" to promote the adoption of EVs and associated charging infrastructure in the Richmond metropolitan area. REVi submitted its plan to DOE earlier this year and continues to work for greater market penetration of EVs in Richmond and throughout Virginia.

2012 Performance Highlights



BUSINESS

2nd

"Most Admired"
electric/gas utility,
Fortune magazine

#84

on "100 Best
Corporate Citizens"
list, *Corporate
Responsibility*
magazine

\$398_{million}

in spending with
diverse suppliers,
a 27% increase
over 2011

\$2.11

per share in
dividends paid,
up 7% from
previous year



WORKPLACE

#44

on "Top 100"
military-friendly
U.S. employers,
G.I. Jobs magazine

20%

decline in
recordable
safety incidents
from 2011

\$1.5_{million}

in employee/retiree
charitable matching
gifts

100%

employee
participation in the
Code of Ethics
training program



CUSTOMERS & COMMUNITY

\$21.3_{million}

in corporate
charitable gifts

36,765

new gas and
electric customer
accounts

130,000_{hrs}

of volunteer service
to the community

\$1.4_{million}

in educational
grants awarded



ENVIRONMENT

14%

decline in CO₂
intensity rate
(carbon emissions
per unit of output)

1,587

alternative-fuel
vehicles – 30% of
total fleet

25%

reduction in water
withdrawn from
lakes and rivers

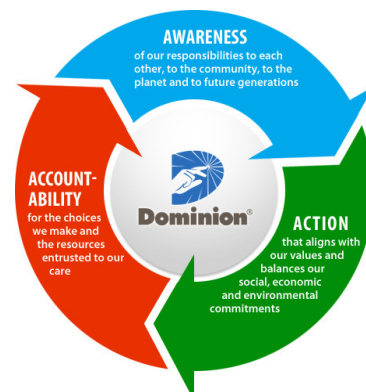
27,000

school children
participated in
Project Plant It!
program

Sustainability Scorecard

In 2011, we set preliminary sustainability goals that correspond to our four focus areas, which are listed below. These focus areas serve as the foundation of our sustainability strategy and the basis for further development and refinement going forward. We will measure performance against them and continue reporting our progress in future editions of this report. Our 2012 sustainability initiatives and results are featured below.

Our Sustainability Model



INVEST IN THE TECHNOLOGIES OF TOMORROW

Goal: Evaluate latest technology research in emerging alternative energy sources; assess commercial viability of renewable energy technologies and conservation/efficiency tools to identify business partnership opportunities

Initiatives	Progress
» Plug-In Electric Vehicles	Pilot program underway through Nov. 2014
» Conservation Voltage Reductions (CVR)	2012: Formed stand-alone business – EDGESM
» Offshore Wind Power	2012: Awarded contract by DOE to lead private/public collaborative to engineer, design and permit a wind turbine demonstration project off the coast of Virginia
» Micro-grid Research Project	2012: Announced partnership with VCU School of Engineering to research and develop micro-grid test site for energy efficiency technologies
» Dominion GreenTech Incubator (renamed Dominion Resources Innovation Center)	2012: Five occupants in advanced technology center created to support start-up companies in clean energy and other industrial sectors

Goal: Meet Virginia Renewable Portfolio Standard Goal: 15% by 2025

» 4% of 2007 sales in VA derived from renewable energy sources between 2010-2015	On target to meet goal
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Goal: Meet North Carolina RPS goal for Energy & Energy Efficiency: 12.5% by 2021

» 3% of 2007 sales in NC derived from renewable power, renewable energy credits and energy efficiency between 2012-2014	On target to meet goal
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Sustainability Scorecard

REDUCE OUR ENVIRONMENTAL FOOTPRINT

Goal: Transition commercial light-duty vehicle fleet to a [green fleet](#) (electric, hybrid and other alternative-fuel vehicles)

Initiatives	Progress
» Replace commercial sedans and SUVs as appropriate with AFVs	2012: Purchased 4 utility service trucks that use hybrid electric technology

Goal: Meet Virginia Renewable Portfolio Standard Goal: 15% by 2025

» Pursue Leadership in Energy and Environmental Design certification for new administrative/warehouse complexes	2012: LEED standards included in EPC contracts at 2 new gas-fired power stations in Virginia
» Track and report annual energy use at company facilities	2012: Reduced internal electricity consumption by 6% below 2011 levels
» Conduct energy audit of corporate headquarters; make recommendations to management and Executive Sustainability Council	Trained internal audit team Conducted headquarters energy audit Reported findings and recommendations to ESC

Goal: Manage our energy footprint at company facilities

» Continue participation in EPA's WasteWise partnership	2012 data submitted to EPA in April 2013
» Seek beneficial uses for Coal Combustion Byproducts (CCBs) that are technically feasible and economically viable	2012: Reused 1.2 million tons of CCBs, or 41% of total produced

Goal: Track methane emissions from gas transmission and storage business; adopt best practices to reduce methane emissions

» Partner with government, NGOs, academia and industry	2012: Completed data collection and submitted to EPA's Natural Gas Star program Collaborating in Colorado State U. and Environmental Defense Fund methane emissions study
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Goal: Utilize best practices to minimize SF₆ greenhouse gas leakage

» Estimate annual SF ₆ emissions from electric operations, implement cost-effective solutions to reduce leakage	2012: Procured new test equipment to identify problematic electrical systems Included SF ₆ BACT limits in air permit for new Brunswick gas-fired power station
--	--

PROVIDE GREEN OPPORTUNITIES FOR CUSTOMERS & COMMUNITIES

Goal: Provide customers with opportunities to support renewable energy and its development

Initiatives	Progress
» Solar Partnership Program	2012: Received regulatory approval to partner with customers in evaluating the impact and benefits of solar power on the electric distribution system May 2013: Announced Old Dominion University, Norfolk, Va., as the program's first partner
» "Schedule RG" Renewable Energy Purchase Program	2012: Filed for regulatory approval to offer large, non-residential customers the option to purchase a larger share of their power needs from renewable energy sources
» Dominion Green Power Program	2012: Exceeded program target of 15,000 participants

Sustainability Scorecard

Goal: Provide customers with energy management & conservation programs

Initiatives

- » Enhance customer opportunities for energy conservation

Progress

2012: Introduced package of 4 new residential and 3 commercial energy conservation program options

Goal: Support NGO projects that protect natural resources

- » Engage employee volunteers and/or provide financial support through the Dominion Foundation

2012 results:
"Putting Our Energy to Work for the Environment" employee volunteer project; completed 16 projects in 9 states with 400 employee volunteers and \$30,000 donation from the Foundation

\$3.1 million in total Foundation giving to environmental/historic preservation projects

Goal: Partner with schools to improve STEM and energy/environmental education

- » Support employee volunteer mentoring and strategic Foundation giving through the Dominion Foundation

2012 results:
Multiple employee-led educational outreach/mentoring activities
\$1 million in "Higher Education Partnership" grants to 32 colleges in 6 states

\$360,000 in grants to 78 K-12 schools in 11 states

Goal: Partner with NGOs to conduct energy efficiency improvements in communities where we do business

- » Align charitable grants with volunteer assistance to implement improvements

2012: Conducted 26 "Energizing our Communities for Veterans" projects in 10 states; provided \$1,000 grants and up to 25 company volunteers per community project

ENGAGE WITH EMPLOYEES AND STAKEHOLDERS ON SUSTAINABILITY ISSUES

Goal: Develop internal sustainability governance framework

Initiatives

- » Integrate sustainability into corporate governance and workforce

Progress

2012: Continued to raise employee sustainability awareness and engagement via regular employee communications

Goal: Enhance company data disclosure and transparency

- » Utilize CSR, other online/print company reports and social media

2012 results:
Participated in Carbon Disclosure Project's "Water Disclosure" reporting process for second time
Joined Colorado State University methane emissions study
Expanded use of social media to engage more fully with customers and employees

Sustainability Scorecard

Goal: Engage with employees and other stakeholders to advance sustainability agenda and partnerships

» Employee focus

2012 results:
Continued “Sustainability Speaker Series” with 3 presentations by external sustainability experts
Promoted use of company sustainability mailbox and CSR survey instrument to facilitate dialogue and feedback
Convened monthly meetings of Employee Sustainability Council and quarterly meetings of Executive Sustainability Council to set goals, monitor progress and plan future activities

» Employee focus

2012 results:
Continued to emphasize outreach and partnership opportunities in areas such as supplier diversity, customer efficiency/conservation programs, philanthropy, volunteerism and community energy assistance initiatives
Met with investor groups and environmental NGOs about sustainability and environmental issues and long-range resource planning process

Performance: Customers & Community

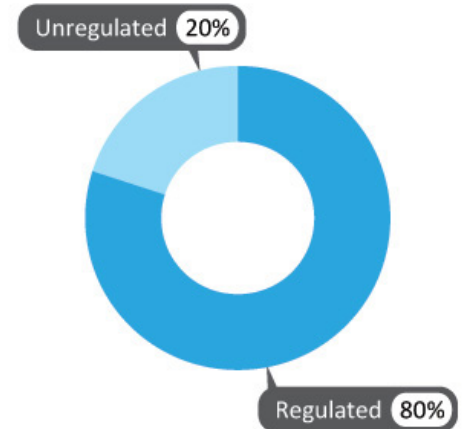
Year-End Stock Price
(Dollars per Share, 2008-2012)



Sustained Dividend Growth
(Dollars per share, 2008-2012)

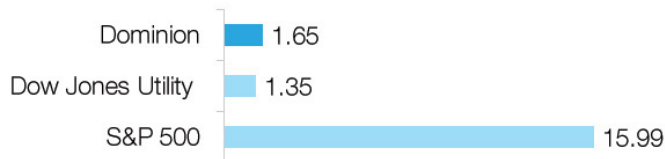


2012 Operating Earnings

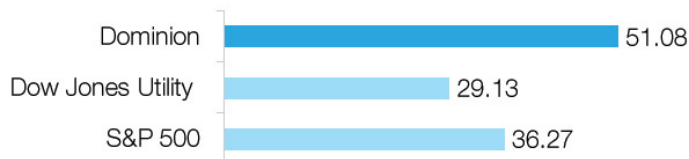


Total Return Comparisons
(% Through 12/31/12)

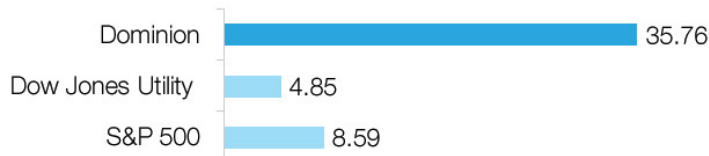
1-Year Total Return



3-Year Total Return



5-Year Total Return



Supplier Diversity Spending
2010-2012

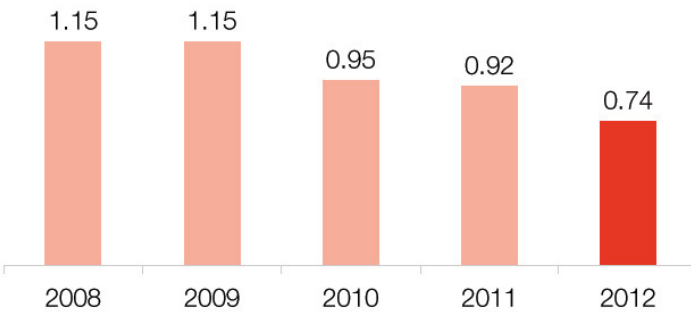
	2010	2011	2012	(+/-) 2011 TO 2012
Diversity Spend Goal	\$265M	\$300M	\$340M	13.3%
Total Supplier Spend	\$4.2B	\$4.3B	\$4.4B	4.1%
Total Diversity Spend	\$312.1M	\$314.2M	\$397.8M	26.6%
% of Diversity Goal Met	117.7%	104.7%	117%	11.7%
% of Diverse Spend to Total Spend	7.4%	7.4%	8.9%	21.7%

Source: Bloomberg

Performance: Workplace

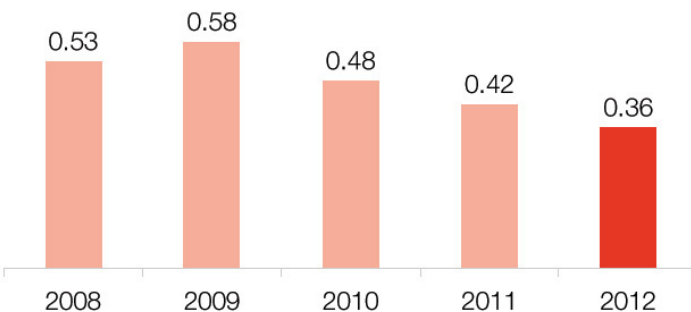
Safety: Our Top Priority

OSHA Recordable Incident Rates*



*Incident Rate = Number of Recordables per 100 Employees Each Work Year

OSHA Lost-time/Restricted Duty Rates



5-Year Safety Performance Table

2008-2012

Year	FTEs *	Man-hours (millions)	OSHA Rec. Incidents	Fatalities	Lost-Day Cases
2008	17,931	35.8	206	0	40
2009	17,842	36.0	209	0	45
2010	15,674	31.5	155	0	44
2011	15,820	32.9	147	0	33
2012	15,569	31.2	117	0	33

* Full-time equivalents

Workforce Diversity at Dominion

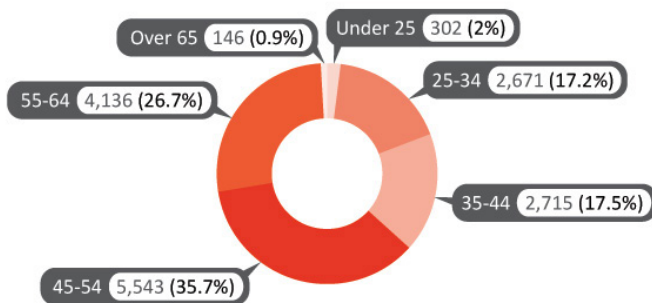
	2012	2011	2010
Total # of employees	15,513	15,820	15,674
Percentage ethnic minorities (work force)	16.9%	16.9%	16.9%
Percentage ethnic minorities (management)	9.7%	9.9%	9.8%
Percentage women (work force)	21.1%	21.2%	21.3%
Percentage women (management)	15.9%	15.5%	14.7%
Percentage union membership	37.1%	37.5%	37.8%

Workforce by Business Unit – 2012*

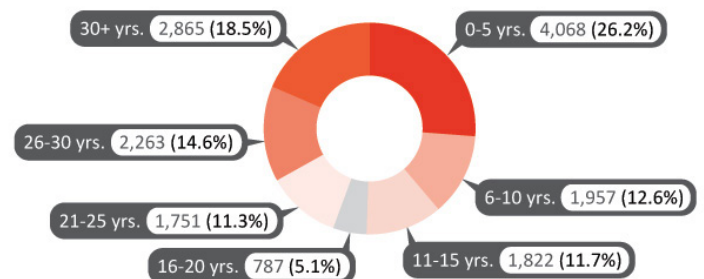
Business Unit	#	%
Dominion Virginia Power	4,005	26%
Dominion Energy	3,064	20%
Dominion Generation	5,952	38%
Dominion Services Company	2,492	16%
DOMINION TOTAL	15,513	100

*Excludes student workers, contractors and credit union workers

Workforce by Age – 2012



Workforce by Tenure – 2012



Workforce Turnover

2010-2012*

	2012	2011	2010
Women	5.1%	5.5%	19.0%
Minorities	5.9%	5.1%	17.0%
Dominion All	5.1%	4.2%	17.8%

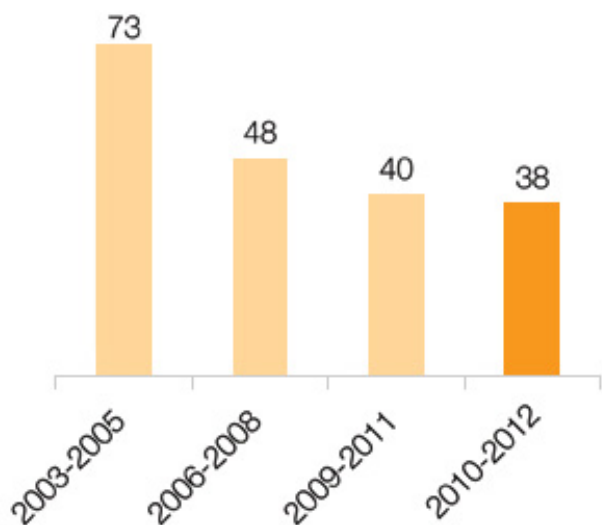
*Resignations, Dismissals, Retirements, Severance Packages, Other

Performance: Customers & Community

Customer Focus

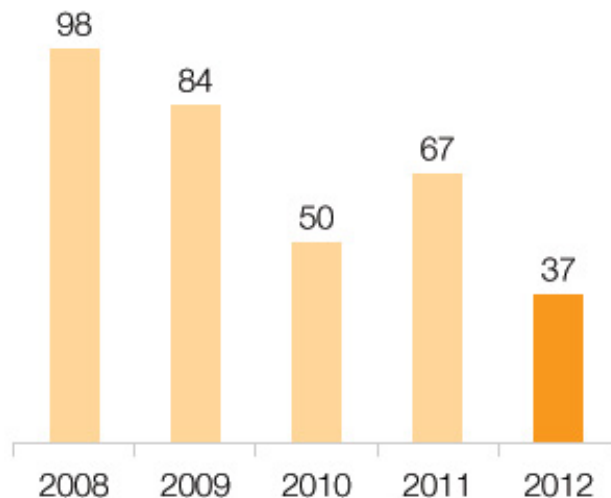
Electric Distribution Customer Inquiries

Average Speed of Answer (seconds)
3-Year Averages



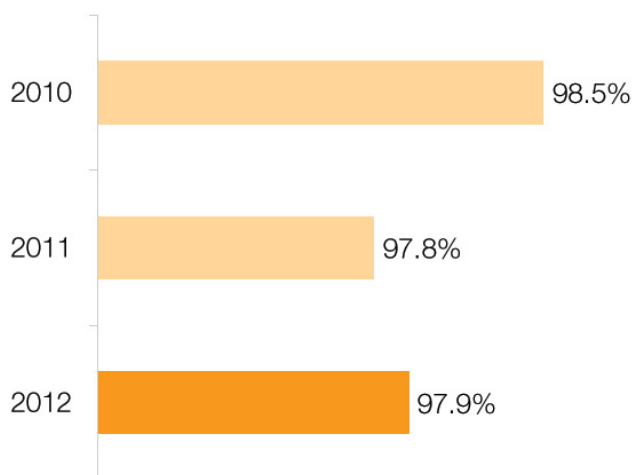
Natural Gas Distribution Customer Inquiries

Average Speed of Answer (seconds)



Natural Gas Delivery Emergency Response Rate, 2010-2012

(Receipt to Arrival Within One Hour)

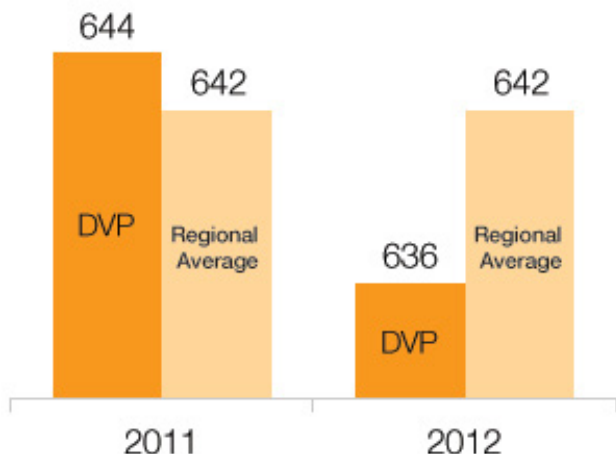


Performance: Customers & Community

Customer Focus

J.D. Power Customer Satisfaction Score

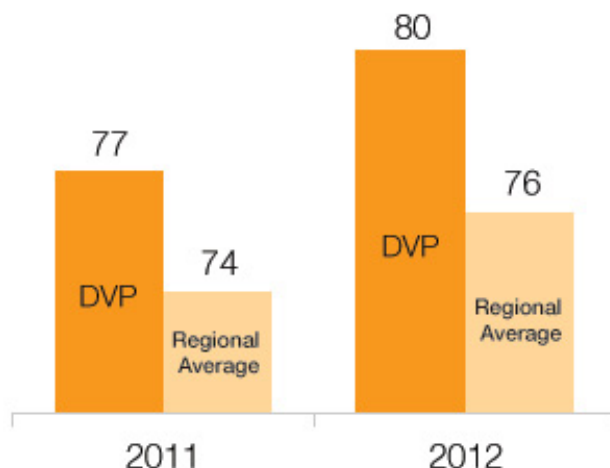
2011 and 2012 [Scale = 1,000]



Source: J.D. Power & Associates, 2012
"Electric Utility Residential Customer Satisfaction Study," South Region.

American Customer Satisfaction Index

2011 and 2012

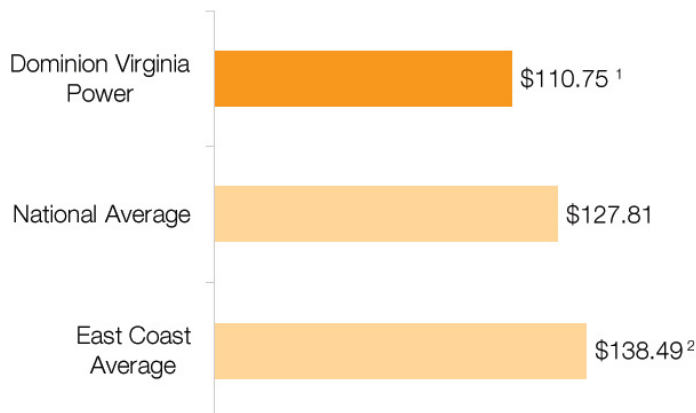


Source: ACSI Benchmark, Electric Utility Sector, April 2012.

Residential Rate Comparison

(Typical Monthly Bills, 1,000 kWh)

Dominion's rates for residential customers are 13% below the national average and 20% below the East Coast average



¹Rates effective July 1, 2013 pending state regulatory approval.

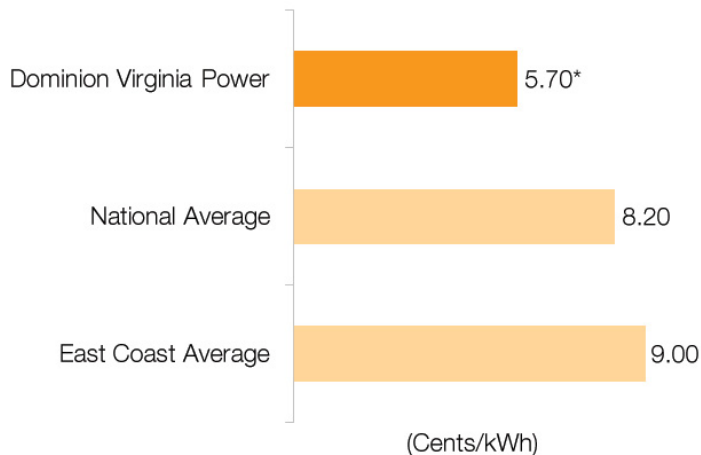
²Includes 15 states and the District of Columbia.

SOURCE: Edison Electric Institute, Typical Bills and Average Rates Report, Winter 2013.

Competitive Industrial Rates

(1,000 kW demand/650,000 kWh monthly usage)

Dominion's rates for industrial users are 30% below the national average and 36% below the East Coast average



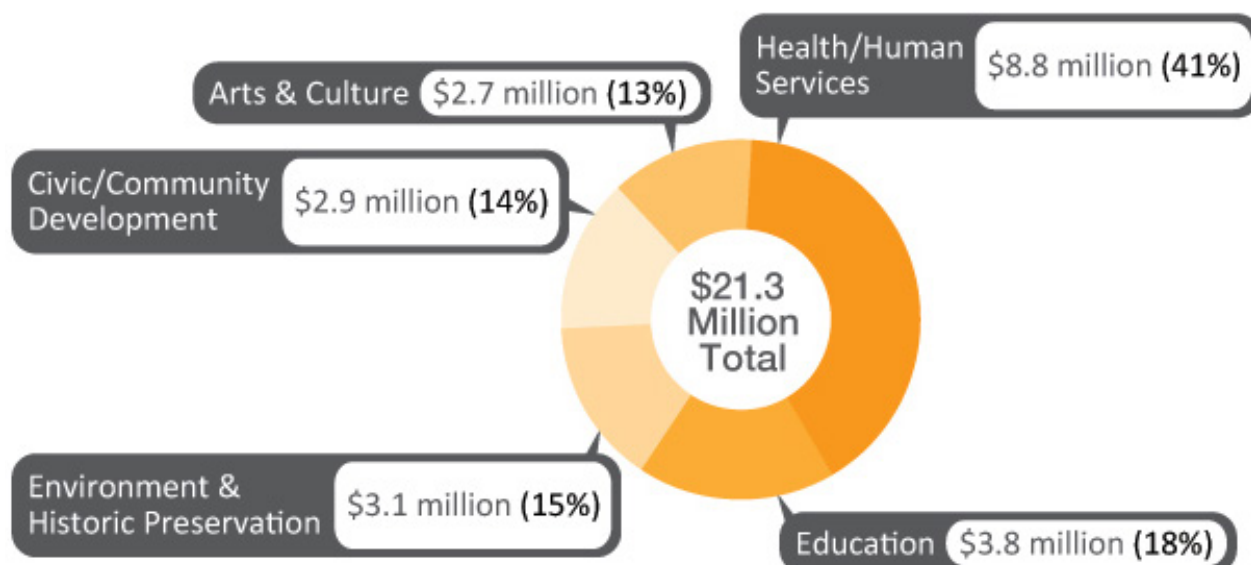
*Rates effective July 1, 2013 pending regulatory approval.

Source: Edison Electric Institute, "Typical Bills and Average Rates Report, Winter 2013.

Performance: Customers & Community

Community Focus

2012 Charitable Giving



A Decade of Community Investments

Dominion Foundation grants, 2003-2012

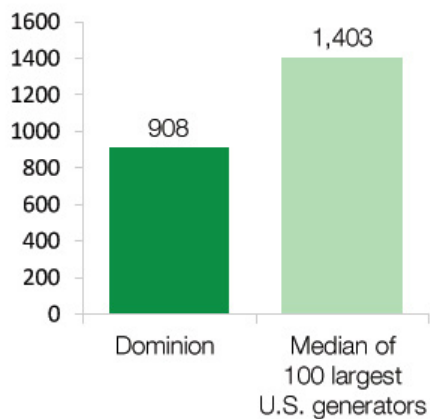
Category	Amount (in Millions)
Health & Human Services	\$35.9*
Education	\$28.2
Environment/Historic Preservation	\$20.2
Arts & Culture	\$19.5
Community Development	\$15.6
Total	\$119.4

* Includes \$9.6 million to the United Way

Performance: Environment

Minimizing Carbon Intensity

(Pounds CO₂ per mWh, 2011 data)

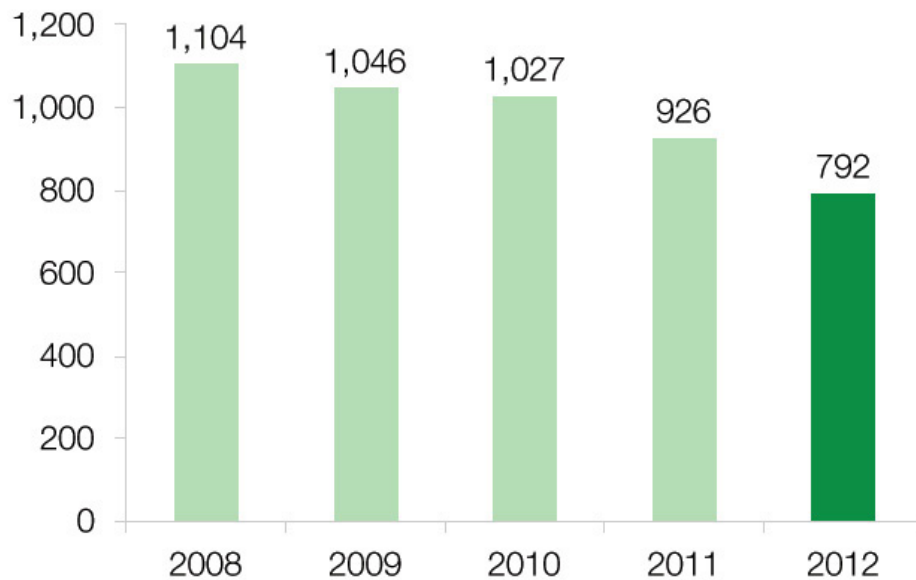


35% Below the Industry Median in Carbon Intensity

Source: M. J. Bradley & Associates, 2013 Report

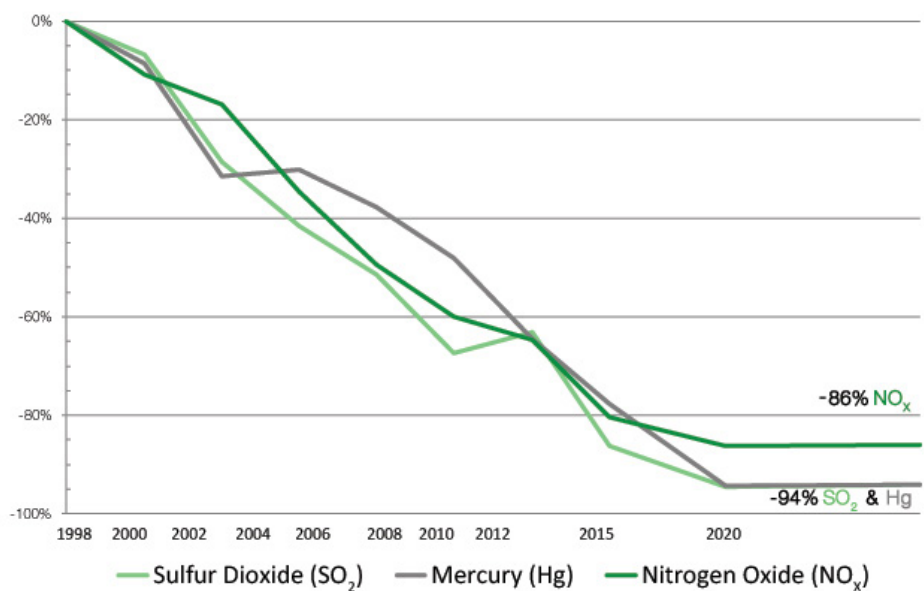
Reducing Our Carbon Footprint

(CO₂ intensity rate, lbs/net mWh)



Total Dominion Emissions Reductions

(1998-2020, projected)



Performance: Environment

Annual Recycled Materials

(2008-2012, In Pounds)

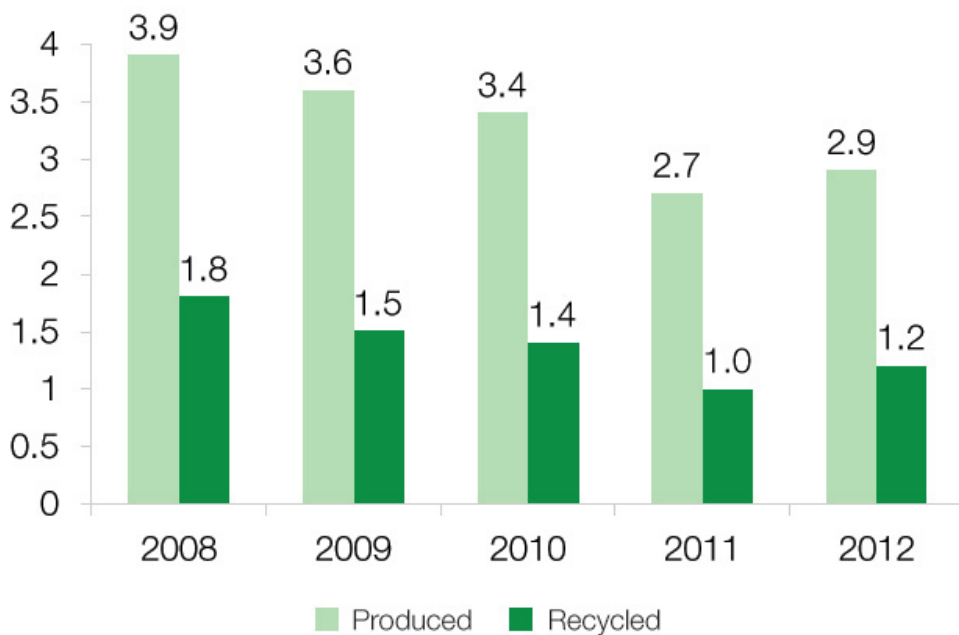
Category	2012	2011	2010	2009	2008
Coal combustion byproducts ¹	2,348,376,040	2,075,038,380	2,748,131,116	2,950,643,000	3,635,838,000
Gypsum	209,360,000	248,302,000	238,210,000	271,528,000	125,851,200
Biomass combustion products	30,060,860	36,878,000	39,380,000	41,136,000	45,798,000
Oils, fluids for reclamation/recovery	40,651,623	23,464,070	20,228,242	17,372,724	28,447,403
Scrap metals	40,448,632	29,503,127	26,307,330	28,130,017	17,401,225
Paper, cardboard, plastic, glass	3,162,639	3,119,052	2,598,249	2,726,154	2,776,043
e-waste	118,164	89,873	50,865	46,662	146,575

¹ Does not include gypsum

Data provided to EPA WasteWise program

Coal Combustion Byproducts *

(2008-2012)



*Company-owned generation

5-Year Performance Summary

Key Indicators	2012	2011	2010	2009	2008
Business					
Operating revenue (billions)	\$13.1	\$14.4	\$15.2	\$14.8	\$15.9
Operating earnings per share (non-GAAP) ¹	\$3.05	\$3.05	\$3.34	\$3.27	\$3.16
Dividends declared per share	\$2.11	\$1.97	\$1.83	\$1.75	\$1.58
Year-end stock price	\$51.08	\$53.08	\$42.72	\$38.92	\$35.84
Total assets (billions)	\$47.3	\$45.6	\$42.8	\$42.6	\$42.0
Total taxes paid (billions)	\$5.55	\$6.1	\$1.39	\$1.87	\$8.3
Spend w/ diverse suppliers (millions) / % of total	\$398 / 8.9%	\$314 / 7.4%	\$312 / 7.4%	\$239 / 5.1%	\$204 / 4.4%
Workplace					
Total # of employees	15,513	15,820	15,800	17,842	17,931
Employee turnover	5.1%	4.2%	17.8%	3.2%	5.0%
Percentage ethnic minorities (work force)	16.9%	16.9%	16.9%	16.8%	16.6%
Percentage ethnic minorities (management)	9.7%	9.9%	9.8%	10.0%	9.6%
Percentage women (work force)	21.1%	21.2%	21.3%	21.8%	21.5%
Percentage women (management)	15.9%	15.5%	14.7%	14.7%	13.9%
Percentage union membership	37.1%	37.5%	37.8%	37.1%	37.6%
Safety – recordable incidents	117	147	155	209	206
Safety – lost day cases	33	33	44	45	40
Fatalities	0	0	0	0	0
Customers					
Ave. annual minutes w/o power	105	111	114	110	120
New customer accounts (gas & electric)	36,765	35,232	36,188	39,717	47,378
Customer satisfaction score / regional ave. ²	636 / 643	644 / 642	636 / 640	619 / 635	611 / 630
Community					
Charitable giving (millions) ³	\$14.8	\$15.1	\$14.9	\$18.9	\$19.3
Employee/retiree matching gifts (millions)	\$1.5	\$1.5	\$1.5	\$1.5	\$1.4
Energy assistance programs (millions) ⁴	\$4.5	\$4.5	\$4.5	\$3.5	\$6
Employee volunteerism (hours)	130,000	160,000	150,000	125,000	120,000
Educational grants (thousands) / # of schools ⁵	\$1,400 / 110	\$1,400 / 104	\$857 / 83	\$341 / 52	\$317 / 60
Environment					
Total expenditures (millions)					
- Environmental O&M	\$189	\$184	\$228	\$252	\$208
- Environmental Capital	\$213	\$403	\$351	\$266	\$254
Total CO2 emissions (millions of tons) ⁶	36.23	42.10	56.43	57.43	59.26
CO2 intensity rate (lbs/net mWh) ⁶	792	926	1,027	1,046	1,104
Nitrogen oxide emissions (tons) ⁷	42,184	57,638	73,231	55,800	77,491
Sulfur dioxide emissions (tons) ⁷	50,732	96,696	143,279	159,209	155,857
Mercury emissions (lbs) ⁸	509	845	1,065	1,487	1,740
Coal ash produced / reused (million tons) ⁹	2.9 / 1.2	2.7 / 1.0	3.4 / 1.4	3.6 / 1.5	3.9 / 1.8
Hazardous waste produced (million lbs) ⁹	2.0	3.1	3.3*	5.9	3.1
Water withdrawn (billion gallons) ¹⁰	3,216	4,283	4,553	N/A	N/A
Water reused/recycled (million gallons) ¹⁰	310	364	334	N/A	N/A
Electricity consumption (mWh) ¹¹	103,995	110,358	N/A	N/A	N/A
Notices of Violation (NOVs)	13	15	12	8	20
Environmental fines paid	\$43,245	\$43,460	\$19,048	\$135,425	\$101,270
Key Indicators	2012	2011	2010	2009	2008

¹ For more on operating revenue and total assets, see Dominion's 2012 Form 10-K/Selected Financial Data. The company's operating EPS is based on Non-GAAP Financial Measures. See [GAAP Reconciliation Table](#).

² J.D. Power and Associates, Electric Utility Residential Customer Satisfaction Study, South Region, 1,000-point scale.

³ Data excludes donations to EnergyShare and special events donations.

⁴ Company sponsored; prior to 2006, Dominion's EnergyShare program was funded primarily by customers, local businesses and Dominion employees.

⁵ Beginning in 2010, data reflect combined K-12 and higher educational grants. Prior to 2010, data is for K-12 grants only.

⁶ All combustion-based emissions for company-owned sources. Beginning in 2009, reported as CO2e, which includes methane and nitrous oxide emissions.

⁷ All combustion-based emissions for company-owned electric generation and gas operation sources.

⁸ Based on Toxic Release Inventory air emissions reporting.

⁹ Does not include gypsum. Data for 2008-2011 restated to include scrubber material.

¹⁰ Company-owned and operated generation, excluding hydro and wind.

¹¹ Partial data collection began in 2008 with results reported through the Carbon Disclosure Project since 2010. Calendar year 2011 results are comprehensive and will serve as a baseline for future reporting of electricity use at company-owned office buildings.

¹² Reflects only the amount of municipal wastewater recycled at company facilities; 2010 and 2011 data have been modified to exclude other internal reuse categories previously reported.

*Restatement of data reported in previous CSR.